Chola
Enter a better life

EXPANDING HORIZONS

Exploring, Engaging & Empowering

Cholamandalam Investment and Finance Company Limited

Annual Report 2021 - 22

Chola

Enter a better life

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

Forward-looking statement

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

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

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

EXPANDING HORIZONS

Exploring, Engaging & Empowering

Chola has a growing presence in the financial market despite the pandemic. Chola extended beyond and explored new horizons to cater to the changing needs of millions of customers. Chola launched two new businesses, Consumer & Small Enterprise Loan and Secured Business & Personal Loan. Chola acquired Payswiff Technologies Private Limited and also invested in Paytail Commerce Private Limited to participate in the fintech space. With a focus on end-to-end digitization, Chola continues to push digital transformation at the forefront. FY 22 has been a year of Expanding Horizons for Chola.

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MANAGEMENT REPORTS

FINANCIAL STATEMENTS

AUDITORS

M/s. Price Waterhouse LLP
252, Veer Savarkar Marg, Shivaji Park,
Dadar (West), Mumbai 400028

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Vellayan Subbiah

Mr. N. Ramesh Rajan

Mr. Ashok Kumar Barat

Mr. Anand Kumar

Ms. Bhama Krishnamurthy

Mr. Bharath Vasudevan

Mr. M.A.M. Arunachalam

Mr. Rohan Verma

Mr. Ravindra Kumar Kundu

SECRETARY

Ms. P. Sujatha
Phone: 044 40907172 (B) 40907055 (D)
Fax: 044 25346464
E-mail: sujathap@chola.murugappa.com

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER

L65993TN1978PLC007576

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Limited
(Formely KFin Technologies Private Limited)
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032
Phone: 040 67162222 | Toll-free No.: 1800-309-4001
Fax: 040 23420814

CHOLA'S STATEMENT OF PURPOSE

Believe

IN INDIA | IN CHOLA | IN YOURSELF

BELIEVE IN INDIA

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

BELIEVE IN CHOLA

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

This is our purpose.

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

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

BELIEVE IN YOURSELF

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

ABOUT CHOLA

OUR VISION

Enable Customers to Enter a Better Life.

OUR MISSION

Customer First

Switch from product focused to customer focused

Improving Efficiencies

Long term Customer focus requires profitability and sustainability

People Power

People are our Primary Asset. Happier people = Happier Customers

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

Chola operates from 1,145 branches across India with Assets Under Management above ₹82,000 Crores. The subsidiaries of Chola are Cholamandalam Securities Limited, Cholamandalam Home Finance Limited and Payswiff Technologies Private Limited.

Key Facts

1,145 Branches Nationwide

AUM- INR **82,000+** Crores

18.7+ lakh customers

PRODUCTS WE OFFER

COMMERCIAL VEHICLE LOANS

PASSENGER VEHICLE LOANS

TWO WHEELER LOANS

TRACTOR LOANS

CONSTRUCTION EQUIPMENT LOANS

LOAN AGAINST PROPERTY

HOME LOANS

SME LOANS

SECURED BUSINESS & PERSONAL LOAN

CONSUMER & SMALL ENTERPRISE LOAN

MICRO LAP

THREE WHEELER LOANS

CHOLA WEALTH
Let's Grow Together

Payswiff
SUCCESS, CREDITED.
ONLINE PAYMENT GATEWAY SERVICES

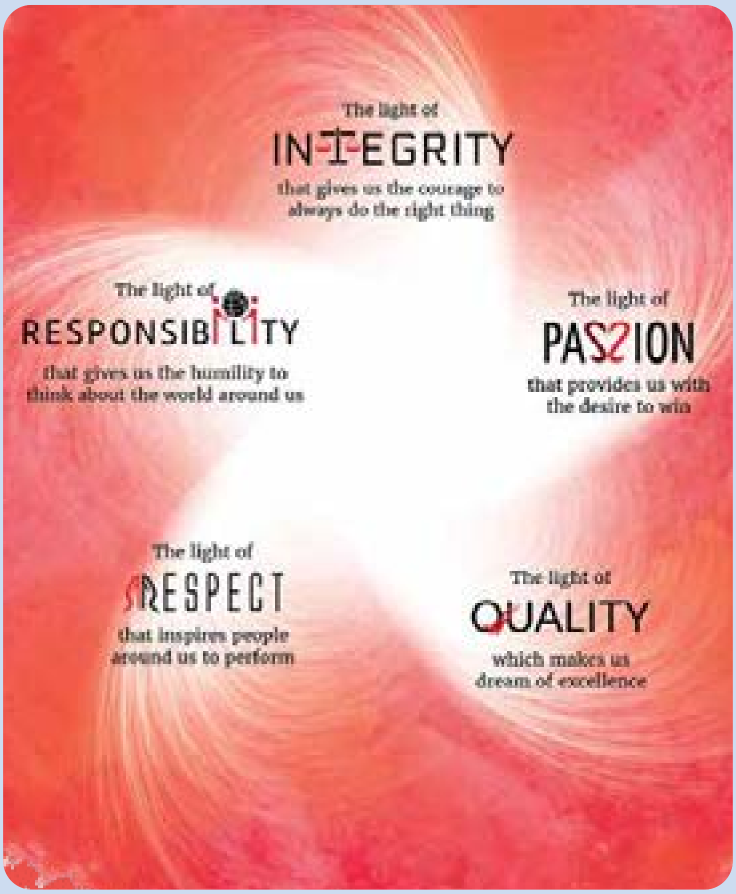
ABOUT MURUGAPPA GROUP

Founded in 1900, the INR 417 Billion Murugappa Group is one of India's leading business conglomerates. The Group has 29 businesses including ten listed Companies traded in NSE & BSE. Headquartered in Chennai, the major companies of the Group include Carborundum Universal Ltd., CG Power and Industrial Solutions Ltd., Cholamandalam Financial Holdings Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd. and Wendt (India) Ltd.

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

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

For more details, visit www.murugappa.com



OUR JOURNEY

FY 2022

2022

Acquired Payswiff Technologies Pvt. Ltd |
Highest disbursement in the history of Chola |
AUM crossed ₹82k Cr |
Launched Consumer & Small Enterprise Loan (CSEL),
Secured Business & Personal Loan (SBPL)

FY 2021

2021

AUM crossed ₹ 76k Cr |
Increased branch network to 1137

FY 2016-20

2020

AUM crossed ₹ 66k Cr | Increased branch network to 1091 |
Maiden issue of Masala Bonds with CDC and ECB with IFC |
Equity infusion of ₹ 1200 Cr (QIP & Pref issue)

2019

AUM crossed ₹ 54k Cr | PAT crossed ₹ 1000 Cr |
Increased branch network to 900

2018

AUM crossed ₹ 43k Cr |
Increased branch network to 873

2017

AUM crossed ₹ 35k Cr |
Adopted GNPA recognition at 90 days |
Increased branch network to 703 |
Setup of GaadiBazaar Dealer Platform

2016

Adopted GNPA recognition at 120 days |
Total AUM crossed ₹ 30k Cr

FY 2011-15

2015

Adopted GNPA recognition at 150 Days |
Increased branch network to 534

2014

AUM crossed ₹ 24k Cr | Commenced CE Business

2013

AUM crossed ₹ 19k Cr | Commenced HL Business |
Increased VF branch network to 473

2012

AUM crossed ₹ 13k Cr | Commenced tractor business

2011

Obtained AFC status | Terminated JV with DBS |
Launch of Mobile App

FY 2006-10

2010

Sold AMC Business | Focus on Secured Lending Lines
(Vehicle Finance, Home Equity)

2009

Exited Consumer Finance Business

2008

Rights issue of ₹ 200 Cr

2007

Commenced Home Equity Business

2006

JV with DBS Bank, Singapore |
Commenced Consumer Finance

FY 1990-2005

Commenced vehicle finance business
Started Chola Securities | Started Chola Distribution

FY 1979

Commenced equipment financing

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

FY 21 ended with hope that the COVID-19 pandemic was finally behind us. However, the second wave of the pandemic affected the lives and jobs of millions of Indians in the 1st quarter of FY 22. Through this phase, team Chola worked tirelessly to ensure the health and safety of our people and their families. Our learnings from the first wave enabled us to be nimble and alter 'ways of working' to ensure business continuity and rapid return to normalcy. Despite the changing world order, driven primarily by the pandemic and unstable geo-political situation, I am very pleased to inform that your company continues to grow from strength to strength - closing the year with the best-ever disbursals, collections, and profitability in Q4 of FY 22.

Last year, we embarked on a journey to chalk-out Chola's strategy for the next decade. We have successfully put in place the building blocks for the next wave of profitable growth, thereby making FY 22 the year of 'Expanding Horizons'.

I would like to highlight a few of the key initiatives that we launched:

1. Ecosystem focus - Planned and well deliberated expansion across SME and consumer ecosystems through three new business lines:
   a. Consumer and Small Enterprise Loans - focused on business loans, professional loans, and personal loans.
   b. Secured Business and Personal Loans - focused on secured business loan against self-occupied residential property or commercial cum-residential property as collateral.
   c. SME Loans - a wide suite of products including supply chain financing, term loans for capex, loan against shares, funding on hypothecation of machinery for specific industries, etc. to India's SMEs.
2. Strategic acquisition of stake in Payswiff technologies Private Limited, a payments solution provider in India and Paytail Commerce Private Limited, a Fintech focused on offline Buy-now-pay-later through brand partnerships.
3. Strengthened the tech infrastructure to enhance flexibility, modularity, security, and scalability of our systems.
4. Adoption of 'Lean' and 'Kaizen' at an organization level to drive process efficiencies and reduce risk across all businesses and functions.
5. Development of Environmental, Social, and Governance (ESG) framework, thereby enhancing our position as a responsible lender.

Industry Review

Despite the impact of the pandemic on the first quarter, most segments have shown positive recovery trends. The Government has taken multiple steps to help overall business sentiment.

Vehicle Finance

- The Commercial Vehicle industry grew by 26% in FY 22 due to factors such as pent-up demand for light commercial vehicles, last mile connectivity of small commercial vehicles and low base effect of previous year for heavy commercial vehicles.
- The Passenger Vehicle (Car & MUV) segment had a growth of 14% in FY 22 supported by improved semiconductor supplies towards the end of the year and increased demand for utility vehicles due to a shift in customer preferences.
- The Two-wheeler industry grew by 11% in FY 22, this segment rebounded from the impact of the pandemic on rural demand.
- Used vehicle business contributed to 33% of disbursement volumes and was the least impacted segment in FY 22 indicating a cautious approach by customers towards buying new vehicles due to the macro-economic environment.
- The Construction Equipment segment had a marginal growth of 8% in FY 22 due to increasing cost of equipment prices, muted rentals and monsoon related impediments which impacted the road and construction sector.
- The Tractor industry had a minimal growth of 6% in FY 22 attributed by the huge base in FY 21, which was the ever all-time high for tractor sales in India.

Loan Against Property

Loan Against Property (LAP) portfolio across NBFCs is estimated to have grown 3% in FY 22, with many players shifting their focus to non-LAP portfolio in second half of FY 22 driven primarily by normalizing of business activity.

Home Loans

Affordable housing portfolio across NBFCs and HFCs is estimated to have grown at 13-14% in FY 22. The second wave hampered loan offtake in the first quarter of FY 22. However, the second half of FY 22 witnessed recovery, driven by pent-up demand in housing, assistance from state and central Government schemes, increase in penetration by affordable HFCs in tier II and III cities, and a milder impact of the 3rd wave.

Company Review

Your company has achieved record disbursement in Q4 FY 22 of ₹ 12,718 Cr. and overall ₹ 35,490 Cr. in FY 22 (58% and 36% growth respectively). We achieved a business AUM growth of 10% YoY reaching ₹ 76,907 Cr. PBT stood at ₹ 929 Cr. for Q4 FY 22 (187% Growth) and ₹ 2,891 Cr. for FY 22 (42% Growth).

With the changing market conditions, the regulators continued to be pro-actively issuing new controls to steer the economy towards growth. The RBI, in particular, has made significant changes to regulatory requirements in the NBFC sector. I am happy to inform you that we have been very agile and responsive to these requirements, across all areas including NPA recognition and provisioning methodologies.

Chola's well-structured ALM and market risk management enabled us to get the best out of the soft interest regime supported by the RBI, with our cost of funds among the best in our peer group.

Your company's focus on CSR activities continued during the year. As in other years we ensured that the budget was fully utilised, and all the approved programs were implemented effectively. We also participated in the efforts of the Government in providing support to the community during the pandemic.

Our long-term outlook for the Indian economy continues to remain bullish, driven by the changing geo-political scenario and the proactive steps taken by the Government to drive manufacturing in India. Chola's legacy and strong platform coupled with the new initiatives gives us confidence to scale new heights and remain a relevant player in the country.

Our employees continue to be the greatest strength of Chola. As always, they have worked with extraordinary commitment during the last year. I express my gratitude to all our employees and their families for their sustained support during these tough times. I would like to thank the Board for their guidance and support. I would also like to thank our customers, bankers, rating agencies and business partners for their continued trust and patronage.

On behalf of the Board of Directors of Chola I wish to thank you all for your continued trust, confidence, and support.

Best wishes,

Vellayan Subbiah
Chairman

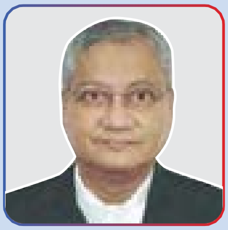
BOARD OF DIRECTORS

Mr. Vellayan Subbiah
(52 years) DIN: 01138759
Chairman &
Non-Executive Director

- Holds a Bachelor of Technology in Civil Engineering from IIT Madras and an MBA from the University of Michigan.
- Has over 25 years of experience in the varied fields of consulting, technology, projects, financial services and engineering in different positions across different industries.
- Has worked with Mckinsey and Company, 24/7 Customer Inc. etc.
- Was a recipient of the Extraordinary Entrepreneur of the Year - TiECON 2014 Award.
- Was the Managing Director of Tube Investments of India Limited (TII) from August, 2017 to March, 2022. Is the Executive Vice Chairman of TII effective 1 April, 2022.
- Is the Chairman of CG Power and Industrial Solutions Limited and a director on the Boards of various other companies including SRF Limited and Cholamandalam Financial Holdings Limited.
- Was the Managing Director of Chola from August, 2010 to August, 2017. Has been the Chairman of Chola effective 12 November, 2020.

Mr. N. Ramesh Rajan
(65 years) DIN: 01628318
Independent Director

- Graduate in Commerce, a fellow member of the Institute of Chartered Accountants of India.
- Has 40 years of experience in the fields of finance, strategy and operations.
- Was the Chairman and Senior Partner, PwC India responsible for overall strategy and operations of all PwC entities in India.
- As Chairman & Senior Partner had represented India on the Global Strategy Council of PwC International and served as a member on PwC's Central Cluster led by PwC, UK.
- Is the founder and senior partner of LeapRidge Advisors LLP.
- Is the Chairman of Indo National Limited and is also on the Boards of TTK Healthcare Limited, Kineco Limited and Rane (Madras) Limited.
- Joined the Board of Chola on 30 October, 2018.



Mr. Ashok Kumar Barat
(65 years) DIN: 00492930
Independent Director

- Graduate in Commerce, a Fellow member of the Institute of Chartered Accountants of India, Institute of Company Secretaries of India, Associate of the Institute of Chartered Accountants of England & Wales and CPA (Australia). Is a certified Mediator empanelled with the Ministry of Corporate Affairs, Government of India.
- Retired in 2016 as the Managing Director and Chief Executive Officer of Forbes & Company Limited. Has held leadership positions in various Indian and multinational organizations, both in India and overseas - Hindustan Lever Limited, RPG Group, Pepsi, Electrolux, Telstra, and Heinz.
- Is a director on the Boards of DCB Bank, Mahindra Intertrade, Bata, Huhtamaki, Alembic Pharmaceuticals and Birlasoft. Is a Member of Managing Committee of ASSOCHAM.
- Is the past President of the Bombay Chamber of Commerce and Industry and The Council of EU Chambers of Commerce in India.
- Joined the Board of Chola on 31 October, 2017.

BOARD OF DIRECTORS

Mr. Anand Kumar
(54 years) DIN: 00818724
Independent Director

- Holds an MBA from Vanderbilt University, United States of America.
- Is a co-founder and Partner of Gateway Partners, an investment firm focused on growth capital and strategic opportunities across markets in Southeast Asia, South Asia, the Middle East and Africa.
- Has over 29 years of experience in investments, mergers & acquisitions, equity capital markets and leveraged finance in South and Southeast Asia with a strong network of relationships in the region.
- Prior to co-founding Gateway Partners in 2014, has held leadership positions in several leading investment banks including Standard Chartered Bank and Morgan Stanley.
- Is a non-executive director of TVS Supply Chain Solutions Limited and independent director of Tube Investments of India Limited and a few other companies in India and abroad.
- Joined the Board of Chola on 16 March, 2021.

Ms. Bhama Krishnamurthy
(67 years) DIN: 02196839
Independent Director

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

Mr. Bharath Vasudevan
(47 years) DIN: 09104808
Independent Director

- Holds a B.Tech in Mechanical Engineering from IIT Madras and MBA from Indian Institute of Management - Bangalore.
- Has over 25 years of experience in the fields of financial services, risk management, product management, treasury, digital marketing, data science and technology.
- Is the Chief Revenue Officer of Trust IQ Pvt. Ltd., an advanced data science and technology company and one of the largest providers of credit risk profile in Asia.
- Was the Enterprise Risk Officer and Head of Risk, Analytics and Underwriting functions of Bajaj Finance Limited between 2014 and 2018.
- Was the Regional Head of Risk Analytics, Head of Portfolio Management Division in Standard Chartered Bank.
- Spent 9 years at Capital One, USA, driving numerous advanced analytic led strategies in the Risk and Product domains.
- Joined the Board of Chola on 16 March, 2021.

BOARD OF DIRECTORS

Mr. M.A.M. Arunachalam
(55 years) DIN: 00202958
Non-Executive Director

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

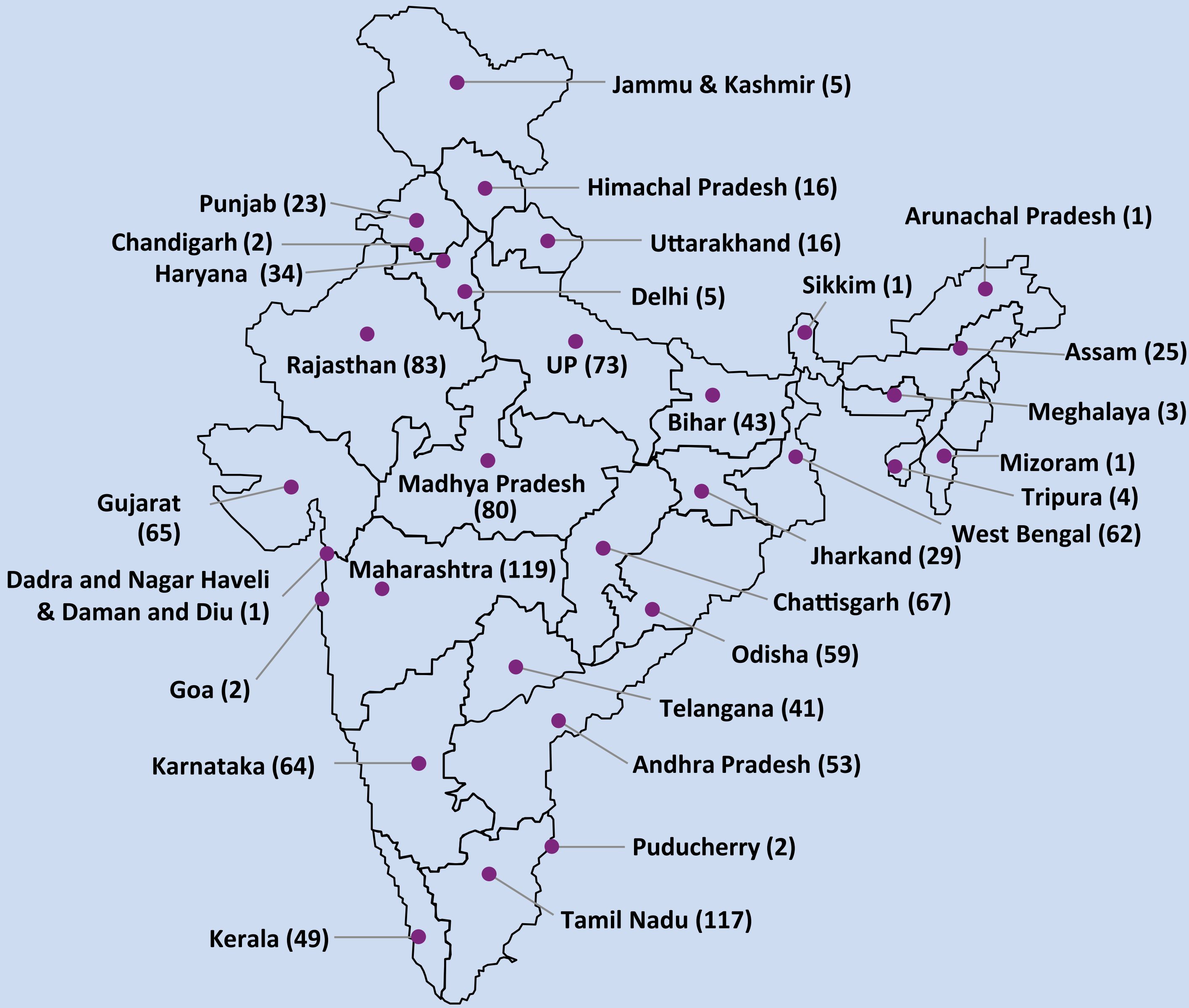
Mr. Rohan Verma
(36 years) DIN: 01797489
Independent Director

- Holds a Bachelor degree in Electrical Engineering from Stanford University and an MBA from London Business School.
- Is a recipient of the President's Award for Academic excellence in Stanford University and Dean's List and Distinction Award from London Business School.
- Is an Entrepreneur and a technology thought leader who created India's very first interactive mapping portal mapmyindia.com at the age of 19 and has since built many technology innovations in the maps and location space.
- Is the chief executive officer and executive director of C.E. Info Systems Limited (MapmyIndia), India's leading maps, navigation, location technologies and GPS IoT company incorporated in 1992.
- Is the Founder and Chairman of Infidreams Industries Private Limited, focused on creating social good through technology.
- Is a member of the FICCI Young Leaders Forum.
- Joined the Board of Chola on 25 March, 2019.

Mr. Ravindra Kumar Kundu
(54 years) DIN: 07337155
Executive Director

- Graduate in Commerce and has completed Post Graduate Programme in Management for Senior Executives from the Kellogg School of Management, Indian School of Business and an Executive Programme in Global Business Management from the Indian Institute of Management Calcutta.
- Over 34 years of professional experience in automobile and financial services industry including 22 years in Chola.
- Joined Chola as Senior Executive - Marketing in the year 2000 and handled various functions including credit, collections before taking up the role of Business Head of Vehicle Finance division of Chola.
- Instrumental in growth of the Vehicle Finance business AUM from ₹20,000 crores to ₹52,000 crores.
- Is the Chairman of Payswiff Technologies Private Limited.
- Is also on the Boards of Cholamandalam Securities Limited, White Data Systems India Private Limited and Cholamandalam Home Finance Limited.
- Has been the Executive Director of Chola since 23 January, 2020.

OUR PRESENCE



- 1,145 branches across 27 states and 5 Union territories as on 31 March, 2022
- 79% locations are in Tier-III, Tier-IV, Tier V and Tier-VI towns

Note: Figures in brackets represents total no. of branches as on 31 March, 2022

BUSINESS HIGHLIGHTS

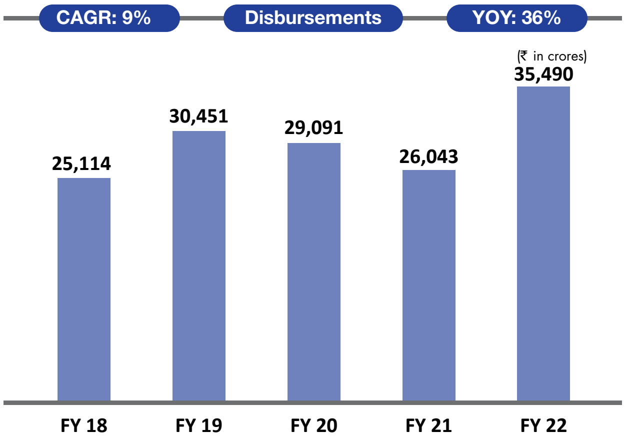
(₹ in crores)

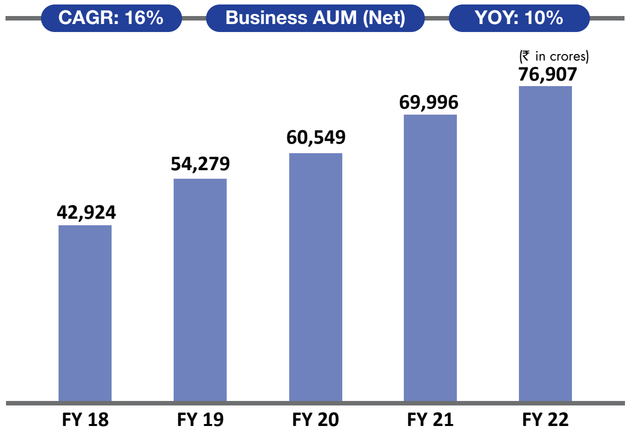
KEY FIGURES (STANDALONE)	IND_AS				
PARTICULARS	**FY22**	**FY21**	**FY20**	**FY19**	**FY18**
Branch Network (in nos.)	1,145	1,137	1,091	911	870
Disbursement	35,490	26,043	29,091	30,451	25,114
Assets Under Management (AUM)	82,904	76,518	66,943	57,560	43,629
Net Income Margin (NIM)	5,840	5,000	4,123	3,460	2,870
Operating profit	3,771	3,416	2,545	2,190	1,754
Profit Before Tax (PBT)	2,891	2,038	1,586	1,823	1,401
Profit After Tax (PAT)	2,147	1,515	1,052	1,186	918
Key Ratios (in %)					
NIM	7.9	7.3	6.9	7.0	7.7
Expense Ratio	2.8	2.3	2.6	2.6	3.0
Gross NPA /Gross Stage 3 Assets	6.8/4.4	4.0	3.8	2.7	3.4
Net NPA / Stage 3 (Net off ECL) Assets	4.8/2.6	2.2	2.2	1.7	2.2
Tier I Capital	16.5	15.1	15.3	12.4	13.2
Tier II Capital	3.1	3.9	5.4	4.9	5.1
Capital Adequacy Ratio	19.6	19.1	20.7	17.4	18.4
Return on Total Assets - PBT	3.9	3.0	2.7	3.7	3.7
Return on Equity	20.4	16.9	15.2	20.9	19.6
Growth Ratios (in %)					
AUM Growth	8.3	14.3	16.3	31.9	24.3
Disbursement Growth	36.3	-10.5	-4.5	21.3	35.1
Book Value per Share Growth	22.3	16.9	26.2	21.1	18.9
Branch Efficiency Ratios (in crores)					
Disbursements per Branch	31.0	22.9	26.7	33.4	28.9
NIM per Branch	5.1	4.4	3.8	3.8	3.3
PAT per Branch	1.9	1.3	1.0	1.3	1.1

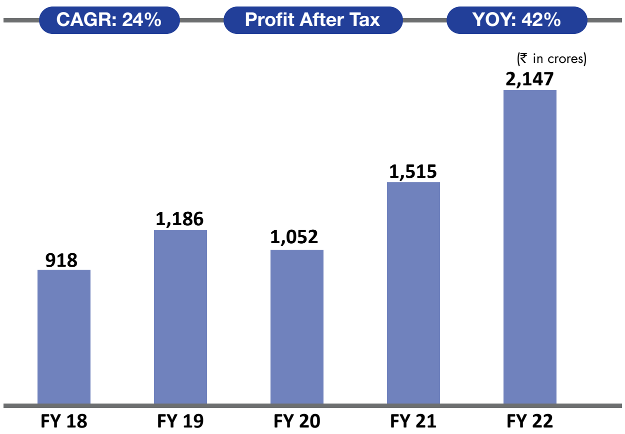
Note:

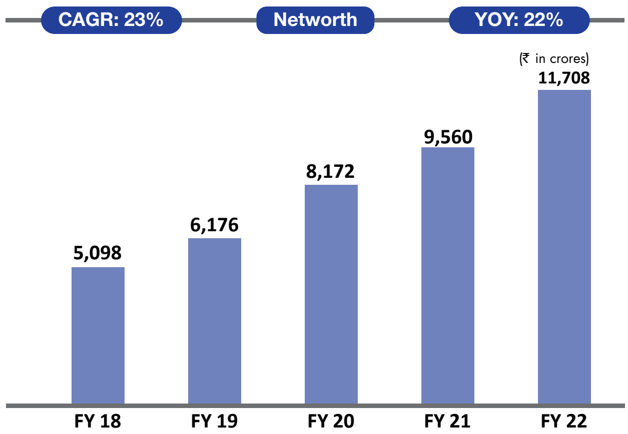
a. Refer glossary section for terms and ratios

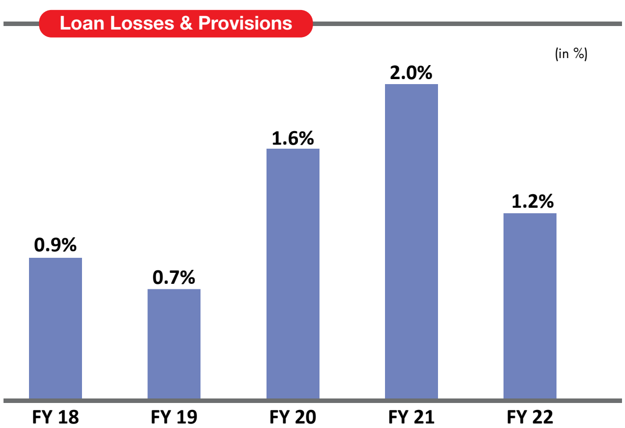
CHOLA - FINANCIAL SUMMARY

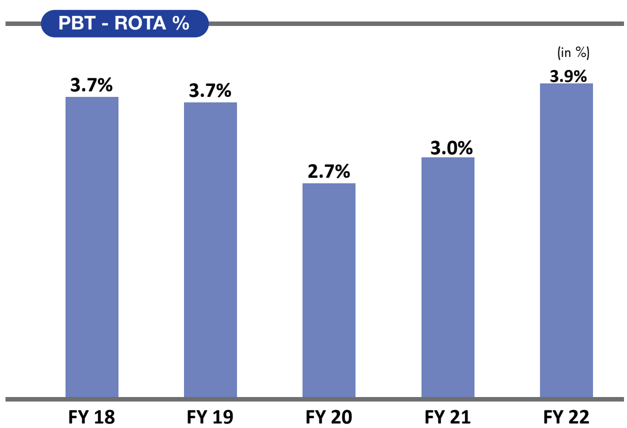










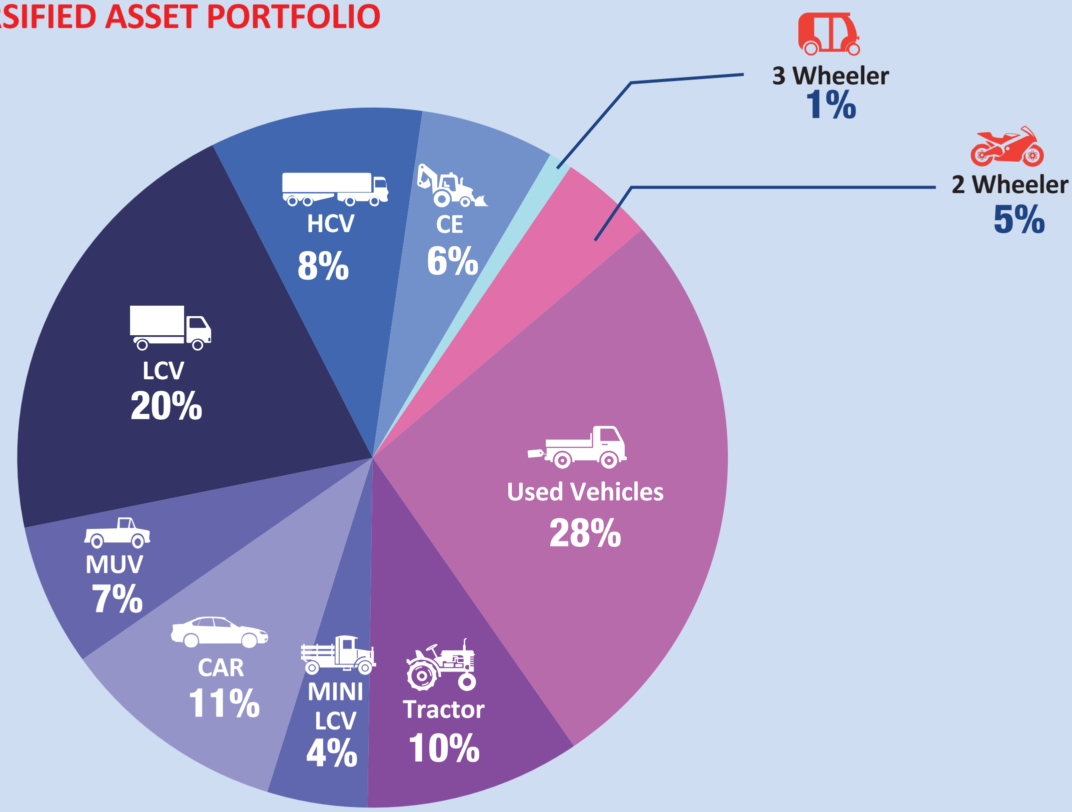


Note:

a. Refer glossary section for terms and ratios

BUSINESS REVIEW - VEHICLE FINANCE

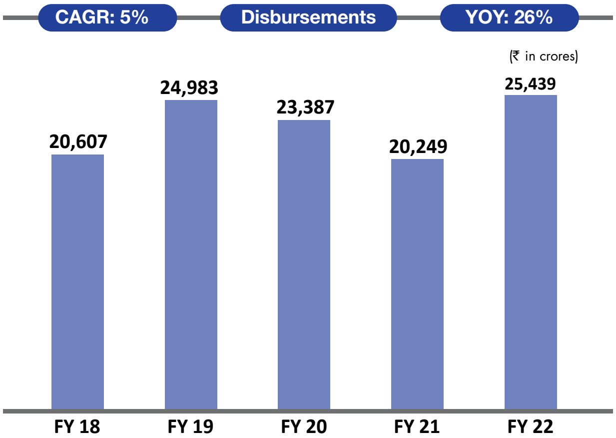
DIVERSIFIED ASSET PORTFOLIO

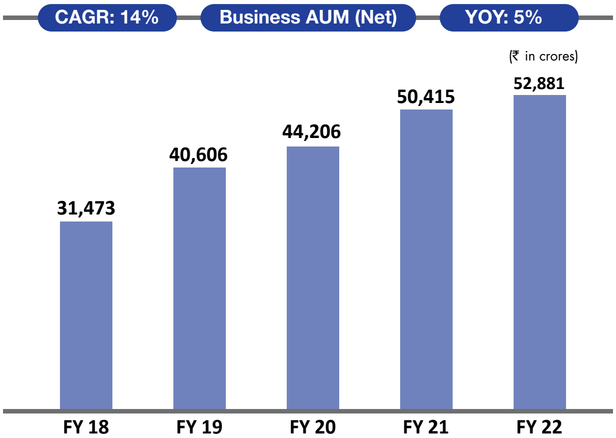


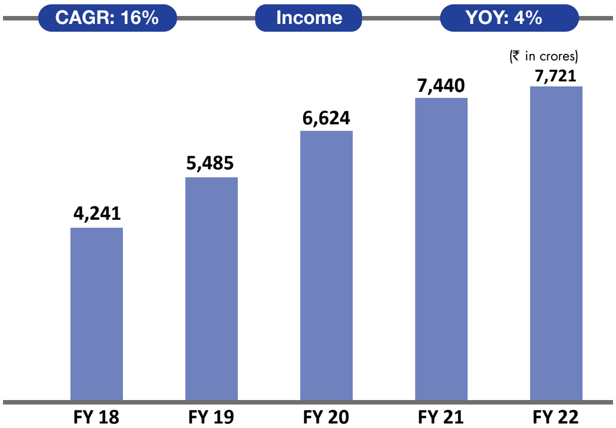
Key Differentiators

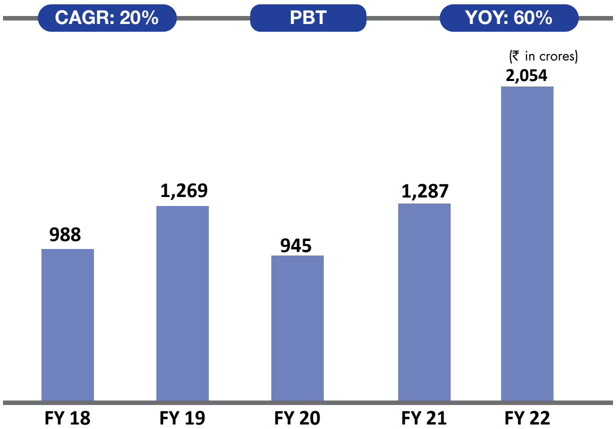
- Three-decade expertise in vehicle finance industry
- Strong footprint in semi-urban and rural markets in addition to urban markets
- Extremely diversified in terms of product, geography, & customer segments
- Excellent relationships with dealers & manufacturers
- Trusted & well-experienced in-house Sales, Credit Ops, Collection, and Legal teams
- Digitized business operations catering to the changing needs of the customers
- Product customization and personalization to facilitate customers
- Analytics driven underwriting and collections
- Simplified loan process enabling quick turnaround time for customers
- Buying and selling new & used vehicles through Gaadi Bazaar, a digital platform powered by Chola

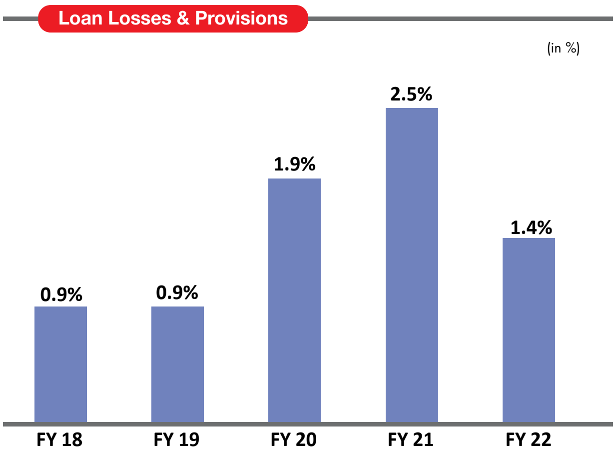
VEHICLE FINANCE - FINANCIAL SUMMARY

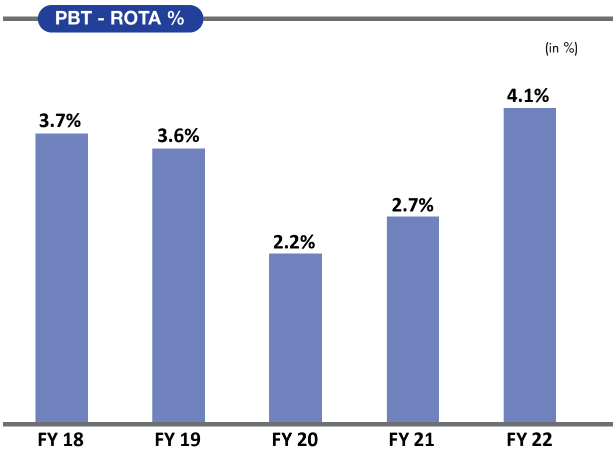












Note:

a. Refer glossary section for terms and ratios

b. Income and PBT are reported at Business AUM level

BUSINESS REVIEW - LOAN AGAINST PROPERTY

Chola's Loan Against Property (LAP) business is one of the leading players in Indian NFBC LAP market. For over 15 years, LAP business is helping customers in realising their business dreams. Every customer relationship is being treated as an ongoing partnership and Chola takes pride in making their growth journey successful. Over the past few years, the business has undergone transformation in making the loan journey digital oriented and seamless for the customers. By embracing digital tools for on-boarding, verification and collections, LAP business commits to provide hassle free experience to both customers and channel partners.

PRODUCTS

- Business loans against property (Prime LAP)
- Micro loans against property (Micro LAP)
- Balance transfer of existing property loans

CUSTOMER SEGMENT

Our focus is on the middle socio-economic class and self-employed non-professionals

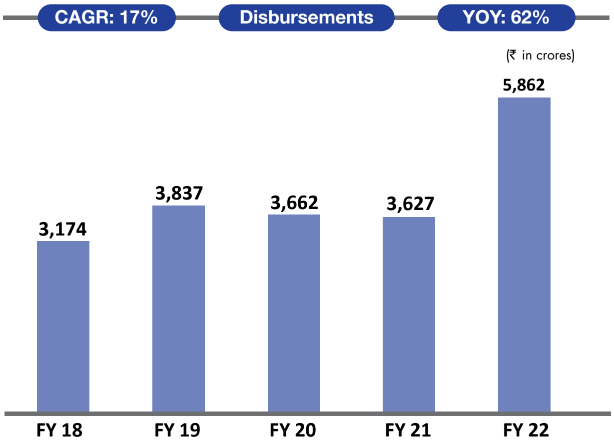
ASSET CLASS

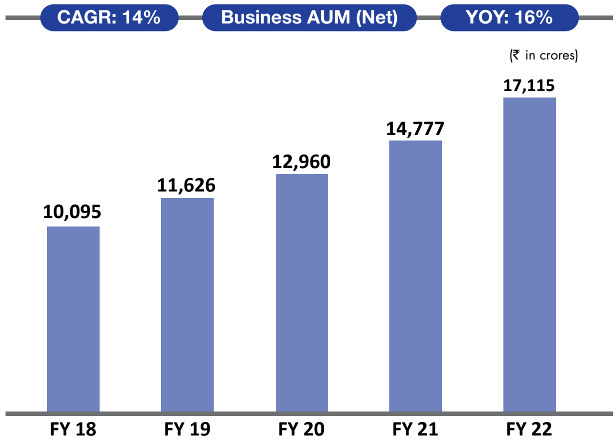
- Residential & commercial properties

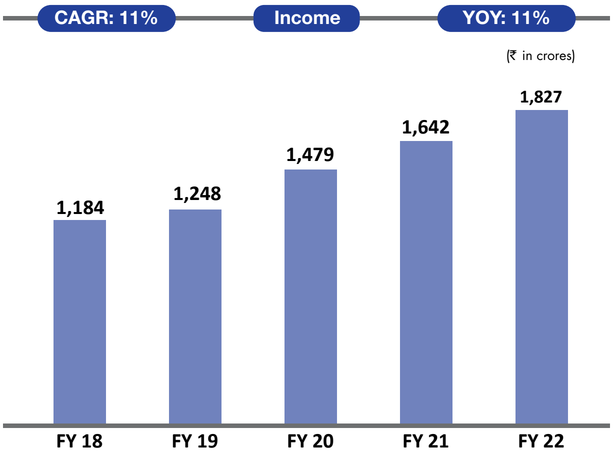
Key Differentiators

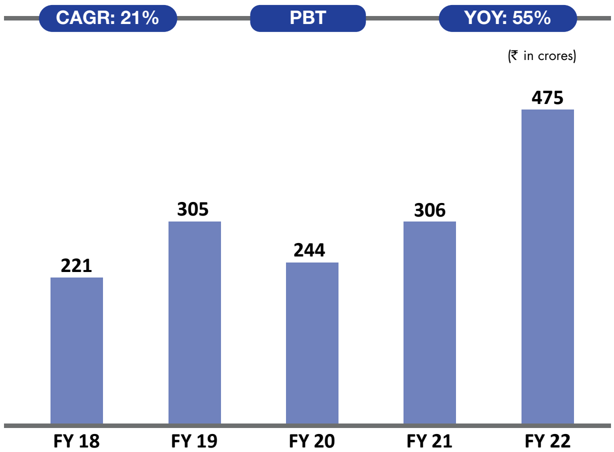
- Pan-India presence (388 branches and growing)
- Quick Turn Around Time
- Multiple product schemes to match funding requirements
- Personalized door-step service to customers

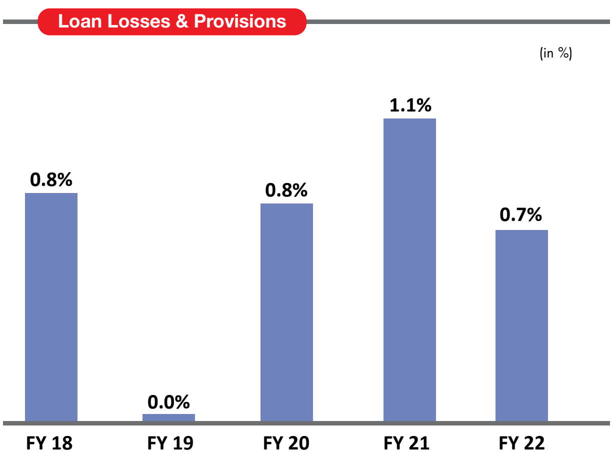
LOAN AGAINST PROPERTY - FINANCIAL SUMMARY

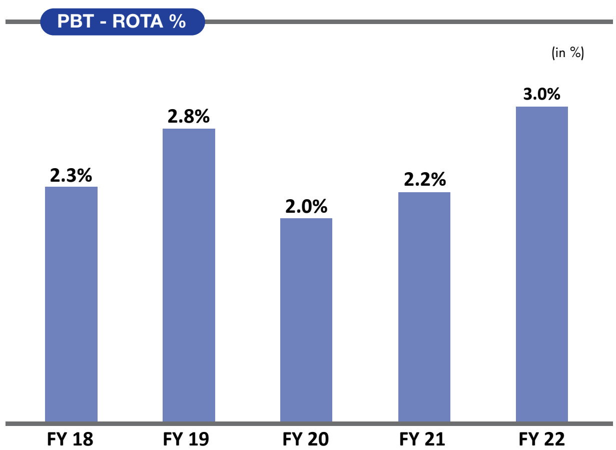












Note:

a. Refer glossary section for terms and ratios

b. Income and PBT are reported at Business AUM level

BUSINESS REVIEW - HOME LOAN

The mission of Chola Home Loan is to enable lower and middle income families achieve their dream of owning a home. Over the past few years, Chola has been actively reaching out predominantly to lower middle income families in urban and semi-urban markets and is now a leading Home Loans provider with over 5000 Cr AUM. Chola's efforts was recognized by HUDCO (Housing and Urban Development Corporation Limited) as the "Best Performing Primary Lending Institution (PLIs) under PMAY (U) – CLSS" for the year 2021-2022 for its efforts towards facilitating a home for customers through the Pradhan Mantri Awas Yojana.

99% of the portfolio comprises of Home Loans and is focused to be end-use driven. Our target group remains the Lower Middle Income Group (MIG) customer. Our average ticket size is ₹14 Lakhs with an average LTV of ~56% which reflects the quality of houses and marketability. 95% of the portfolio comprises business owners with semi-formal income and significant business vintage buying their first home. 26% of our customers are first time borrowers.

Chola enjoys a significant presence in the Tier II, III, IV towns and cities. In FY 22, Home Loans were offered across 11 states (Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, Kerala, Gujarat, Maharashtra, Madhya Pradesh, Haryana, Rajasthan and Chhattisgarh). Chola has set up multiple channels to reach out to prospective customers. These include referral agents, Direct Sales Agents (DSAs), Online platforms as well as a feet-on-street sales team.

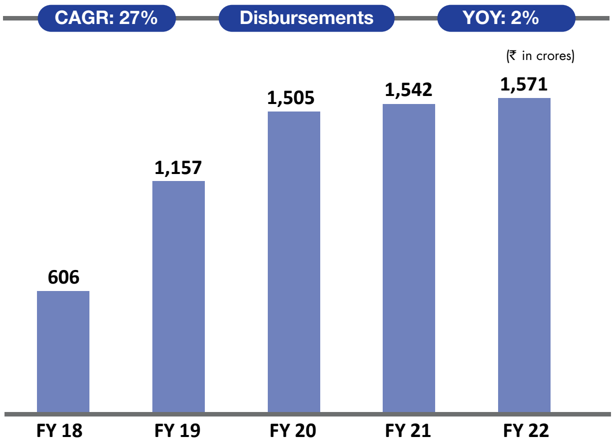
PRODUCTS

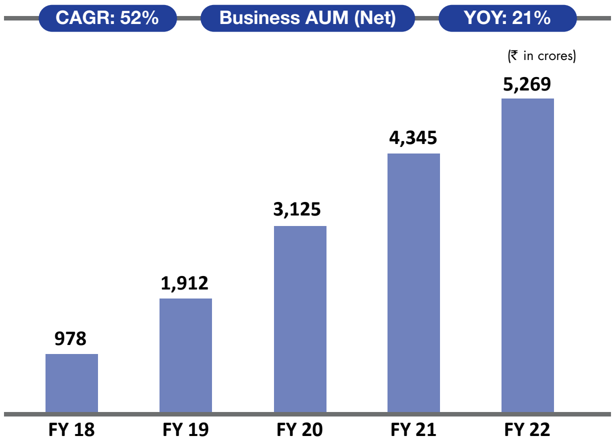
- Home Loans for Self construction
- Loans for purchase of ready to occupy homes
- Balance transfer of existing home loans
- Mixed use for residential and commercial
- Shop Loans

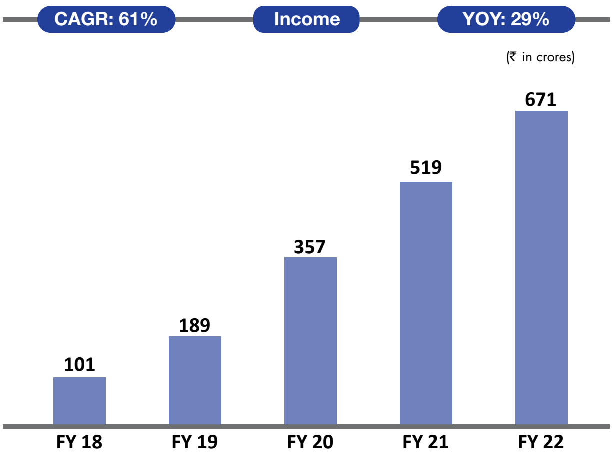
Key Differentiators

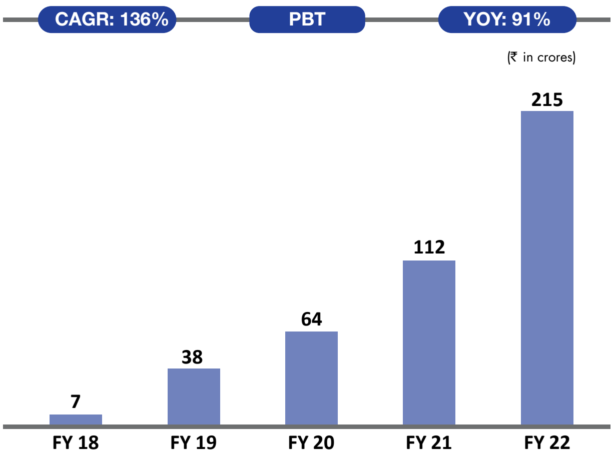
- Expertise in Self-Construction with a unique product offering
- Minimal documentation
- Loan eligibility based on in-person income assessment for small and micro business owners
- Customized eligibility for salaried customers
- Transparent end-to-end digital onboarding
- Comprehensive Self-Service App for Customers on Android, iOS, and Web

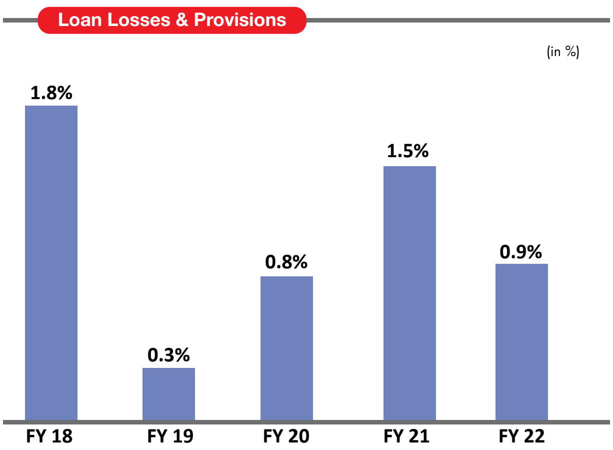
HOME LOAN - FINANCIAL SUMMARY

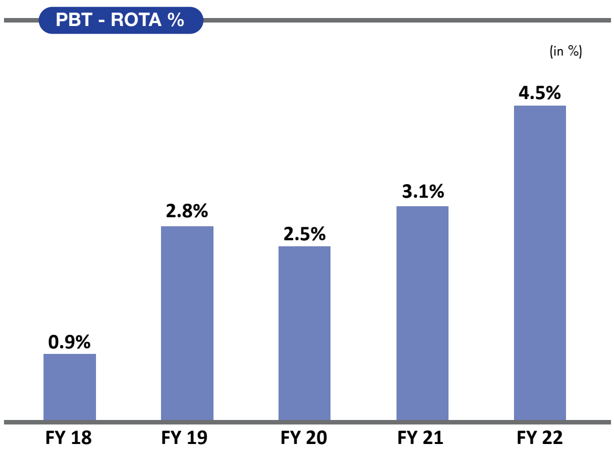












Note:

a. Refer glossary section for terms and ratios

b. Income and PBT are reported at Business AUM level

BUSINESS REVIEW – CONSUMER & SMALL ENTERPRISES LOANS

Chola has launched the Consumer and Small Enterprise Loans (CSEL) business division to fuel its next phase of growth in the consumer and SME ecosystem. The CSEL division offers collateral-free loans to consumers and micro & small enterprises.

Key Differentiators

- Transparent end to end digital process powered by the trust of Chola brand
- Superlative paperless customer experience journey with quick turnaround time
- Flexible repayment option enabled through flexi loans
- Strong data driven underwriting and risk management capabilities
- Robust collections infrastructure with tele-calling and field teams

Product & Customer Segment

The CSEL division will focus on the following new product segments through traditional, direct to customer, and digital partnership channels:

Personal & Professional Loans: CSEL offers personal loans to salaried and self-employed professionals. The product range would include Term Loans & Flexi-loans.

Micro & Small Enterprise Loans: The MSME segment is significantly under-penetrated in India with more than 60 percent of MSMEs not having access to formalized credit. Considering the importance and contribution of MSMEs to India's economy, the CSEL division has introduced Small Enterprise Loans which is offered to small businesses in the manufacturing, trading, and services segments. The product range would include Term Loans, Flexi-loans etc.

Through the CSEL division, Chola has entered in strategic partnership with 3 leading Fintech companies – **BankBazaar, Kreditbee** and **Paytail.** With these alliances, the company intends to drive greater financial inclusion especially among those customers who are economically active but not having adequate access to formal credit.

BUSINESS REVIEW - SECURED BUSINESS & PERSONAL LOAN

India has a sizeable segment of micro-enterprises that lack access to formal sources of credit and are funded majorly by unorganized sources such as chit funds, local money lenders and family and friends. Considering this opportunity, Chola has launched the Secured Business & Personal Loan (SBPL) vertical to better enable this segment of customers.

Key Differentiators

- Personalized doorstep service to customers
- Unique Assessed Income Programme for business owners
- Transparent end-to-end digital process
- Customized product focusing on new to credit customers

SBPL offers collateral backed business and personal loans on the basis of the credit assessment and cashflow projections of these businesses.

Customer Segment

The products offered by SBPL are best suited for self-employed, non-professionals in the businesses of trading and services, with primary focus on tier II and III cities, as well as interior rural areas. While many of these customers are new to credit, there are businesses with regular cash flows that need funds for day-to-day operations and business improvements. These loans will create positive impact in the lives of millions of informal micro enterprise customers in India.

BUSINESS REVIEW – SMALL AND MEDIUM ENTERPRISES LOANS

Chola has launched the Small and Medium Enterprise loans (SME) business division to fuel its next phase of growth in the SME Ecosystem. This division will offer bouquet of products to meet the requirements for working capital and Capex of SMEs.

Product & Customer Segment

The SME division will focus on the following new product segments:

Supply Chain finance: Supply chain finance includes Vendor and Dealer finance. This product is focused on reducing the working capital gap for the MSMEs. This is a short-term facility offered to SMEs supplying goods to large corporates or procuring the goods from large corporate to supply to the retailers.

Chola has entered into partnerships with leading Fintech companies for sourcing of supply chain finance loans. With these alliances and through direct channels, the company intends to improve the access to working capital fund for MSMEs.

Term loan: Term loans offered for the MSME customers against industrial, commercial or residential property to meet the capex and long-term working capital requirement

Equipment Finance: These are short-term loans offered to MSME customers against the hypothecation of machines for machine tools, plastic & packaging, textile, healthcare and printing industry. Chola works with identified industry leading OEMs to provide the facility in these targeted industry segments.

Loan against Securities: This division also offers loans to promoters and HNIs against the pledge of Securities and Mutual funds.

Key Differentiators

- Bouquet of products to meet the various needs of an SME
- Strong experience in underwriting of Self-employed non-professional segments
- Focus only on standard machines with good resale value
- Industry best turnaround time in providing facility to SMEs.
- Trust of Chola brand
- Flexible repayment
- Strong data driven underwriting and risk management capabilities
- Collections driven through multiple channels

OUR SUBSIDIARIES

CHOLAMANDALAM SECURITIES LIMITED

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

PRODUCTS OFFERED

Stock Broking & Depository Participant Services

PRODUCTS DISTRIBUTED

Mutual Funds | Bonds & Debentures | Fixed Deposits | Insurance | PMS | Sovereign Gold Bonds | Initial Public Offer (IPO)

CHOLAMANDALAM HOME FINANCE LIMITED

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

OUR SUBSIDIARIES

PAYSWIFF TECHNOLOGIES PRIVATE LIMITED

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

ENTERPRISE RISK MANAGEMENT

The Enterprise Risk Management (ERM) functions include supporting business in evaluation of risk-return trade off, identifying risk areas for mitigation, suggestion of measures to implement the same and involvement in risk mitigation during new product design. ERM also works closely with business to improve operational efficiencies. All these are done in coordination with respective cross functional project teams.

In FY 22, ERM extended its scope to engage in a number of additional initiatives. A Risk Control Self-Assessment tool (RCSA) was introduced to test the effectiveness of control of key risks. ERM facilitated implementation of Risk Based Internal Audit with internal audit team to develop a risk based framework aligned to the ERM and audit objectives. ERM augmented the cyber security risk management by supporting the IT team in policy areas covering areas such as privilege access, IT Infrastructure, user end point controls, malware deterrence and other policies/procedures. ERM also monitors the liquidity risk of the company by participating in the ALM process – weekly ALM Support Group meetings and monthly ALCO reviews with the senior management. Additionally the ERM team rigorously monitors continuity of business in critical areas including testing readiness for emergencies.

FINANCE AND TREASURY

FINANCE

Finance and MIS function continued their unstinted support to the business teams during FY 22 and enabled the businesses to take informed decisions on business proposals and investments. During FY 22, there was a host of regulatory requirements on disclosures, and changes to delinquency tracking which were addressed effectively. Following are some of the key contributions during the year.

Key Contributions

- New business launches (CSEL, SME and SBPL)
- New fintech investments (Payswiff and Paytail)
- Scenario Modelling for Expected Credit Losses
- Agreement level Profitability and
- Payment Module revamp

TREASURY

FY 22 witnessed high liquidity on account of RBI's stance to maintain an accommodative stance throughout the year. The interest rate was soft for the most part of the year on account of the second and third waves of COVID. In this environment, the Treasury function was highly responsive to the market dynamics and drove down the cost of funds, negotiated attractive rates upon interest rate resets. Priority Sector on lending and Securitisation of assets were done whenever market opportunities at fine rates opened up. All regulatory compliance was in order, with asset liability mismatch well within the limit. The Liquidity Coverage Ratio (LCR) was maintained within the thresholds through prudent management of outflows and timely borrowings.

ANALYTICS

Analytics function helps the company to understand their customer at a deeper level, which allows the company to make informed decisions that promote better business outcomes. Deploying strong analytics and data driven capabilities are key to augment exponential growth and profitability, to improve efficiency and to drive innovation and digital transformation. At Chola, we believe that seamless access to valuable data can provide insights to make our customers to enter a better life. Analytics function is engaged in driving a higher level of efficiency across the key lifecycle stages of the customer, viz., onboarding and acquisition, repayment performance, customer retention and cross-sell.

ONBOARDING & ACQUISITION

- Better customer selection through Underwriting models
- Pricing based on risk-based pricing models

REPAYMENT PERFORMANCE MANAGEMENT

- Improved delinquency management through Early warning systems and Risk of Flow models
- Segmented approach to loss provisioning based on ECL models

CUSTOMER RETENTION & CROSS-SELL

- Enable better customer retention through profiling active customers based on On-Us and Off-us repayment
- Drive cross-sell using pre-approved and pre-qualified offers

Enable better efficiencies across key phases of Customer Lifecycle

During FY 22, Analytics function collaborated with stakeholders across various business verticals and other business enablers of the company and delivered these solutions, which inter alia enabled the following outcomes:

- Acquisition scorecard models were built and implemented across business verticals to automate the decisioning mechanism with consistent and improved customer selection. This helps the company to segment applicants based on risk and to afford a faster onboarding journey for the low-risk segments.
- Early warning models were designed and developed as part of enhanced collection strategy, thereby enabling a segmented treatment that helps to map the right collection effort with a given customer group.

Chola has shown resilient performance in FY 22 and has drafted ambitious growth plans for FY 23. Analytics will play the role of a growth enabler by developing pre-approved and pre-qualified offer pools, thereby enabling direct acquisition on customer base. This will add value towards leveraging in-built analytics, machine learning and artificial intelligence capabilities of the company.

INFORMATION TECHNOLOGY

Driving a digitally-ready, automation-first and data-led organization

The acceleration in adoption of digital solutions during the different waves of the pandemic has established a new status-quo in the usage of digital technology across the business landscape. While supporting large scale transformation programs in the existing lines of business, the technology team has also been helped in the launch of new lines of business, both secured and unsecured, in a completely digital manner – spanning loan originations, management and loan collections.

The digital technology function is progressing forward in its vision of establishing a digitally-ready, automation-first, and data-led technology capability on top of a strong cyber-security foundation.

As part of expanding our horizons of digital service delivery across products, we continue to provide an enhanced set of functions and digital experience for our ecosystem partners – ranging from manufacturers and dealers in our Vehicle Finance business to FinTech partners in our Consumer and Small Enterprises Loan business. By making our applications and solutions integration ready, we aim to provide a wide array set of services for our customers, dealers, manufacturers, co-lending institutions, and other ecosystem partners that meet all their needs from a partner like us. This objective is to be in a state of digital readiness to work with any new ecosystem partner within a short period in a scalable and secure fashion, thus demonstrating our agility.

Besides providing a vast set of external digital interfaces, the company is also diligently reviewing and optimizing its internal operations and processes through an automation lens. Application of LEAN practices help ensure that processes are efficient and optimal for digitization. This coupled with adoption and integration of new set of digital APIs / services related to data validation, data quality, and elimination of paper (wherever possible) help achieve optimization objectives.

Furthermore, the company is also steadily increasing the usage of process automation tools and scripts.

This will target not only the mundane and repetitive activities but also scenarios where cognitive automation can assist in a large way and reduce human intervention only to exceptional cases. The aim is to address turnaround time for execution of such activities while driving up operational accuracy.

As we expand the business horizons to new product lines, an integrated and consistent view of customer and business data is critical to operate and grow at scale. Be it in usage of decisioning logic to drive top line disbursements for our products or collections optimization model to improve bottom line growth or proposing the right product or offer to customer at appropriate time, quality data plays an important role.

A scalable big-data repository is being established to serve the data management, data access, and analytics needs of the enterprise. With right levels of security and data access controls, the data repository will not only serve the reporting, dashboard, and analytical needs of the organization but also provide a frictionless way of serving holistic data services to our customers in an integrated fashion, irrespective of the nature and number of relationships of the customer with the company.

The anywhere, anytime, and any device nature of delivery of digital services to our customers and employees' mandates that focus on cyber security be paramount to support the technology-led operations of the business. The company's focus on cyber security spans the process, people, and tools aspect of its digital technology setup.

With the rapidly changing technology landscape, people play the most critical role in ensuring success in delivery of the initiatives and the outcomes associated with the strategy. For the key identified areas, the company will build in-house skills in key digital technology areas along with an innovation mindset to deliver differential impact for the business, given the rapid nature of changes in technology as well as the business domain.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Chola's CSR efforts are towards creating awareness on health issues, making medical facilities available in highways, transport nagars and rural areas. Chola conduct regular health camps and eye camps, sponsor free heart surgeries for children of Commercial Vehicle Crew Members (CVCMs). Chola has aided schools in helping them provide quality education. Chola has facilitated the installation of bore wells, overhead tanks and Reverse Osmosis (RO) water plants. This has resulted in an assured water supply to communities and awareness about sustainable measures to save water. We ensure all our projects have the conditions for sustainability resulting in economic growth, greater social well-being, and protection of the environment. Our nationwide presence has made it easier to undertake activities across the country.

Education

- Financial Literacy program at Kutch District, Gujarat
- Murugappa Polytechnic College
- My Dream Scholarship Program in Namakkal
- AID India foundation
- Nalandaway

Healthcare

- RAAHI - Eye Health Programme for CVCMs
- Healing Little Hearts – Free Heart Surgeries for children suffering from Congenital Heart Disease (CHD)
- Promotion of overall mental well-being through yoga in partnership with Isha Yoga Foundation.

WASH (Water & Sanitation)

- Purified drinking water plants at Odisha
- Purified drinking water plants & toilet facilities in Telangana

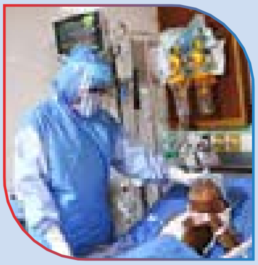
Disaster Management

- Vaccination drives
- PPE kits to healthcare workers
- Treatment of patients affected with COVID-19
- Awareness campaign on hand hygiene and social distancing

Chola participates in 2nd United Nations Global Sustainable Transport Conference

Chola participated virtually in the 2nd United Nations Global Sustainable Transport Conference held in October 2021 at Beijing, China. Chola CSR focused on the importance of opportunities, challenges, and solutions towards achieving sustainable transport worldwide. In the conference Chola made recommendations on Sustainable Development Goals alignment with CVCMs and transport sector in India. Chola stressed on the need of clear visibility while driving.




FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

FINANCIAL YEAR ENDED	2022	2021	2020	2019	2018
OPERATING RESULTS					
Total Income	10,13,876	9,57,556	8,71,480	7,04,862	5,52,906
Profit Before Tax (PBT)	2,89,094	2,03,844	1,58,572	1,82,315	1,40,137
Profit After Tax (PAT)	2,14,671	1,51,491	1,05,236	1,18,615	91,830
Assets					
Loans(net) - Ind AS / Receivables under financing activity - IGAAP	74,14,921	65,83,934	55,40,273	52,62,227	42,25,323
Cash, Bank and Cash Equivalents	4,22,008	5,23,188	6,95,910	3,67,485	88,795
Others	3,99,406	3,47,720	1,64,056	1,12,918	94,855
Total Assets	**82,36,335**	**74,54,842**	**64,00,239**	**57,42,630**	**44,08,973**
Liabilities and Equity					
Borrowings	69,17,350	63,72,999	55,00,543	50,56,674	38,33,033
Others	1,48,218	1,25,812	82,512	68,382	66,126
Equity	11,70,767	9,56,031	8,17,184	6,17,574	5,09,814
Total Liabilities	**82,36,335**	**74,54,842**	**64,00,239**	**57,42,630**	**44,08,973**
Key Indicators*					
Earnings per Equity Share - Basic (₹)	26.16	18.48	13.37	15.2	11.8
Earnings per Equity Share - Diluted (₹)	26.11	18.45	13.35	15.2	11.7
Dividend per Equity Share (%)	100%	100%	85%	65%	65%
Book Value per Equity Share (₹)	142.59	116.58	99.71	78.99	65.22

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

FINANCIAL YEAR ENDED	2017	2016	2015	2014	2013
OPERATING RESULTS					
Total Income	4,66,035	4,19,371	3,69,119	3,26,284	2,55,568
Profit Before Tax (PBT)	1,10,558	87,077	65,722	55,021	45,080
Profit After Tax (PAT)	71,874	56,845	43,516	36,401	30,655
Assets					
Loans(net) - Ind AS / Receivables under financing activity - IGAAP	28,41,448	25,91,013	22,18,354	19,42,813	16,62,594
Cash, Bank and Cash Equivalents	47,064	49,047	34,066	80,084	38,897
Others	1,70,969	1,48,771	1,34,903	1,31,783	1,16,989
Total Assets	**30,59,480**	**27,88,831**	**23,87,323**	**21,54,680**	**18,18,480**
Liabilities and Equity					
Borrowings	24,10,910	22,57,622	19,47,524	18,09,319	15,28,901
Others	2,20,078	1,65,468	1,22,466	1,15,890	93,102
Equity	4,28,492	3,65,741	3,17,333	2,29,471	1,96,477
Total Liabilities	**30,59,480**	**27,88,831**	**23,87,323**	**21,54,680**	**18,18,480**
Key Indicators*					
Earnings per Equity Share - Basic (₹)	9.2	7.5	6.0	5.1	4.6
Earnings per Equity Share - Diluted (₹)	9.2	7.5	6.0	5.1	4.6
Dividend per Equity Share (%)	55%	45%	35%	35%	35%
Book Value per Equity Share (₹)	54.84	47.32	40.70	32.05	27.46

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

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

Board's Report

Your directors have pleasure in presenting the forty fourth annual report together with the audited accounts of the company for the year ended 31 March, 2022.

FINANCIAL RESULTS

₹ in crores

Particulars	2021-22	2020-21
Gross Income	10,138.76	9,575.56
Profit Before Tax (PBT)	2,890.94	2,038.44
Profit After Tax (PAT)	2,146.71	1,514.91
Total Comprehensive income	2,267.95	1,480.13
Appropriation:		
Transfer to statutory and other reserves	1,430.00	1,060.00
Dividend – Equity (including Taxes)	164.14	106.56

SHARE CAPITAL

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

OPERATIONS

The FY 22 began with the second wave of COVID pandemic impacting the lives and livelihood of people across the country. Second wave was more impactful with more loss of lives than the first wave. Localized lockdowns were imposed by many states starting mid-April 2021 which extended in most states till June-2021. Many of our borrowers and employees were impacted due to the second wave, whereby the priority shifted from business to protecting the wellbeing of the affected stakeholders. This resulted in a setback in performance in Q1 on the disbursements and collections front. In view of the uncertainties created by the resurgence of COVID-19 pandemic in India, RBI extended the resolution framework 2.0 for restructuring of existing loans without a downgrade and your company had offered resolution plans under this framework to the eligible customers. Post July 2021 onwards, with the waning of second wave and the rise in vaccination coverage led to sharp and sustained reduction in COVID-19 infections which contributed to the return of customer confidence and business optimism. Pent-up demand, good monsoon led to economic revival in second half of FY 22 leading to a sharp recovery in disbursements and collections.

Despite slowdown due to 2nd wave in the first quarter of the year, your company ended the FY 22 with an all-time high disbursement of ₹ 35,490 crores which is a growth of 36% YoY. Vehicle Finance grew disbursements by 26% YoY to ₹ 25,439 crores with growth coming from both new and used segments across commercial and passenger vehicles. Loan against property business grew disbursements by 62% YoY to ₹ 5,862 crores and home loans business grew disbursements marginally by 2% YoY to ₹ 1,571 crores. New businesses consumer and small enterprise loans, secured business and personal loans launched in FY 22 along with small and medium enterprises loans business made aggregate disbursements of ₹ 2,618 crores which is a growth of 319% YoY.

The business AUM of the company as of 31 March, 2022 grew to ₹ 76,907 crores from ₹ 69,996 crores in previous year, which is a growth of 10% YoY.

The profit before tax of the company for the year FY 22 is ₹ 2,891 crores as against ₹ 2,038 crores, which is a growth of 42% YoY.

Your company continued to hold a strong liquidity position with ₹ 5,341 crores as cash balance as at end of 31 March, 2022 (including ₹ 1500 crores invested in Gsec shown under investments), with a total liquidity position of ₹ 13,246 crores (including undrawn sanctioned lines). The Asset Liability Management (ALM) is comfortable with no negative cumulative mismatches across all time buckets.

OUTLOOK

The outlook for FY 23 looks positive with GDP of the country projected to grow over 8% in FY 23. Industry outlook across all our business segments is positive, and your company will look to scale disbursements by expanding into new geography/ customer segments, driving market share growth through original equipment manufacturer / dealer tie-ups, co-lending partnerships, improving internal efficiencies through lean and digital initiatives. Our strong collection infrastructure is driven by experienced field teams with product level focus from early buckets. Your company is running host of initiatives to digitize the collection processes which will be analytics enabled and will help strengthen the asset quality position back to pre-COVID levels.

DIVIDEND

Dividend distribution policy

The company has formulated a dividend distribution policy in compliance with regulation 43A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (Listing Regulations), a copy of which is available on the website of the company. (weblink: *https://www.cholamandalam.com/company-policies.aspx)*

Payment of dividend

Your company paid an interim dividend on the equity shares at the rate of 65% (₹ 1.30 per equity share) as approved by the Board on 01 February 2022 for the year ended 31 March, 2022.

Your directors are pleased to recommend a final dividend of 35% (₹ 0.70 per equity share) on the equity shares of the company. With this, the total dividend will be 100% (₹ 2.00 per equity share) for the year ended 31 March, 2022.

TRANSFER TO RESERVES

Your company transferred a sum of ₹ 430 crores to statutory reserve as required under the Reserve Bank of India Act, 1934 and ₹ 1000 crores to general reserves.

FIXED DEPOSITS

The company is an NBFC - Investment and Credit Company (NBFC-ICC). The company does not hold or accept deposits as of the date of balance sheet.

CAPITAL ADEQUACY

The company's capital adequacy ratio was at 19.6% as on 31 March, 2022 as against the statutory minimum capital adequacy of 15% prescribed by RBI.

EMPLOYEE STOCK OPTION (ESOP) SCHEMES

ESOP 2016

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

During the year, the company made grants aggregating to 20,25,520 options to 56 employees. The total number of options issued as on 31 March, 2022 under ESOP 2016 is 45,22,020.

ESOP 2007

Pursuant to the approval accorded by the shareholders at the twenty ninth annual general meeting (AGM) of the company held on 30 July, 2007 the nomination and remuneration committee had formulated an employee stock option scheme 2007 (ESOP 2007). During the year, there have been no fresh grants under the scheme and no options are outstanding as on 31 March, 2022.

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

The certificate from M/s. Sridharan & Associates, company secretaries confirming that ESOP 2007 and ESOP 2016 have been implemented in accordance with the SEBI (SBEB) Regulations and shareholders resolutions has been obtained and will be available for the shareholders at the ensuing AGM.

The details of the schemes as on 31 March, 2022 are provided and disclosed on the website of the company (weblink: *https://www.cholamandalam.com/esop.aspx)*

DIRECTORS

Re-appointment

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

During the year, there were no appointment / resignation of directors of the company.

DECLARATION FROM INDEPENDENT DIRECTORS

All the independent directors (IDs) have submitted their declaration of independence, as required pursuant to section 149(7) of the Act, confirming that they meet the criteria of independence as provided in section 149(6) of the Act. In the opinion of the board, the IDs fulfil the conditions specified in the Act and the rules made there under for appointment as IDs including the integrity, expertise and experience and confirm that they are independent of the management. All the IDs of the company have registered their names with the data bank of IDs and are in the process of completion of online proficiency self-assessment test as per the timeline notified by the Ministry of Corporate Affairs (MCA).

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 203 of the Act read with the rules made there under, the following employees are the whole time key managerial personnel of the company during FY 22:

1. Mr. Ravindra Kumar Kundu, Executive Director
2. Mr. D. Arul Selvan, Chief Financial Officer and
3. Ms. P. Sujatha, Company Secretary

DIRECTORS' RESPONSIBILITY STATEMENT

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE REPORT

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

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

BUSINESS RESPONSIBILITY REPORT

A business responsibility report is attached and forms part of this report.

CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS

The company has implemented the guidelines for appointment of statutory auditors for Banks and NBFCs issued by RBI on 27 April, 2021. M/s. Price Waterhouse LLP, and M/s. Sundaram & Srinivasan, chartered accountants are the joint statutory auditors of the company. They were appointed as joint statutory auditors of the company at the 43rd AGM held on 30 July, 2021 for a period of three years commencing from the conclusion of 43rd AGM till the conclusion of 46th AGM. The statutory audit report is attached with financial statement and forms part of this report and does not contain any qualification, reservation or adverse remarks.

SECRETARIAL AUDIT

Pursuant to the provisions of the Act and the rules framed there under, M/s. R. Sridharan & Associates, company secretaries had undertaken a secretarial audit of the company for FY 22. The secretarial audit report is attached and forms part of this report and does not contain any qualification, reservation, or adverse remarks.

COST RECORD AND COST AUDIT

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

ANNUAL RETURN

In accordance with sections 134(3)(a) and 92(3) of the Act, the annual return in form MGT-7 is placed on the website of the company and is available on the weblink: *https://cholamandalam.com/files/MEDIA/Annual-Return-2021-2022.pdf.*

CORPORATE SOCIAL RESPONSIBILITY

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

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

As per the provisions of the Act, the company is required to spend at least 2% of the average net profits of the company made during the three immediately preceding financial years.

This amount aggregated to ₹ 36.32 crores and the company spent ₹ 36.44 crores towards CSR activities during FY 22, the details of which are annexed to and forms part of this report.

INTERNAL FINANCIAL CONTROLS

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

The internal financial controls with reference to the financial statements were tested and reported adequate.

RELATED PARTY TRANSACTIONS

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

All transactions with related parties that were entered into during the financial year were in the ordinary course of business and were on an arm's length basis. There were no materially significant transactions made by the company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the company at large. There were no contracts or arrangements entered into with related parties during the year to be disclosed under sections 188(1) and 134(h) of the Act in form AOC-2. All transactions with related parties were placed before the audit committee for prior approval at the beginning of the financial year. The transactions entered into pursuant to the approval so granted were placed before the audit committee for its review on a quarterly basis. None of the directors has any pecuniary relationship or transaction vis-à-vis the company.

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

During the year under review, the company has no major impact on account of conservation of energy or technology absorption. Foreign currency expenditure / remittances amounting to ₹ 639.30 crores towards repayment of overseas borrowing and interest, purchase of computer equipment, license fees and other professional charges were incurred during the year under review. The company does not have any foreign exchange earnings.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Being an NBFC, the disclosures regarding particulars of loans given, guarantees given and security provided is exempted under the provisions of section 186(11) of the Act.

As regards investments made by the company, the details of the same are provided under Note 10 in standalone financial statements and Note 12 and Note 46 in consolidated financial statements of the company for the year ended 31 March, 2022.

DISCLOSURE OF REMUNERATION

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

PARTICULARS OF EMPLOYEES

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

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

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

INTERNAL COMPLAINTS COMMITTEE

The company has in place a policy for prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). The company has complied with the provisions relating to constitution of internal complaints committee (ICC) under the POSH Act. ICC has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the year, the company conducted workshops for employees creating awareness about POSH Act. During the calendar year ended 31 December, 2021, there were no referrals received by ICC.

OTHER DISCLOSURES

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

During the year ended 31 March, 2022, the company had made an application amounting to ₹ 1.83 crores under the Insolvency and Bankruptcy Code, 2016 ("the Code"). As at 31 March, 2022, total number of applications filed and pending under the Code are 10 cases amounting to ₹ 27.63 crores. No proceeding is pending against the company under the Code.

During the year, the company had not made any one-time settlement with banks or financial institutions.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES / ASSOCIATES AND JOINT VENTURES

CHOLAMANDALAM SECURITIES LIMITED (CSEC)

In FY 22, CSEC had commenced the implementation of its Reimagination strategy and transformation to evolve as a (i) Digitally integrated financial services player (ii) Best-in-class company for customer journey and Tech enablement and (iii) High performance Feet-on-street and franchise enablement through digital journeys. During the year, CSEC increased its footprint from 22 branches to 34 branches. CSEC achieved a gross income of ₹ 40.01 crores for the year ended 31 March, 2022 and made a PBT of ₹ 7.48 crores as against a PBT of ₹ 6.84 crores in the previous year. The mutual fund AUM was at ₹ 839 crores. CSEC did not declare any dividend during the year. The PBT contribution of CSEC to the overall performance of the company was ₹ 7.48 crores during the year.

CHOLAMANDALAM HOME FINANCE LIMITED (CHFL)

CHFL recorded a gross income of ₹ 56.37 crores for the year ended 31 March, 2022 and made a profit before tax of ₹ 9.19 crores as against profit of ₹ 2.62 crores in the previous year. CHFL did not declare any dividend during the year. Currently, the company continues its focus on growing insurance corporate agency business.

The PBT contribution of CHFL to the overall performance of the company was ₹ 9.19 crores during the year.

WHITE DATA SYSTEMS INDIA PRIVATE LIMITED (WDSI)

WDSI recorded a gross income of ₹ 6.62 crores for the year ended 31 March, 2022 and made a loss of ₹ 0.36 crores as against a loss of ₹ 2.30 crores in the previous year. WDSI did not declare any dividend during the year.

VISHVAKARMA PAYMENTS PRIVATE LIMITED (VPPL)

The company forms part of the consortium for retail payments – Vishvakarma Payments Private Limited (VPPL) that has applied for a New Umbrella Entity (NUE) License for retail payments with Reserve Bank of India. The company holds 21% of equity share capital of VPPL.

PAYSWIFF TECHNOLOGIES PRIVATE LIMITED (PTPL)

During the year, the company acquired 73.8% stake in equity share capital of Payswiff Tehcnologies Private Limited (PTPL). Consequently, the PTPL has become a subsidiary of the company. PTPL is engaged in the business of enabling online payment gateway services for e-commerce businesses and provides e-commerce solutions. PTPL is an omni channel payment transaction solution that lets business owners accept payments from their customers in-store, at home deliveries, online, and on-the-go using mPOS and POS solutions. PTPL recorded a gross income of ₹ 284.60 crores and made a loss of ₹ 33.78 crores for the year ended 31 March, 2022.

Payswiff Solutions Private Limited and Payswiff Services Private Limited, subsidiaries of PTPL, recorded gross income of ₹ 284.90 crores and ₹ 0.66 crores respectively for the year ended 31 March, 2022.

ACKNOWLEDGEMENT

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

On behalf of the board

Place : Chennai
Date : 5 May, 2022

Vellayan Subbiah
Chairman

Directors' Responsibility Statement

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

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

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

(ii) they have, in the selection of the accounting policies, consulted the joint statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March, 2022 and of the profit of the company for the year ended on that date;

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

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

(v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively during the year ended 31 March, 2022; and

(vi) proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended 31 March, 2022.

On behalf of the board

Place : Chennai
Date : 5 May, 2022

Vellayan Subbiah
Chairman

Annexure-I

Secretarial Audit Report

for the financial year ended 31st March, 2022

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED [Corporate Identification Number: L65993TN1978PLC007576]** (hereinafter referred as "the Company") for the financial year ended 31st March, 2022. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings. There was no Foreign Direct Investment and Overseas Direct Investment during the year under review;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (not applicable during the period under review);

d) The Employee Stock Option Plan, 2016 approved under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021and the Employee Stock Option Scheme, 2007 approved under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 & the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable as the company is not registered as Registrar to an Issue and Share transfer Agent during the year under review).

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable during the year under review); and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (not applicable during the year under review);

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

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

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

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

d) NBFC Auditors Report Reserve Bank Directions, 2016.

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to explanations given to us, we believe that the systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above.

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

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

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

We further report that

The Board of Directors of the company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Woman Independent Director and Independent Directors. There were no changes in the composition of the Board of Directors during the financial year under review.

Adequate notice is given to all directors before schedule of the Board/Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Notes on agenda which are circulated less than the specified period, the necessary compliances under the Act and Secretarial Standards on Board Meeting are complied with.

During the year under review, directors have participated in the board / committees meetings through video conferencing, such meetings were properly convened and recorded in compliance with the provisions of Section 173 (2) of the Act read with Rule 3 & 4 of Companies (Meetings of Board and its Powers) Rules, 2014. Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and other relevant regulatory authorities in view of the pandemic pertaining to Board/ Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

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

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

We further report that the above mentioned Company being a listed entity this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India.

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

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

1. Invested in equity shares of Payswiff Technologies Private Limited aggregating to 73.82% of the paid-up equity capital and effective 8th February, 2022, Payswiff Technologies Private Limited has become a subsidiary of the Company;
2. Issued secured redeemable non-convertible debentures for ₹ 3,926.40 Crores and unsecured redeemable non-convertible debentures for ₹ 570 Crores.
3. Redeemed secured redeemable non-convertible debentures for ₹ 2,635.30 Crores and unsecured redeemable non-convertible debentures for ₹ 872.70 Crores.
4. Pursuant to RBI guidelines on appointment of statutory auditors of Banks and NBFCs, the statutory audit of the company should be conducted under joint audit of a minimum of two audit firms and consequently, M/s. S.R. Batliboi and Associates appointed as the statutory auditors of the company at the 39th AGM of the company held on 27th July, 2017, communicated their intention to resign as statutory auditors of the company and the resignation was effective upon signing the limited review reports for the quarter ended 30 June, 2021. Subsequently, M/s. Price Waterhouse LLP and M/s. Sundaram & Srinivasan, Chartered Accountants were appointed as the joint statutory auditors of the Company at the 43rd AGM held on 30 July, 2021 for a period of three years commencing from the conclusion of 43rd AGM till the conclusion of 46th AGM.

Place : Chennai
Date : 5 May, 2022

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

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
PR NO.657/2020
UIN: S2003TN063400
UDIN: F004775D000264155

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

Annexure-A

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

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

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

Place : Chennai
Date : 5 May , 2022

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

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
PR NO.657/2020
UIN: S2003TN063400
UDIN: F004775D000264155

Annexure-II

CSR Report

Annual Report on Corporate Social Responsibility (CSR) Activities:

1. Brief outline on CSR Policy of the Company.

Traditionally, Cholamandalam Investment and Finance Company Limited, financial services arm of the Murugappa Group endeavoured to strengthen the social infrastructure and nurture communities in India. Chola's multi-stakeholder engagement programmes/projects and initiatives focus towards achieving an all-inclusive development and growth in various geographies, across the country. Corporate Social Responsibility (CSR) has been an ideal and structured vehicle for this journey of development that helps the underprivileged and the marginalised to 'Enter a Better Life'.

Giving back to the society has been an integral part of the Murugappa Group and we take pride in working and contributing towards the nation building and helping the communities to enter a better life. As always, during this year too, inclusion became the central theme of our CSR programmes and initiatives, as COVID-19 pandemic heightened the vulnerability of the marginalised segments such as children, women, the elderly and specially abled.

While Chola intervenes in all the themes of development, it focuses more on community development through healthcare, education including research & development.

With the continuation of COVID-19 pandemic during most part of the year, mobility suffered a setback and projects had to be supported and executed from respective locations. Further, the amendments to the CSR rules called for the increased monitoring of the projects. Despite the above challenges, the company with its strong and reputed partner network, engaged with around 3,50,000 beneficiaries.

Over the past 6 years the programme, the flagship project, aimed at the commercial vehicle crew members (CVCMs) comprehensive welfare (CVCMs include drivers, helpers/cleaners, single truck owners, mechanics and their family members), has been developed and nurtured in a steady and phased manner. The programme had eye check-ups at various places, frequented by the CVCMs, across the country. Comprehensive data has been collected to ascertain gaps and needs. Over the years, steadily the programme included, eye check-ups (over 25,000 persons have been checked for and 11,600 spectacles have been provided free of cost), health check-ups, literacy programmes that included financial literacy to CVCMs as well as their family members (about 25,000 members), scholarship support to continue and pursue higher education of the children of the CVCMs, mother and child health care, free heart surgeries for the children of CVCMs.

Glimpses of Work with CVCMs

- Project programmes in 15 states of India
- Covered more than 195,000 CVCMs and their family members
- Free treatment and surgeries for Congenital Heart Defects (CHDs) for 190 children of CVCMs
- 193 Scholarships for the children of CVCMs
- Financial Literacy of about 25,000 CVCMs and their families

Health Care

Chola is putting its efforts in India's goal of achieving sustainable development goals (SDGs) by working with India's large commercial vehicle population which is estimated at 5-6 million drivers and helpers, out of whom, about 2-2.5 million are classified as long-distance drivers.

Truck drivers in India, in their lifetime, have to travel long distances, on an extensive spread of national and state highways that range from well-engineered roads to a complete absence of roads sometimes. Their occupation predisposes them to a multitude of risk factors such as prolonged sitting and motor vehicle driving, tight running schedules, reduced rest breaks, traffic congestion, the sedentary nature of job, and resultant physical, psychological and behavioural problems. It affects the health status of the driver and may result in road accidents on the highways.

Chola launched **RAAHI** in October 2017, one of the Country's biggest Eye Health programme for the CVCM community for reaching out to CVCMs with the prime focus on improving their overall well being, especially eye health, and in the process to minimise road accidents. The programme includes not only mobile health camps but also static facilities at 30 locations, mostly on or around the Golden Quadrilateral network in the country. The key strength of the programme is real time based data management which allows the CVCMs to receive eye screening services at one location and spectacle pick-up at their preferred location. Company's approach to the eye health of the CVCMs is pertinent – exploring what interventions work better, in providing eye health services, for this most vulnerable and mobile group of community.

In India, it is estimated that over 240,000 children are born with Congenital Heart Defects (CHDs). The current available care for them is grossly inadequate and in many cases beyond the means of an ordinary and economically poor family. This poses a tremendous challenge for the families, society and health care system. In India there are just about 60 centers that cater to children with CHDs.

Causes of CHD are multi-factored, both genetic and environmental. Primarily among the affecting factors are malnutrition in mothers, consanguineous marriage, lack of awareness of family planning, viral infections, alcohol consumption, and smoking during pregnancy. Various studies highlight that the incidence of CHD is higher among lower income families and children in these families do not get diagnosed on time, leading to higher morbidity and mortality.

Healing Little Hearts is an initiative by Chola which so far supported surgeries of 190 children suffering from CHDs and belonging to CMCV families across India. The complete treatment for treating the respective CHD has been provided to the affected, totally free of cost.

Divine Mother and Child Health Programme, a programme for strengthening maternal health has been initiated for improving accessibility and building capacities for quality maternal health care. The programme envisages and endeavours to provide consultation, comprehensive screening, detection and intervention for pregnant women and their children. This programme is not only done at the premises of partner's selected hospital facility but also as a mobile service provider by visiting the places of the patients/ beneficiaries which are predominantly located on peri-urban areas and economically poorer localities.

A major implication of the ***Sustainable Development Goals (SDGs) and target 3.4*** for mental health policy and practice is the renewed emphasis on implementing a strong public health approach that addresses the needs of individuals and families affected by mental disorders and psychosocial disabilities but also protects or acts against known determinants of mental health that typically have their origin outside the health sector, including socioeconomic status, educational attainment and (in)equality.

Cancer Treatment for children (27 children) from across the country has been supported by our interventions.

With good mental health, people feel more confident to carry out activities of daily living, including self-care, education, employment and participation in social life. Therefore, investment in mental health is essential for the sustainability of health and socio-economic policies. Chola is investing in promotion of overall well being through Yoga (about 150,000 beneficiaries participated).

Water, Sanitation and Hygiene (WASH) Access to clean and safe drinking water still remains a major problem for most of the rural communities. While some communities lack access to water facilities some face contamination problem. Excess fluoride in the water content in rural areas is leading to dental, joint issues and skeletal fluorosis. Water contamination is a problem in slum areas due to old pipe lines, mix of water with sewer drains etc., leading to multiple health issues such as diarrhea, typhoid, skin diseases, etc. This situation results in dire consequences to the rural poor as their family medical expenses increase and the productivity decreases.

Under this initiative, Chola worked with villages in Odisha and Telangana and extended interventions such as building toilets, providing purified drinking water facilities for villages and schools. Chola installed Ultra filtration water plants in 22 villages of Telangana. While doing so Chola has not forgotten the environment issues and encourages partners to provide solar power wherever possible for the purposes.

Chola supports people through its ***Mobile Health Clinics*** (125 patients minimum per week of operation).

Under the ***COVID-19 Health Disaster Management,*** Chola supported welfare activities for the CVCM community and supported partners during COVID-19 pandemic. Among various welfare activities undertaken, Chola supported with masks, face shields, vaccination and PPE kits for health workers.

Chola supported the treatment of patients infected with COVID-19, especially children belonging to poor socio-economic section of society. Chola ran awareness campaigns on hand hygiene and social distancing across 12 locations in the country.

In addition, Chola contributed an aggregate sum of ₹2.50 crore to Tamil Nadu State Disaster Relief Fund during the year to aid the fight against COVID.

For its good work in the field of Health for the CVCMS, **Chola has been invited to participate in the United Nations Global Sustainable Transport Conference,** an honour and recognition for Chola's work in the sector. This provided an opportunity for the company to focus attention on the opportunities, challenges, and solutions towards achieving sustainable transport worldwide.

Education

Education initiatives of Chola are aligned with the national goals and complement the goal of the Country in ensuring 'basic education for all'. Chola has been undertaking multi-dimensional initiatives to reduce dropouts, provide better educational infrastructure, supplying appropriate equipment, books, financial assistance, scholarships to promote meritorious girl students to continue education. The educational programmes and initiatives are developed keeping in mind the specific requirements of an area or the community.

As part of the Financial Literacy program, Chola reached out to the CVCMs and their families, especially women to make them aware of income and expenditure, banking systems, saving practices, digital transactions, financial planning and money safety in a series of sessions at 2 blocks of Kutch District, Gujarat (Anjar / Gandhidham and Bhuj).

Chola supports the Murugappa Polytechnic College that imparts quality education and training of international standards in engineering and technology through continuous improvement, teamwork, growth and innovation. It offers courses in Civil Engineering, Computer Engineering, Electrical Engineering, Electronics and Communication Engineering, Mechanical Engineering and Electronics.

Chola has been running ***Scholarship Programmes*** for children from the trucker's community (193 beneficiaries) during the past two years in Rajasthan and in Tamilnadu. These are regions where the truck drivers go away from home for months, on long distance driving of the trucks to the extreme parts of India. They belong to low income group and their children are first generation learners in school. The resurgence of COVID situation and the subsequent lockdown and travel restrictions have resulted in loss of jobs for many resulting in a crippling cash crunch for these CVCMs. It has, indeed, been a very challenging period for them. Many students discontinued their studies after class 10 and 12 due to lack of funds. This scholarship enables such children to continue their higher education in higher secondary classes or colleges with the help of the scholarship. Chola believes that in supporting such children from the community enables them to dream bigger and helps them find a footing in the world. Chola has provided scholarships to 193 students in courses of IT, nursing, ITI etc.

Chola has been supporting other educational needs such as classroom infrastructure (two schools), edu-aids and equipment (58 beneficiaries), education through art programmes (1,700 students), providing mini libraries (2,500 students) towards better and quality education and access to children of special abilities (at least 132 students).

Other Interventions

Chola has invested about 9-10% in other areas of interventions such as Arts and Heritage conservation/preservation, Environment and Sports activities across the country. These activities include preserving antique, historical and rare books, helping setting up infrastructure for a small arts museum, protecting flora, fauna and fisheries, and encouraging sports of national and Olympian importance.

Looking into the future

Road transportation will continue to flourish and will have the lion's share of freight in the country. This is because of the last-mile connectivity and can be achieved only through the road network. Despite the demand for truck drivers in the country being on the rise, much pay disparity exists and the trucking community finds it continuously difficult to make both ends meet, thus forcing them to live in poverty.

Stressful conditions, lack of infrastructural facilities for clean toilets, non-existent career prospects within the driver community, lack of sufficient and timely income results in a crisis and absence of job satisfaction. As the present community sees hardly any prospects for their children in this profession the new generation is being discouraged to take up the driving and allied profession. This situation will have severe consequences on the supply and demand scenario in the country for drivers, which in turn would have great ramifications on the country's logistics map.

Chola will continue to monitor the situation and contribute in bringing better support to the CVCMs and other underprivileged and marginalised communities. Chola will also intervene in Environment issues in most of its programmes/projects, towards a better Environment, Social and Governance foot print.

2. Composition of CSR Committee (as on March 31, 2022):

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

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

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

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

The programme objectives were evaluated using the REES framework. REES framework measures the performance of the projects on five parameters – Relevance, Effectiveness, Efficiency, Sustainability and Social Impact. Key findings of the impact assessment are given below. Detailed report can be accessed at https://www.cholamandalam.com/community-relations.aspx.

	Name of the project	Relevance	Effectiveness	Efficiency	Sustainability	Social Impact
1	Support Education in Murugappa Polytechnic College	Suitable courses being provided	Access to upgraded online learning labs	Affordability	Solar plants inside campus	Access to Education for First-Generation Learners
2	Support Expansion of Sir Ivan Stedford Hospital	1. Proper care 2. Project site conduciveness 3. Availability of similar services in the area	1. Space availability 2. Ward and bed availability	Affordability	Solar plants inside campus	Access to Education for First-Generation Learners
3	Sustainable farming project with Murugappa Chettiar research Center	Crop Production - Development of bio inputs like bio-fertilizers, growth promoters	Soil health and Management	The Crop production project was useful in reaching out to over 400 farmers in the year 2021. Overall 1200 farmers were reached.	Direct increase in the commercial benefits for the farmers as a result of the improved yields.	Knowledge transfer and skill development of farmers.
4	Project Raahi	1. Addressing the challenges of non-availability and non-affordability of quality eye care. 2. Improved the availability, accessibility and quality of eye care provided to them	1. Standard operating protocol 2. Involvement of state government	1. Project locations across states 2. Project implementation strategy includes local eye care 3. Using technology for every purpose is a step up in the entire ecosystem	1. Hub and spoke model of the project. 2. Advocacy efforts	1. Improving the lives of the truck drivers 2. Increasing earning power 3. Occupational and public safety 4.Fostering the ability to perform everyday tasks.
5	The Gift of life Sai Sanjeevani Hospital	Providing Paediatric care	Quality health care Reduced cases of death	Zero Cost treatment	Continuity of services	Alignment with UN SDG 3
6	Covid -19 Containment Project with The Childs Trust	The molecular laboratory at CTMRF has led to early diagnosis of the virus, effective treatment and recovery.	Clinical laboratory plays a vital role	1. Project locations across states 2. Project implementation strategy includes local eye care 3. Using technology for every purpose is a step up in the entire ecosystem	Early treatment	Prompt treatment and support was provided
7	Support medical facilities for underprivileged at Valliammai Aachi Hospital	1.Care Provided 2.Serving the needy 3.Conduciveness 4.Availability of similar service in that area	1. Well-equipped IP block 2. OPD Services 3. Lab and Scan Facilities 4. Pharmacy	1. Affordable Cost 2.Utilization Rate 3.Quality Care Services 4.Improved Staff Performance	1. Continuity of services by the partner 2.Building team capacity and motivation 3.Addressing patient needs	1.Improved Access to Health care 2.Income Generation Opportunities 3.Overriding Stigma and Barriers in Healthcare

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any -** Nil

6. **Average net profit of the company as per section 135(5). -** ₹1,85,177.33 lakhs

7. **(a) Two percent of average net profit of the company as per section 135(5) -** ₹3,631.55 lakhs

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil

   (c) Amount required to be set off for the financial year, if any - Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c) - ₹3,631.55 lakhs

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹ lakhs)	Amount Unspent (in ₹ lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
3,643.87 lakhs	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: Not applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

SN.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area	Location of the project		Project duration	Amount allocated for the project (₹ in lakhs)	Amount spent in the current financial Year (₹ in lakhs)	Amount trans-ferred to Unspent CSR Account for the project as per section 135(6) (₹ in lakhs)	Mode of Imple-mentation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Regis-tration number
1	SAKSHAM – Truckers' Eye Health Programme	Health	Yes	Rajas-than	Jaipur	12 months	33.01	33.01	No	No	Aravali	CSR 00000735
2	SWACCHA Telangana Project-Phase IV	Wash	Yes	Telen-gana	Osma-nabad	12 months	49.00	49.00	No	No	Bala Vikasa Social Service Society	CSR 00000313
3	Containment of COVID-19' Project	Disaster Manage-ment	Yes	Tamil Nadu	Chennai	12 months	50.00	50.00	No	No	Child Trust	CSR 00002494
4	Arts in Education Project	Education	Yes	Tamil Nadu	Chennai	12 months	16.22	16.22	No	No	Nalandaway	CSR 00001780
5	Environment sustainability project	Environ-ment	Yes	Spiti Laksha-dweep	Laksha-dweep	12 months	52.43	52.43	No	No	Nature Conservation Foundation	CSR 00001665
6	Financial inclusion of commercial vehicle members & crew	Education	Yes	Gujarat	Kutch	12 months	61.59	61.59	No	No	PRAYAS	CSR 00000542
7	Truckers Eye Health Project Phase - V	Health	Yes	PAN India	PAN India	12 months	234.46	234.46	No	No	Royal Commonwealth Society for the blind	CSR 00001381
8	The gift of life-Phase III	Health	Yes	PAN India	PAN India	12 months	120.00	120.00	No	No	Sri Sathya Sai Health & Education Trust	CSR 00001048
9	Cancer treatment for Children Project	Health	Yes	Tamil Nadu	PAN India	12 months	15.00	15.00	No	No	Tiara Haemophilia and Cancer Foundation	CSR 00000448
10	Swaccha Odisha Grama Vikas Project Phase V	WASH	Yes	Odisha	Cuttack	12 months	56.48	56.48	No	No	Women Education and Environment	CSR 00000911
11	Eureka School Infrastructural Development Project	Education	Yes	Tamil Nadu	Chennai	12 months	21.00	21.00	No	No	AID India	CSR 00000027

SN.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area	Location of the project		Project duration	Amount allocated for the project (₹ in lakhs)	Amount spent in the current financial Year (₹ in lakhs)	Amount trans-ferred to Unspent CSR Account for the project as per section 135(6) (₹ in lakhs)	Mode of Imple-mentation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Regis-tration number
12	Swachh Poondi Lake Project	WASH	Yes	Tamil Nadu	Chennai	12 months	55.00	55.00	No	No	Voice Foundation	CSR 00000951
13	WORTH Education for Visually Impaired persons - Project	Education	Yes	Tamil Nadu	Chennai	12 months	11.89	11.89	No	No	Worth Trust	CSR 00005475
14	Chola –Enrico Piperno Tennis Training project	Sports	Yes	West Bengal	Kolkata	12 Month	5.00	5.00	No	No	Enrico Piperno Table Tennis Trust	CSR 00003565
15	Chola-SOS Children empowerment program	Rural Develop-ment	Yes	Pudu-cherry	Pudu-cherry	12 months	2.52	2.52	No	No	SOS	CSR 00000692
16	Towards Arts and Museum project	Art	Yes	Tamil Nadu	Chennai	12 months	15.00	15.00	No	No	Madras Crafts Foundation	CSR 00012633
17	My dream scholarship Project	Education	Yes	Tamil Nadu	Namakkal	12 months	75.50	75.50	No	No	Women Organization For Rural development	CSR 00002346
18	Chola Sports training project in Partnership with TNTA	Sports	Yes	Tamil Nadu	Chennai	12 months	5.00	5.00	No	No	Tamil Nadu Tennis Association	CSR 00012872
19	The gift of life	Health	Yes	PAN India	PAN India	12 months	120.00	120.00	No	No	Sri Sathya Sai Health & Education Trust	CSR 00001048
20	Maternal and child health initiative benefitting CVCMs (Commercial vehicle crew members).	Health	Yes	Chhatt-isgarh	Raipur	12 months	50.00	50.00	No	No	Sri Sathya Sai Health & Education Trust	CSR 00001048
21	Chola Isha Action for Rural Rejuvenation	Rural Develop-ment	Yes	Tamil Nadu	Coimba-tore	12 months	44.00	44.00	No	No	Isha Outreach	CSR 00009670
22	Chola-Isha Sadhanapada		Yes	Tamil Nadu	Coimba-tore	12 months	360.00	360.00	No	No	Isha Foundation	CSR 00001845
23	Yoga for all	Health	Yes	Tamil Nadu	Coimba-tore	12 months	96.00	96.00	No	No	Isha Institute of Inner Sciences	CSR 00012815
24	Chola -Golf sports training	Sports	Yes	Delhi	New Delhi	12 months	15.00	15.00	No	No	Golf Foundation	CSR 00000885
25	Holistic school development	Education	Yes	Tamil Nadu	Chennai	12 months	19.99	19.99	No	No	United way Chennai	CSR 00000572

SN.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area	Location of the project		Project duration	Amount allocated for the project (₹ in lakhs)	Amount spent in the current financial Year (₹ in lakhs)	Amount trans--ferred to Unspent CSR Account for the project as per section 135(6) (₹ in lakhs)	Mode of Imple--mentation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Regis--tration number
26	Restoration of Saltpans for the Conservation of migratory Waterbirds	Environ ment	Yes	Tamil Nadu	Kanya--kumari	12 months	9.45	9.45	No	No	Bombay Natural History society	CSR 00005463
27	New classroom construction in Govt. high school	Education	Yes	Tamil Nadu	Chennai	12 months	14.00	14.00	No	No	Rotary Midcity	CSR 00005813
28	Pragati - Integrated Rural Health and Development Project	Health	Yes	Maha--rashtra	Thane	12 months	9.24	9.24	No	No	Tata Institute of Social Sciences	CSR 00003475
29	50 Mini library in anganwadis	Education	Yes	Maha--rashtra	Thane	12 months	5.00	5.00	No	No	Samaveshi Pathashala foundation	CSR 00014540
30	Mobile van for CVCM	Health	Yes	Tamil Nadu	Chennai	12 months	32.78	32.78	No	No	Sewabharthy	CSR 00004180
31	Inclusive School Equipment project	Education	Yes	Tamil Nadu	Pudu--cherry	12 months	9.45	9.45	No	No	Sathya Special School	CSR 00003953
32	Preservation of early books	Art	Yes	Tamil Nadu	Chennai	12 months	10.00	10.00	No	No	Roja Muthiah Research Library Trust	CSR 000019626
33	Construction of hospital in Conoor	Health	Yes	Tamil Nadu	Conoor	12 months	5.00	5.00	No	No	Rotary club of Nilgiri	CSR 00003496
34	Energy Treatment plant from Food waste and School bus for Intellectually Challenged persons	Health	Yes	Tamil Nadu	Katpadi	12 months	25.40	25.40	No	No	Worth Trust	CSR 00005475
35	Tamilnadu Disaster Relief Fund - COVID	Disaster Manage--ment	Yes	Tamil Nadu	Tamil Nadu	12 Month	200.00	200.00	No	No	Tamil Nadu Disaster Relief Fund	-
36	Conservation work in Spiti and Lakshadweep	Environ--ment	Yes	Spiti and Laksh--dweep	Spiti and Laksh--dweep	12 months	90.19	90.19	No	No	Nature Conservation Foundation	CSR 00001665
37	15 Ultra Filtration Plants in Telangana	WASH	Yes	Telen--gana	Osma--nabad	12 months	49.20	49.20	No	No	Bala Vikasa Social Service Society	CSR 00000313
38	Using renewable Solar energy to power project of Swachh Poondi Phase -1,2 and 3	Rural Develop--ment	Yes	Tamil Nadu	Chennai	12 months	44.04	44.04	No	No	Voice foundation	CSR 00005475
39	ENT device in ICH	Health	Yes	Tamil Nadu	Chennai	12 months	25.00	25.00	No	No	United way Chennai	CSR 00000572
40	Congenital Heart Disease surgeries for children of CVCM	Health	Yes	PAN India	PAN India	12 months	73.00	73.00	No	No	Sri Sathya Disease Sai Health & Education Trust	CSR 00001048

SN.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area	Location of the project		Project duration	Amount allocated for the project (₹ in lakhs)	Amount spent in the current financial Year (₹ in lakhs)	Amount trans--ferred to Unspent CSR Account for the project as per section 135(6) (₹ in lakhs)	Mode of Imple--mentation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Regis--tration number
41	Studies on Biodiversity and Climate - Wildlife Biology	Education	Yes	Tamil Nadu	Chennai	12 months	24.00	24.00	No	No	Shri AMM Murugappa Chettiar Research Center, Chennai (MCRC)	CSR 00000057
42	Studies on Biodiversity and Climate - Agroforestry	Education	Yes	Tamil Nadu	Chennai	12 months	58.00	58.00	No	No	MCRC	CSR 00000057
43	Studies on Bioenergy from agro and other wastes	Education	Yes	Tamil Nadu	Chennai	12 months	65.00	65.00	No	No	MCRC	CSR 00000057
44	Research & Develop ment on use of Enzymes & novel applications of natural products for rural India	Education	Yes	Tamil Nadu	Chennai	12 months	55.00	55.00	No	No	MCRC	CSR 00000057
45	Research & Development on natural products of natural dyes and pigments for rural India	Education	Yes	Tamil Nadu	Chennai	12 months	61.00	61.00	No	No	MCRC	CSR 00000057
46	Research and Development on nutritional foods / supplements for rural communities	Education	Yes	Tamil Nadu	Chennai	12 months	65.00	65.00	No	No	MCRC	CSR 00000057
47	Research and development of Soil Health Management in rural areas	Education	Yes	Tamil Nadu	Chennai	12 months	66.00	66.00	No	No	MCRC	CSR 00000057
48	Research & Development on Solar based devices used in daily life in rural areas	Education	Yes	Tamil Nadu	Chennai	12 months	61.00	61.00	No	No	MCRC	CSR 00000057
49	Research and development of Sustainable agricultural practices - Crop protection for small land holding farmers	Education	Yes	Tamil Nadu	Chennai	12 months	64.00	64.00	No	No	MCRC	CSR 00000057
50	Research and Development of Sustainable Agricultural Practices for Small Land Holding Farmers	Education	Yes	Tamil Nadu	Chennai	12 months	67.00	67.00	No	No	MCRC	CSR 00000057
51	Testing and development of TATA Swach Jal Tech water purifier	Rural develop--ment	Yes	Tamil Nadu	Chennai	12 months	50.00	40.00	No	No	MCRC	CSR 00000057

SN.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area	Location of the project		Project duration	Amount allocated for the project (₹ in lakhs)	Amount spent in the current financial Year (₹ in lakhs)	Amount trans--ferred to Unspent CSR Account for the project as per section 135(6) (₹ in lakhs)	Mode of Imple--mentation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Regis--tration number
52	Sir Ivan Stedeford Hospital-Expansion & Renovation	Health	Yes	Tamil Nadu	Chennai	12 months	509.50	509.50	No	No	AMM Foundation	CSR 00000050
53	Murugappa Youth Football Academy	Sports	Yes	Tamil Nadu	Chennai	12 months	17.69	17.69	No	No	AMM Foundation	CSR 00000050
54	Mobile Health Van-Assam	Health	Yes	Tamil Nadu	Kanya--kumari	12 months	13.45	13.45	No	No	AMM Foundation	CSR 00000050
55	Renovation of Vallammai Achi Hospital	Health	Yes	Kanya--kumari	Chennai	12 months	49.78	49.78	No	No	AMM Foundation	CSR 00000050
56	Dialysis centre-AMM Foundation-Valliammai Achi Hospital	Health	Yes	Tamil Nadu	Chennai	12 months	110.29	110.29	No	No	AMM Foundation	CSR 00000050
57	Murugappa Science Centre	Education	Yes	Tamil Nadu	Chennai	12 months	10.00	10.00	No	No	AMM Foundation	CSR 00000050
58	Impact assessment						46.94	46.94				
59	Admin						64.39	64.39				
	Total						**3,643.87**	**3,643.87**				

(d) Amount spent in Administrative Overheads - ₹ 64.39 lakhs

(e) Amount spent on Impact Assessment, if applicable - ₹ 46.94 lakhs

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 3,643.87 lakhs

(g) Excess amount for set off, if any-

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 3,631.55 lakhs
(ii)	Total amount spent for the Financial Year	₹ 3,643.87 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 12.32 lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. **(a) Details of Unspent CSR amount for the preceding three financial years:** - Nil

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): - Nil

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).** - Nil

    (a) Date of creation or acquisition of the capital asset(s).

    (b) Amount of CSR spent for creation or acquisition of capital asset.

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

On behalf of the Board

Place : Chennai
Date : 5 May, 2022

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman - CSR Committee

Annexure-III

Information under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the board's report for the year ended 31 March, 2022

Nature of Disclosure	Particulars		
a) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	**Name of the Director / Designation**	**% increase of Remuneration in 2022 as compared to 2021**	**Ratio of Remuneration to Median Remuneration of employees**
	Non-Executive Directors		
	Mr. Vellayan Subbiah, Non-executive Director / Chairman	900%*	13.49:1
	Mr. Ashok Kumar Barat, Non-executive / Independent Director	Nil	1.35:1
	Mr. N. Ramesh Rajan, Non-executive / Independent Director	Nil	1.35:1
	Mr. Rohan Verma, Non-executive / Independent Director	Nil	1.35:1
	Ms. Bhama Krishnamurthy, Non-executive / Independent Director	Nil	1.35:1
	Mr. M.A.M. Arunachalam, Non-executive Director	Nil	1.35:1
	Mr. Anand Kumar, Non-executive / Independent Director	Nil	1.35:1
	Mr. Bharath Vasudevan, Non-executive / Independent Director	Nil	1.35:1
	Executive Director Mr. Ravindra Kumar Kundu, Executive Director	21.40%	35.75:1
b) Percentage increase in remuneration of Chief Financial Officer and Company Secretary in the financial year	**Name of the KMP / Designation**	**% increase in remuneration in 2022 as compared to 2021**	
	Mr. D. Arul Selvan, Chief Financial Officer	26.51%	
	Ms. P. Sujatha, Company Secretary	12.08%	
c) Percentage increase in median remuneration of employees in the financial year	35% increase in median remuneration (The increase in median remuneration as compared with FY 21 is on account of annual increment for FY 21 was effective from January, 2021 and the revised remuneration for the previous year was only for 3 months. Whereas the FY 22 median remuneration has impact of two increments to employees in July, 2021 and January, 2022)		

Nature of Disclosure	Particulars		
d) Number of permanent employees on the rolls of company (as of 31 March, 2022)	9,125		
e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	For employees other than managerial personnel who were in employment for the whole of FY 21 and FY 22, the average increase is 10.08%. The average increase for managerial personnel is 20%.		
f) Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration is in line with the remuneration policy of the company.		

Note:

* Increase in remuneration to non-executive chairman is on account of considerable amount of time spent by him towards the affairs of the company viz, reviewing the performance of various businesses of the company and its subsidiaries along with senior management team on a periodical basis, devising the long term strategy, giving strategic directions and advising the company in exploring new opportunities.

On behalf of the board

Place : Chennai
Date : 5 May, 2022

Vellayan Subbiah
Chairman

Management Discussion and Analysis

MACROECONOMIC OVERVIEW

The financial year 2022 was quite eventful when the Indian economy started witnessing green shoots of recovery post the first wave of Covid19 pandemic, the second wave of Covid struck hard right from the beginning of FY 22. Unlike the nationwide lockdown during the first wave in FY 21, state level localised lockdowns and targeted containment strategy had a less pronounced impact on the economy. Rapid vaccination programme roll-out and Governmental support, led to upticks across a range of indicators, including the mobility index, direct tax collections, and electricity demand, reflect positive levels of economic growth.

While demand is yet to fully recover to pre-covid levels, consumer prices continue to increase steeply registering a CPI inflation and WPI inflation at 6.95% and 14.55% respectively in March 2022. The pressure on consumer prices is expected to continue in FY 23, with surging commodity prices, disruptions in global supply chains and rising freight costs. RBI has revised its inflation forecast upwards for FY 23 to 6.7% from earlier estimate of 4.5%. RBI announced a cumulative hike in repo rate by 90 basis points in this fiscal the first-rate hike since August 2018, which signalled the reversal of the reduction cycle. RBI used its policy levers to preserve macroeconomic and financial stability while enhancing the economy's resilience. RBI has been progressively absorbing excess liquidity in the system through variable rate reverse repo operations. This has been in conjunction with the selling of Govt Securities (G-Sec) through open market operations. RBI is expected to withdraw the liquidity overhang in a gradual and calibrated manner over a multi-year time frame in a non-disruptive manner.

The Government of India's renewed commitment with its continued investment in strengthening the country's infrastructure with proposal to fund infrastructure through PM Gati Shakti, Public Private Partnerships, is expected to boost the economic growth. RBI forecast for GDP growth for FY 23 is at 7.2% as against provisional estimate of GDP growth for FY 22 at 8.7%. India is likely to maintain its position as the fastest growing major economy. World Bank has also forecasted India's GDP growth for fiscal year 2022-23 above 7.0%. Continuous uptick in High Frequency Indicators (HFIs) point towards economic recovery in India. Also, the Government's impetus on infrastructure development and domestic manufacturing is anticipated to further this growth, create more jobs and help build supply chain resilience.

INDUSTRY GROWTH PROSPECTS

Automobile Industry

Commercial vehicles and passenger vehicles registered double digit growth in FY 22 after two years of continuous de-growth backed by improvement in economic activity, revival of construction / mining activities and improvement in semiconductor supplies towards the end of the year.

The domestic commercial vehicle industry grew by 26% in FY 22, supported by a low base and improvement in economic activity. Medium and heavy commercial vehicles (MHCV's) recorded a 54% growth, light commercial vehicles (LCV's) with 15% growth and small commercial vehicles (SCV's) with 23% growth.

The commercial vehicle industry is expected to deliver double digit growth in FY 23 driven by freight demand, replacement demand which had been postponed over the last two years, structural economic recovery and higher infra spends by the Government. However, inflation in fuel prices and its impact on viability of fleet operators will remain a key challenge in FY 23.

The domestic car and utility vehicle industry had witnessed a 14% growth in FY 22 after consecutive years of negative growth aided by improvement in semiconductor supplies towards the end of the year and improvement in sale of utility vehicles due to shift in customer preferences. It is expected to post healthy growth aided by improvement in semiconductor supplies and materialisation of pent-up demand.

A gradual recovery in two-wheeler demand is expected in FY 23 with a decent growth year on year considering a low base.

Tractor Industry:

The domestic tractor sales remained healthy in the first half of FY 22 even after the second wave but witnessed some moderation due to uneven rainfalls during the second half of the year. Tractor industry had witnessed a de-growth of 6% in FY 22 attributable to the huge volumes in FY 21 which was the ever all-time high for tractor sales in India, Tractor volumes might show minimal growth in FY 23 given the high base and moderation in demand.

Construction Equipment Industry:

After strong volume surge in H1 of FY 22, the volumes in construction equipment moderated significantly during the second half and had a de-growth of around 8%. Major factors that contributed to the de-growth were increasing cost of equipment prices, muted rentals and monsoon related impediments which impacted the road and construction sector. With an expectation of higher allocation to infra sector by the Government and restoration of normalcy in mining and construction activity it is expected that this industry will grow in FY 23.

LOAN AGAINST PROPERTY

With improvement in economy and lenders being positive towards mortgage-based lending, LAP segment is expected to perform better in FY 23. During the year, growth rate in LAP segment was higher than non-LAP segment (secured non-LAP and unsecured) as non-banks preferred mortgage-based lending over cash-flow-based lending in the short-run given the potential risks in other segments.

As per CRISIL NBFC Report Oct 2021 (MSME LAP), LAP portfolio of NBFCs is estimated at ₹ 2.5 Lakhs crores as of FY21. Non-banks are unlikely to be as aggressive as they were in the past, where the segment witnessed a double digit CAGR of 12% between FY 17 and FY 20. Higher growth in the past was due to lower interest rates and increased penetration.

Source: CRISIL NBFC Report

HOME LOANS

Industry Growth Prospects

The Indian Housing Finance market is estimated to be about ₹ 24 lakh crore and grew at around 9-11% in FY 22. The growth rate of affordable housing market was lower at around 6 - 8%, given that the impact of Covid on this segment (EWS, LIG, MIG customers), was more severe vis-a-vis the overall segment, which includes salaried individuals also, whose incomes have been relatively stable. Q1 of FY 22 was significantly impacted by the second wave of Covid-19 and its impact was felt through subsequent quarters. In terms of ticket size the sub ₹ 25 lakh segment contributes more than 43% of the mortgage outstanding. Analysts expect the housing sector to grow 10 - 12% in FY23 and affordable housing to grow at 7-9% in the same period.

With collections improving across most segments by Q4 FY22, analysts expect GNPAs to stabilize in FY23 and improve by 10 bps. Regulatory and fiscal environment remains conducive for the demand in affordable housing segment.

BUSINESS ANALYSIS

VEHICLE FINANCE

The vehicle finance (VF) disbursements during the year were at an all-time high of ₹ 25,439 crores against ₹ 20,249 crores in the previous year with a growth of 26%. The VF division was able to grow significantly in the new commercial vehicle and new passenger vehicle segment over last year by 46% and 44% respectively. The used vehicle disbursements also contributed 30% growth over the previous year. The PBT during the year was ₹ 2,054 crores as against ₹ 1,287 crores in the previous year with a growth of 60%. The VF division continued its razor-sharp focus on asset quality through a coordinated collection strategy, which helped in restricting gross stage 3 assets to 3.90% inspite of the second COVID wave in Q1 which had a severe impact on customer cash flows.

The company's vast branch network helps in acquiring new customers and creates proximity with customers helping in better collection efficiency and higher repeat business. The VF division has more than 80% of branches in the rural areas, towns and semi urban areas, a key strength which will enable your company to capitalise the rebound in rural demand for tractors, two-wheelers and passenger cars. Uptick in the demand for small commercial vehicle and light commercial vehicle will help the division to garner greater market share with its presence in rural areas along with a balanced collection approach. Chola is one of the key players in the used vehicle financing business and will continue to maintain a vigilant approach in this segment which had contributed to 33% of disbursement volume in FY'22.

It has been proven that digital transformation can be a competitive advantage in gaining market share by attracting digitally savvy customers who expect convenient, paper-less processes and channel partners who expect quick response and better transparency. Several benefits are expected to accrue to the organization which are:

a) enhanced and differentiated experience for all stakeholders who are primarily customers, dealers and employees

b) Optimized credit cost through revamped underwriting engine,

c) contained operating risk through multiple digital interventions, and

d) Reduced processing cost resulting from enhanced employee productivity.

Chola has been strong in the lower and lower middle segments of the customer pyramid. It had not forayed in the upper middle and upper segment of the customer pyramid due to challenges related to pricing. Through co-lending opportunities Chola would be foraying into this un-tapped customer segment by providing competitive pricing which in turn will help Chola to increase customer base and the market share.

The company has designed a multi-pronged long-term strategy to minimize the cost of operations and credit losses to maximize ROA and customer experience. Operating model enhancements have been prioritized and implemented at product level. The business will continue to endeavour in expanding and strengthening its existing relationships with customers, manufacturers, brokers and dealers, utilizing new tools and platforms such as Gaadi Bazaar. Gaadi Bazaar platform has currently enabled best price discovery for used vehicles through a seamless and transparent sale-purchase process, and creation of a customer, dealer/broker base which ensures higher stickiness.

The business has a robust collection mechanism in place aided with a strong credit risk assessment framework which will help in steering through any strong under currents in the market.

LOAN AGAINST PROPERTY (LAP)

With rebound in economy during FY 22, the focus of business was to stabilize collections, scale up disbursements, get systems and processes equipped to handle COVID induced challenges. The business continues to focus on a systematic approach to build a healthy portfolio mix, with more than 80% of our portfolio as Self-Occupied Residential Properties (SORP) and an average loan ticket size of less than ₹ 45 Lakhs. Portfolio Loan-to-Value (LTV) ratio at origination is consciously maintained at 52% levels which provides adequate security cover to the business.

Inspite of localised lockdowns in Q1 FY22, the business clocked ₹ 5,862 Cr of disbursements in FY 22, which is 62% higher than FY 21 disbursements. The business had started exceeding pre-COVID level of monthly disbursements with adequate branch expansion while strengthening credit policy in tune with market developments. Assets Under Management (AUM) for the business grew by 16% to ₹ 17,115 Cr in FY22 compared to ₹ 14,777 Cr in FY 21 inspite of the challenging macro-economic situation.

To build a resilient and scalable business platform, the business has performed geographical restructuring activity across zones. The business, with its presence in 388 branches (as of March 2022) pan India, has primary focus on Tier 2, Tier 3 and Tier 4 cities. Out of these 388 branches, 380 branches are co-located/ shared with other business verticals which will help in optimizing branch operating costs.

HOME LOANS (HL)

As of March 31, 2022, the HL business had 43,056 live accounts (25% growth Y-o-Y) with an AUM of ₹ 5,269 crores (21% growth Y-o-Y). 89% of the portfolio is from Tier II, III, IV cities and towns.

The disbursements grew 2% Y-o-Y from ₹ 1,542 crores in FY 21 to ₹ 1,571 crores in FY 22. 98% of the portfolio is end-use driven. The target group remains the lower middle income group customer. The average ticket size is ₹ 14 lakhs with an average LTV of 56% which reflects adequacy of headroom in case of marketability of the underlying assets. 95% of the portfolio comprises business owners with semi-formal income and significant business vintage buying their first home and 26% of customers are first time borrowers. The HL business is built on Chola's inherent strength in lending to the lower middle income (LMI) segment with a customized eligibility program for business owners and salaried customers. Chola offers loans for self-construction, purchase of resale flats/ independent houses, purchase of new flats/independent houses, balance transfer from other financiers, additional loans for existing customers and Shop Loans. Self-construction remains a strong focus of the company with significant proportion of the portfolio and fresh disbursements sourced from this segment.

Chola enjoys a significant presence in Tier II, III, IV towns and cities. The business has been strengthening the channel partner network in order to reach out to more customers. This year the business expanded its footprint in Madhya Pradesh and Haryana. HL are serviced through 217 branches across 11 states. Given that these customers are mostly first-time buyers the sales officers guides and facilitates the customer through the entire borrowing process. The business has also adopted technology to offer contact-less service delivery to its customers round the clock with a comprehensive customer service mobile application and web portal in vernacular language to ensure greater accessibility for customers.

DIGITAL JOURNEY

With an aim to reduce physical touchpoint with stakeholders, the business has upgraded its system with a host of integrations covering entire stakeholder ecosystem. VideoPD, eNACH, KYC verification and validation. GST and Bank statement analysis were introduced by keeping customer priorities in mind, apart from introducing a dedicated customer facing application. Also, online payment modes for collections have been introduced to provide customers with multiple payment options. For vendors, online portals have been introduced to liaise and share documents with the business. Employees have been provided with mobile tab devices, and digital collaboration tools/applications have been introduced to minimize physical presence at branch offices.

ASSET LIABILITY MANAGEMENT (ALM)

The green shoots of economic revival which was seen in Q4 of FY 21, succumbed to the onslaught of covid second wave in Q1 FY 22. The second wave had a heavy impact on the economy, in response to which the RBI maintained an accommodative stance in its monetary policy for most of the year. Just when business confidence was looking up in the economy in Q3, the third wave hit the country, albeit with a milder impact than the earlier waves.

The company kept ALM in focus, watching RBI's commentaries, observing the market dynamics and engaging in continuous dialogue with lenders to ensure a healthy ALM even when the economy was impacted during the second and third covid waves.

The company monitored liquidity closely and ensured availability of funds at the best rates throughout the year. The company took a conservative stance and maintained an optimum level of liquid assets to ensure a comfortable ALM position. This conservative policy of the company helped in ensuring that company met all maturities and obligations comfortably.

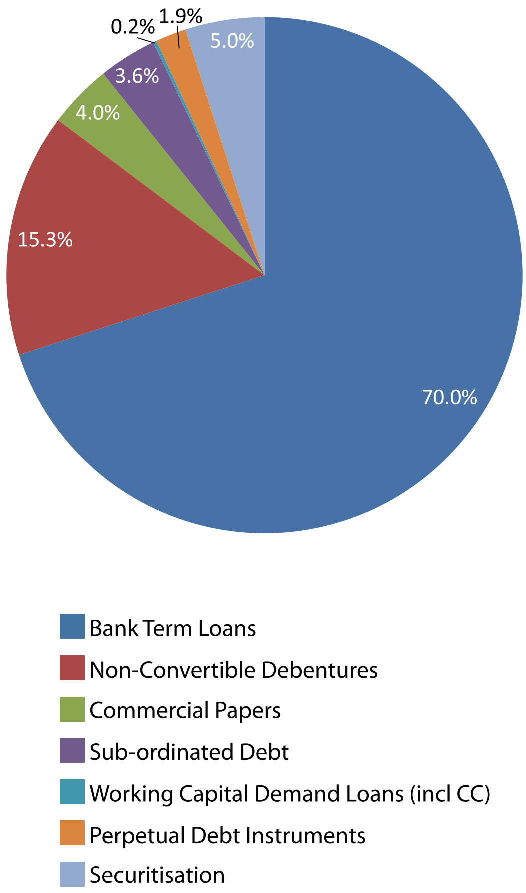
The company continued to avail long term bank borrowings at competitive rates. Market borrowings were attractive on account of benign interest rate outlook in FY22, and company raised market borrowings to take advantage of the downward trend in interest rate.

Long-term borrowings - in the form of medium-term bank loans (Rupee / FCNR), medium/long-term NCDs, and Tier II - contributed 91% of the gross incremental borrowings. Sale of receivables by way of securitisation amounting to ₹ 1600 crores helped in the matching of inflows and outflow, over the tenure of the loan book as well as in reducing the borrowing costs.

RESOURCES & TREASURY

During the year, the company raised funds from banks/ Financial Institutions and from money markets to support the growth of its businesses at competitive interest rates without compromising the right mix of long and short-term borrowings, thereby maintaining a healthy asset liability position. The borrowing profile as on March 31, 2022, is given below:

BANK BORROWING



In FY 22, the company mobilised ₹ 22,719 crores (net) of medium-term loans and ₹ 150 crores (net) as working capital / cash credit / short term loan facilities from banks. The company continued getting support for its money market issuances from banks through subscription of Commercial Papers (CPs) and Non-convertible Debentures (NCDs). The company continued to enjoy the steadfast support of the lending banks and the strong relationship helped manage the borrowing plan for FY 22.

MARKET BORROWING

During FY 22, the company raised CP of ₹ 5,550 crores of which ₹ 2,750 crores were repaid in FY22. CP outstanding as at the end of the year was ₹ 2,766 crores. Medium and long-term secured NCDs to the tune of ₹ 3,951 crores were mobilised at competitive rates. At the end of FY 22, outstanding NCD stood at ₹10,252 crores.

The Tier II borrowings raised during the year was ₹ 195 crores of Perpetual debt and ₹ 350 crores of Sub Debt. As at the end of FY 22, Tier II borrowings stood at ₹ 3,734 crores.

MOVEMENT IN INTEREST COST

The company maintained its strategy of reducing interest cost without compromising ALM requirements. This was achieved by selecting an appropriate sourcing strategy, in response to the uncertain market conditions. The mix of borrowings was increased in favour of bank borrowings, in view of the opportunities presented by the shifting of benchmark from MCLR to market -linked benchmarks. Additionally, borrowings against Priority Sector Assets continued in 21-22, at competitive rates. As a percentage of average borrowings, interest cost stood at 6.6% in FY 22 as compared to 7.6% in FY 21. This significant cost reduction was the result of successful negotiation of interest rates at the time of reset of interest rates on banks loans and by moving from MCLR to market linked benchmarks. Raising market borrowings at times when the interest rates were soft, also contributed to the reduction in interest cost.

During FY 22, securitisation of ₹ 1,600 crores was done at competitive rates resulting in significant savings of interest costs. The benefits of the low interest cost on these deals will continue to accrue to the company in subsequent financial years.

CAPITAL ADEQUACY RATIO (CAR)

As at the end of FY 22, the capital adequacy ratio stood at 19.62% (Tier I: 16.49% and Tier II: 3.13%).

INVESTMENTS

The company's investments of ₹ 2,076 crores include investments in G-sec of ₹ 1543.48 crores, investments in subsidiaries, joint ventures, and associates of ₹ 532.66 crores.

During the year, the company invested ₹450 crores and acquired 73.8% stake in equity share capital of Payswiff Technologies Private Limited and invested ₹ 9.75 crores and acquired 16.29% stake in equity share capital of Paytail Commerce Private Limited.

FINANCIAL REVIEW

The company's aggregate disbursements grew by 36% from ₹ 26,043 crores in FY 21 to ₹ 35,490 crores in FY 22. The AUM for the company grew by 8% (YoY) and the growth of on-balance sheet assets was 11%. The business AUM (including on book and assigned net of provisions) in FY 22 grew by 10% and stood at ₹ 76,907 crores as against ₹ 69,996 crores recorded in FY 21. The lower growth of AUM as compared to disbursement is due to the run-down impact of the assets capitalised on account of moratorium in FY 21.

Asset quality as on March 2022 represented by stage 3 assets stood at 4.37% with adequate provision coverage of 39.7% of ECL provision, as against 3.96% last FY with provision coverage of 44.3%. Stage 3 provisions for March 2022 included additional provisions towards future contingencies and macro factors for ₹ 500 crores. The increase in stage 3 assets is due to the impact of COVID in Q1 of FY22, when stage 3 assets moved up to 6.7%, which was progressively reduced to 4.37%.

Profit after tax (PAT) for the year ended FY 22 were at ₹ 2,147 crores as against ₹1,515 crores in FY 21, which is a growth of 42%. PBT-ROTA stood at 3.9% in FY 22 as against 3% in FY 21.

HUMAN RESOURCES (HR)

Collaborative approach focusing on business goals

As the unpredictability presented by the pandemic situation began to show signs of fading, the HR team worked in realigning process, rolling out interventions to facilitate employees' physical, mental and financial well-being.

Key Highlights of FY21-22:

- Reimagining the recruitment process
- Business partnering to enhance productivity - People Strategy Project
- Continue to focus on employee wellness
- Building capabilities & enhancements in technological front

Reimagining the recruitment process:

With remote working & hybrid working model, the competition for top talent increased multifold. The human resource teams put together strategies to support meeting the staffing needs of the organization.

As at 31st March 2022, the company headcount was at 8,920, which is a 17% growth in comparison to last financial year. During the year 2,455 employees were hired. Two new businesses (CSEL, SBPL) were launched during the financial year. Hiring strategy was planned and executed in collaboration with these business. Home grown leaders from other business verticals were identified for leaderships roles in both the new businesses.

People Strategy Project: Business partnering to facilitate productivity enhancement –

The emergence of the "People Strategy Project" was one of the major highlights of FY22. The project objective was on facilitating the productivity enhancement through different HR interventions focusing on standardization and alignment of HR process with business outcome.

Interventions rolled out:

Success profiling of Feet On Street (FOS) **–** This intervention focused on understanding the personality traits and demographic background of productive employees.

Demographic Profiling: Demographic data was analyzed to understand significant factors which are common in productive

FOS. The framework for the profiling was built on employees who have spent more than one year in Chola, their performance and incentive earned. 47 profiling sheets were developed based on the geography and products.

Behavioural Assessment – Based on the role study and focused group interview, competency dictionary framework was validated. Based on the validation psychometric assessment was developed both in English and vernacular languages.

Structured Interview - Role and experience wise standard Interview assessment sheet was developed for bringing in uniformity in selection of FOS.

Deployment and alignments: The objective of the intervention is to check the current deployment of SFEs and align them as per market demand. Employees were short-listed based on vintage, the trend of productivity, and salary level. The challenges faced by the employees were also recorded.

Employee Wellness:

Chola continues to place safety and well-being of the employees as high priority. Campaigns for safety and employee support programs for pandemic situation were on top of the list.

Stay Safe Campaign: Extensive tracking with the employee hospitalization trends captured from 1st Wave by regional HR team. Employees presenting symptoms were meticulously followed for doctor reviews and progress in health. Webinars were conducted on guided meditation. On call Doctors were available 24/7.

Safe Drive Initiative: Our business requires strong ties with customers and regular field visits; therefore "Employee Road Safety Training" is given to all employees. 5700 employees are also proactively trained on Behavior-Based Road Safety Techniques, Monsoon Road Safety, and Winter Road Safety measures to ensure their personal safety.

Health and Fitness campaign: The importance of physical health and mental health are increasingly focussed upon. Younger generation is also prone to life threatening diseases nowadays. Thus, the CHOLA EHS team launched Health and Fitness Campaign called "30+", which aims to create awareness about health issues and to facilitate employees adapt a healthy lifestyle.

Employee Support programs - COVID Initiatives:

- Cash benefit for immediate relief of COVID affected employees and additional death cover on account of the pandemic.
- Interest free loans for COVID affected employees and family on easy repayment terms
- Additional Death Cover on account of the pandemic was provided. Insurance coverage for the family members for a period of 12 months
- Vaccination Support program conducted.
- Support for education of deceased frontline field employees' children up to graduation
- Employment opportunity on merit for the eligible dependents of the deceased employee.

Learning and Development:

Learning at Chola has always been closely aligned to ensure that employee productivity and readiness for the job roles are manifested in the desired manner. The primary focus has always been on gauging and building the functional competence of employees and supplementing critical roles with required behavioral inputs as the role demands.

Efforts this year were towards building the following learning ecosystems at Chola –

- Structured Induction Program for all employees
- Trained over 2300+ employees on functional and behavioral competencies
- Hyper-drive linked learning events to enhance operational process efficiency at VF Branches.
- Lean Management efforts towards enhancing the productivity of frontline sales teams.

Employee Engagement - Digital – Phygital to Physical Engagement:

FY 22 was a year of transitions in the employee's work style. The year started with the employees working from the home and ended with employees working from the office. Our employee engagement initiatives like virtual programs for kids, yoga, marathon and celebrations were tailored to employee's work style.

TECHNOLOGY INITIATIVES

The bounce back experience since the pandemic has further reinforced the need to provide an uninterrupted, anywhere, any channel experience for our business stakeholders – employees, customers, and ecosystem partners. Our quest for seamless digital experience financial services space is now expanding in horizon and getting embedded into daily life.

We are creating and enhancing the experience of internal as well as external stakeholders on a regular basis. In addition to having a seamless, secure data framework across our systems, we are also creating APIs and digital frameworks that can be accessed from our upstream market players. Our systems are ready to digitally integrate and talk to our customers, dealers, manufacturers, valuators, co-lending institutions, and many other partners. We already have active integration with multiple entities, and we are committed towards increasing and improvising these layers to be the financial services partner of choice based on our digital strengths.

Our Phygital ideology has got deep-rooted in us to a phase where system solutions today work in tandem with employees to enhance their digital experience. This includes extensive use of design thinking and user journeys to simplify data capture as well as the quality of data being captured. While LEAN helps ensure an efficient and effective digitization process, the focus on user experience in our systems further ensures that our systems are intuitive enough for users to adopt and work on the solutions from muscle memory.

Besides designing & developing solutions with process efficiency on one side, the company is also assiduously driving automation in the regular business activities carried out by teams across functions & businesses. This ranges from combination of home-grown automation scripts and robotic-process automation tools to cognitive automation solutions. The objective is to drive a higher index of automation while increasing the efficiency of operations and eliminating potential aspects of human error / output variance in these activities.

Data driven decisioning has been integral to our way of working, and we are progressively deploying frameworks and tools by which the data can be accessible to the right person to take the right decision. An integrated view of data helps across the entire cycle of business operations spanning planning, budgeting, credit decisioning, and analytical aspects of sales, collections, portfolio, and fraud among others. The end goal is towards easy access to data that helps decision makers take pro-active actions while having appropriate data access controls and ability to enforce needs-driven access to data.

With the 24 x 7 nature of digital interactions, relentless focus on cyber security is paramount. Our target has always been to be a resilient and transparent digital technology operation where systems operate seamlessly without business getting affected by system non-performance. Besides following secure solution development practices, the company continues to strengthen and optimally upgrade key digital assets such as compute, storage, software, and networks along with requisite access controls, data integrity, and conformance to regulatory guidelines – with objective of ensuring confidentiality, integrity, and availability of the systems and underlying data. Besides tools and processes, there is continued emphasis on driving awareness amongst staff on appropriate handling of data and do's / don't's of cyber related activities.

With a platform approach and focus areas of experience, data, and cyber security, the technology backbone for the company is ready to act as catalyst for the next phase of growth.

RISK MANAGEMENT

The company's DNA has risk management baked into its approach to market. Given the nature of the business this has become an imperative measure of its performance by the eco system – investors, shareholders and regulators. Hence it has become an integral part of the company's operations.

Risk Management Framework: This is built on the following pillars

a. Identification of various risks in all lines of business and functions including processes and policies

b. Assessment of these risks - assigning probability and impact of each risk the importance to mitigation and controls is weighted

c. Mitigation of risks – reviewing the adequacy of the controls and checks to ensure the best outcomes

d. Measurement and monitoring of risks by establishing key risk indicators with thresholds for all critical risks and

e. Adequate review mechanism to monitor and control risks.

Company's risk management division works as a value centre by constantly engaging with the business and providing key insights into the portfolio based on data driven analysis. The key risks faced by the company are credit risk, liquidity risk, interest rate risk, operational risk, reputational and regulatory risk, which are broadly classified as credit risk, market risk and operational risk. The company has a well-established risk reporting and monitoring framework. The in-house developed risk monitoring tool, Chola composite risk index, measures the movement of top critical risks. This provides the level and direction of risks, which are arrived at based on the two-level risk thresholds for the identified key risk indicators and are aligned to the overall company's risk appetite framework approved by the Board. The company's risk management initiatives and risk MIS are reviewed monthly by the top management. This process enables the company to reassess the top critical risks in a changing environment that need focus.

Risk Governance structure:

The company's overall risk governance is handled by three lines of defence to ensure the effectiveness of an organization's risk management framework including monitoring and assurance functions within the organization.

a. Under the first line of defence, risk champions are identified in each functional and business unit to take ownership, responsibility and accountability for directly assessing, controlling and mitigating risks.

b. The risk management team under the guidance of the risk management committee acts as the second line of defence. The risk management division has established a comprehensive risk management framework across the business and provides appropriate analysis and reports on risk exposures in its pursuit of creating awareness across the company about risk management. The RMC of the board meets minimum of four times a year and reviews the risk management policy, implementation of risk management framework, monitoring of critical risks, and review of various other initiatives with a structured annual plan.

c. Third line of defence constitutes internal auditors, consultants and statutory auditors, who provide assurance to the Audit Committee and senior management on the effectiveness of internal governance and risk processes.

CREDIT RISK

Credit risk arises when a borrower is unable to meet his financial obligations to the lender. This arises on account of inadequate assessment of the borrower's payment capabilities or on account of uncertainties in his earning potential. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes. The company has comprehensive and well-defined credit policies across various businesses, products, and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes detailed risk assessment of the borrowers, physical verification and field visits. The company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals. This enables it to implement necessary changes to the credit policy, whenever the need arises. Also, being in asset financing business, most of the company's lending is covered by adequate collaterals from the borrowers. The company has a robust online application underwriting model to assess the credit worthiness of the borrower for underwriting decisions for its vehicle finance, loan against property and home loan business. The company also has a well-developed model for the vehicle finance portfolio, to help business teams plan volume with adequate pricing of risk for different segments of the portfolio.

MARKET RISK

Market risk is the possibility of loss arising from changes in the value of a financial instrument due to changes in market variables such as interest rates, exchange rates and other asset prices. The company's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The company can be exposed to interest rate risk and liquidity risk, if the same are not managed properly. The company continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee (ALCO) reviews monthly the market-related trends and risks and adopts various strategies related to assets and liabilities, in line with the company's risk management framework. ALCO activities are in turn monitored and reviewed by a board sub-committee. In addition, the company has put in an ALM support group which meets weekly to review the liquidity position of the company.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events. The operational risks of the company are managed through comprehensive internal control systems and procedures and key back up processes. To further strengthen the control framework and effectiveness, the company has established risk control self-assessment at branches to identify process lapses by way of exception reporting. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis. The company also undertakes risk-based audits on a regular basis across all business units / functions. While examining the effectiveness of control framework through self-assessment, the risk-based audit would assure effective implementation of self-certification and internal financial controls adherence, thereby, reducing enterprise exposure. The company has put in place a robust Disaster Recovery (DR) plan, which is periodically tested. Business Continuity Plan (BCP) is also in place to ensure seamless continuity of operations including services to customers and periodic testing is carried out to address gaps in the framework, if any. DR and BCP audits are conducted on a periodical basis to provide assurance regarding the effectiveness of the company's readiness. The company is continuously engaged in creating risk awareness and culture across the organisation through training on risk management tools and communication through risk e-newsletters.

ESG INITIATIVES

Chola has espoused ESG for several years and continues to embed dimensions of sustainable governance and growth in all aspects of our business. Chola emphasizes the financial inclusion of marginalized groups of people through financial products and services that address their socio – economic realities. Social impact is integral to Chola's business and our customer centric approach enables us to reach millions of Indians seeking financial support to improve their lives, whether through entrepreneurship, and employment or home ownership. Our intent to create positive social impact is further demonstrated through initiatives for employee wellbeing and corporate social responsibility (CSR) programs for the betterment of marginalized communities. Acknowledging that sustainability planning is key to long term operations and profitable growth, we have initiated several measures to reduce our environmental footprint and have formulated plans to decarbonize in the years to come.

The Company is committed to enhancing our ESG performance and consciousness of sustainability within the organization. We have articulated our sustainability agenda with an ESG framework along with well defined focus areas and road map to fulfil our priorities. This framework will guide us to reinforce principles of ESG in all aspects of our business, and focus our efforts on responsible products, improving efficiency, people power and environmental consciousness. For more details on ESG, please visit the company website *https://cholamandalam.com/esg.aspx*

INTERNAL CONTROL SYSTEMS

Risk Based Internal Audit (RBIA) has been implemented from March 2022 as per RBI circular dated 3rd February 2021. The Internal Audit function has been playing an integral role in helping the Company to strengthen and maintain solid cultures of compliance. To effectively manage risks across various products and processes, Chola has adopted "Three Lines of Defence" model where business and support units act as the first line of defence in identifying risks, risk management and compliance oversight functions established by management act as second line of defence, Internal Audit acts as the third lines of defence. Each of these three "lines" plays a distinct role within the organization's wider governance framework.

An internal control framework, including internal financial controls, encompassing clear delegation of authority and standard operating procedures, are available across all business and functions. The Audit Committee regularly reviews the internal audit reports and the adequacy and effectiveness of internal controls. Internal Audit Team continuously evaluates the internal controls operating in various business operations of the organization based on proper risk analysis and also review the effectiveness of the governing processes. Internal audit team has a rigorous audit calendar spanning across multiple business processes and they independently review the design and operating effectiveness of internal financial controls. Internal audit managers are placed across the country to review the effectiveness of the internal controls across branches.

RESULT OF OPERATIONS

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

STATEMENT OF PROFIT & LOSS

₹ in Crores

Particulars	Mar-21	Mar-22	Growth %
Disbursements	26,043	35,490	36%
Income	9,576	10,139	6%
Cost of Funds	-4,576	-4,299	-6%
Net Margin	**5,000**	**5,840**	**17%**
Operating Expenses	-1,583	-2,069	31%
Provisions and Losses	-1,378	-880	-36%
Profit Before Tax (PBT)	**2,038**	**2,891**	**42%**
Current and Deferred Tax	-524	-744	42%
Profit After Tax (PAT)	**1,515**	**2,147**	**42%**

BALANCE SHEET

₹ in Crores

Particulars	Mar-21	Mar-22	Growth %
Assets			
Business Assets	65,839	74,149	13%
Cash & Bank Balances	5,232	4,220	-19%
Other Assets	3,477	3,994	15%
Total	**74,548**	**82,363**	**10%**
Networth	9,560	11,708	22%
Borrowings	59,383	65,737	11%
Securitisation	4,347	3,437	-21%
Other Liabilities	1,258	1,482	18%
Total	**74,548**	**82,363**	**10%**

KEY RATIOS

Particulars	Mar-21	Mar-22	Growth %
Return on Equity - PAT	16.9%	20.4%	20%
Return on Total Assets - PAT	2.2%	2.9%	31%
Total Assets under management- ₹ In crores	76,518	82,904	8%
Earnings per share - Basic in ₹	18.48	26.16	42%
Market Price-Closing in ₹	559	718	29%
Market Capitalisation - ₹ In crores	45,824	58,915	29%
CAR	19.1%	19.6%	3%
Operating Expenses to Assets	-2.3%	-2.8%	20%
Profit Before Tax to Income	21.3%	28.5%	34%

CONSOLIDATED RESULTS

The consolidated profit after tax for the year under review was ₹ 2,153.51 crores in FY 22, as against ₹ 1,520.86 crores in FY 21.

On behalf of the board

Place : Chennai
Date : May 5, 2022

Vellayan Subbiah
Chairman

Report on Corporate Governance

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

CORPORATE GOVERNANCE PHILOSOPHY

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

The company has always believed in and practices the highest standards of corporate governance. The board recognizes that governance expectations are constantly evolving such as fast changing regulations, ESG, digital interruptions etc., and is committed to keep standards of transparency and dissemination of information under continuous review to meet both letter and spirit of the law and its own demanding levels of business ethics.

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

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

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

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

BOARD OF DIRECTORS

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

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

The board is committed to representing the long-term interests of the stakeholders and in providing effective governance over the company's affairs and exercise reasonable business judgment on the affairs of the company.

The company's day to day affairs is managed by the executive director (ED) and a competent management team, under the overall supervision of the chairman and the board. The company has in place an appropriate risk management system covering various risks that the company is exposed to, including fraud risks, which are discussed and reviewed by the audit committee and the board every quarter. The company's commitment to ethical and lawful business conduct is a fundamental shared value of the board, the senior management, and all employees of the company. Consistent with its values and beliefs, the company has formulated a Code of Conduct applicable to the board and senior management. Further, the company has also adopted a Code of Conduct to regulate, monitor and report trading by insiders in the securities of the company and a whistle blower policy for reporting any concerns or grievances by directors, employees / customers, and vendors in their dealings with the company. In order to ensure that the whistle blower mechanism is effective and as prescribed, direct access to the chairman of the audit committee is provided to the complainant.

Composition

The board has been constituted in a manner as per regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Companies Act, 2013 (the Act). The board has a mix of executive / non-executive and independent directors, including a woman independent director to ensure proper governance and management. The board members have collective experience in diverse fields like banking and financial services, audit, finance, risk, compliance, data science and technology. The directors are appointed based on their qualification and experience in varied fields. None of the directors are inter-se related.

Core Skills / expertise / competencies

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

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

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

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

Formal induction and familiarisation programme for directors

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

At the time of induction of a director on the board of the company, a formal invitation to join the board of the company is sent out along with a brief introduction about the company. A copy of the company's latest annual report and the schedule of the upcoming board / committee meetings for the calendar year are forwarded to the director. The director is explained in detail the compliances required of him / her under the Act, the Listing Regulations and other relevant regulations and his / her affirmation is taken with respect to the same. By way of an introduction the company conducts a familiarisation program covering all the businesses, functions and regulations impacting the company to new directors. Additionally, the company's code of conduct which interalia explains the values and beliefs of the company, functions, duties, and responsibilities as a director of the company, including the duties of independent directors in terms of the Act is given to the director at the time of joining and on an annual basis. Further, there is a detailed quarterly discussion and presentation on review of operations of the company and the regulatory updates impacting the business which helps the director familiarise himself / herself with the company, its business, and the regulatory framework in which the company operates.

The details of directors as of 31 March, 2022, including the details of their other board directorship and committee membership reckoned in line with regulation 26 of the Listing Regulations and the Act as well as their shareholdings, are given below:

Name of the director	Executive / Non-executive / Independent / Promoter	No. of directorship including CIFCL* (Out of which as chairman)	No. of shares held in the company	No. of board committee membership including CIFCL** (Out of which as chairman)
Mr. Vellayan Subbiah	Non-executive / Promoter director / Chairman	9(2)	Nil	4(1)
Mr. N. Ramesh Rajan	Non-executive / Independent director	5(1)	Nil	5 (3)
Mr. Ashok Kumar Barat	Non-executive / Independent director	7	Nil	7(5)
Ms. Bhama Krishnamurthy	Non-executive / Independent director	9	Nil	8(1)
Mr. Rohan Verma	Non-executive / Independent director	3	Nil	1
Mr. M.A.M. Arunachalam	Non-executive / Promoter director	9(4)	65,000	6(2)
Mr. Anand Kumar	Non-executive / Independent director	5	Nil	2
Mr. Bharath Vasudevan	Non-executive / Independent director	1	Nil	Nil
Mr. Ravindra Kumar Kundu	Executive Director	6	1,66,685	1

* For the purpose of directorship / committee membership, all public / private companies and section 8 companies have been considered.

** only chairmanship / membership of audit committee and stakeholders' relationship committee have been considered.

The names of the other listed entities where the directors are holding directorship as at 31 March, 2022 are given below:

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

In the opinion of the board, the independent directors of the company fulfill the conditions specified in Listing Regulations / Companies Act, 2013 and are independent of the management of the company.

All the board members, including independent directors, have opportunity and access to interact with the management.

Separate meeting of independent directors

During the year under review, in line with the requirement under section 149(8) and schedule IV of the Act, the independent directors had a separate meeting on 15 March, 2022 without the presence of the non-independent directors and management team.

Board Meetings

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

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

The dates of the board meetings are fixed in advance for the calendar year to enable maximum attendance from directors. During the year, the board met 6 times on 07 May, 2021, 30 July, 2021, 29 October, 2021, 13 December, 2021, 01 February, 2022 and 15 March, 2022. The Act, read with the relevant rules made there under and the listing Regulations, facilitates the participation of a director in board / committee meetings through video conferencing or other audio visual means. There were specific circulars enabling directors to attend all the meetings on Audio visual means in view of the continuing pandemic situation. Accordingly, the company also provided the option to participate through video conferencing to enable the directors' participation at the meetings.

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

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

Certificate from Company Secretary in Practice

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

COMMITTEES OF THE BOARD

The board has constituted various committees to support the board in discharging its responsibilities.

There are seven committees constituted by the board - audit committee, stakeholders' relationship committee, corporate social responsibility committee, nomination and remuneration committee, risk management committee, IT strategy committee and business committee.

The board at the time of constitution of each committee fixes the terms of reference, reviews it and delegates powers from time to time. Various recommendations of the committees are submitted to the board for approval. During the year, the board had accepted all recommendations of the committees. The minutes of the meetings of all the committees are circulated to the board for its information.

AUDIT COMMITTEE

Terms of Reference

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

Composition & Meetings

As at 31 March, 2022 the committee comprised of five non- executive directors - four independent directors and one promoter director. The committee comprised of Mr. N. Ramesh Rajan, independent director as the chairman, Mr. Ashok Kumar Barat, Ms. Bhama Krishnamurthy, Mr. Anand Kumar, and Mr. M.A.M. Arunachalam, as its members and Mr. Vellayan Subbiah, chairman of the board, Mr. Rohan Verma, Mr. Bharath Vasudevan, directors and Mr. Ravindra Kumar Kundu, executive director as permanent invitees. The company secretary acts as the secretary to the committee. During the year, the committee met seven times. All members of audit committee have knowledge of financial management, audit, and accounts. The joint statutory auditors, the internal auditors and senior management are invited to attend the meetings of the committee. The company has in place a system for an independent meeting of the committee with the joint statutory and internal auditors without the presence of the non-independent directors and management team. The committee met the joint statutory auditors as well as internal auditors during the year.

NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

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

Composition & Meetings

As at 31 March, 2022, the committee comprised of Mr. Anand Kumar, independent director as the chairman, Mr. Vellayan Subbiah and Mr. N Ramesh Rajan as its members. The majority of the members of this committee are independent directors. The committee had three meetings during the year ended 31 March, 2022.

REMUNERATION OF DIRECTORS

Remuneration Policy

The success of any organisation in achieving good performance and governance depends on its ability to attract quality individuals on the board.

The company has in place a remuneration policy which is guided by the principles and objectives as enumerated in section 178 of the Act.

Currently, Mr. Ravindra Kumar Kundu is the executive director (ED) on the board. The compensation to Mr. Ravindra Kumar Kundu is within the scale approved by the board and shareholders. The elements of compensation comprise a fixed component, performance incentive and employee stock options. The compensation is determined based on the level of responsibility and scales prevailing in the industry. ED is not paid sitting fees for any board / committee meetings attended by him.

The compensation to the non-executive directors takes the form of commission on profits. Though the shareholders have approved payment of commission up to one per cent of the net profits of the company for each year calculated as per the provisions of section 198 of the Act, the actual commission paid to the directors is restricted to a fixed sum within the above limit annually on the basis of their tenure in office during the financial year. The sum is reviewed periodically taking into consideration various factors such as performance of the company, time devoted by each of the directors in attending to the affairs and business of the company and the extent of responsibilities cast on the directors under various laws and other relevant factors. The Chairman of the Board and Audit Committee are paid differential commission in view of their enhanced role on the Board/Committees.

The non-executive directors are also paid sitting fees subject to the statutory ceiling for all board and committee meetings attended by them.

Criteria for Board Nomination

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

Criteria for appointment in senior management

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

Performance Evaluation

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

Policy on Board diversity

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

Remuneration of executive director/s

Details of the remuneration of the executive director for the year ended 31 March, 2022 are as follows:

₹ in lakhs

Name of the Director	Salary	Allowance	Incentive (provisional)	Perquisites & Contributions	Total
Mr. Ravindra Kumar Kundu	106.56	50.77	72.07	43.95	273.36

Note:

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

Remuneration of non-executive directors

Directors of the company were paid sitting fees of ₹ 50,000/- for every meeting of board and audit committee and ₹ 30,000/- for every meeting of stakeholders' relationship committee, nomination and remuneration committee, risk management committee, corporate social responsibility committee, IT strategy committee and business committee during the FY 22.

In view of the considerable amount of time spent on reviewing the performance of various businesses, devising the long-term strategy, giving strategic directions to the management and advising the company in exploring new opportunities, a differential commission of ₹100 lakhs will be paid to Mr. Vellayan Subbiah for the financial year ended 31 March, 2022 subject to the approval of the shareholders. The commission provided below will be paid subject to approval of the shareholders for the audited accounts for FY 22.

The details of commission provided / sitting fees paid to non-executive directors for the year ended 31 March, 2022 are as follows:

₹ in lakhs

Name of the director	Commission	Sitting Fees paid	Total
Mr. Vellayan Subbiah	100.00	6.00	106.00
Mr. N. Ramesh Rajan	12.00	8.60	20.60
Mr. Ashok Kumar Barat	10.00	8.60	18.60
Ms. Bhama Krishnamurthy	10.00	8.30	18.30
Mr. Rohan Verma	10.00	2.90	12.90
Mr. M.A.M. Arunachalam	10.00	9.20	19.20
Mr. Anand Kumar	10.00	6.60	16.60
Mr. Bharath Vasudevan	10.00	4.50	14.50
TOTAL	**172.00**	**54.70**	**226.70**

Note:

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference

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

During the year, the company had received one complaint from the shareholder which has been resolved. There were no investor complaints pending as at 31 March, 2022 and no complaints that were not solved to the satisfaction of shareholders.

Composition & Meetings

As at 31 March, 2022, the committee comprised of Mr. M.A.M. Arunachalam as the chairman, Mr. Rohan Verma and Mr. Ravindra Kumar Kundu as its members. Ms. P. Sujatha, company secretary is the compliance officer. During the year, the committee held two meetings.

RISK MANAGEMENT COMMITTEE

Terms of Reference

The role of the committee includes formulation and review of the risk management policy, ensures appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business. The committee also monitors and oversees implementation of the risk management policy, including evaluating the adequacy of risk management systems and review the risk management policy, review the appointment, removal, and terms of remuneration of the chief risk officer, review the annual risk management framework document including action plan and its progress. Besides, the committee periodically monitors the critical risk exposures by specialised analysis and quality reviews and reports to the board the details of any significant developments, identify and make recommendations to the board, to the extent necessary on resources and staffing required for effective risk management and the action taken to manage the exposures, seek information from employee, obtain outside legal advice, secure attendance of outsiders with relevant expertise and carry out any other function as may be necessary to ensure that an effective risk management system is in place.

Composition & Meetings

As at 31 March, 2022 the committee comprised of Mr. Ashok Kumar Barat as the chairman, Mr. N. Ramesh Rajan, Ms. Bhama Krishnamurthy, Mr. M.A.M. Arunachalam, Mr. Bharath Vasudevan and Mr. Ravindra Kumar Kundu as its members and business and functional heads of the company as permanent invitees. The committee held four meetings during the year ended 31 March, 2022.

Meetings with chief risk officer

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

IT STRATEGY COMMITTEE

Terms of Reference

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

Composition & Meetings

As at 31 March, 2022, the committee comprised of Mr. Ashok Kumar Barat as the chairman, Mr. Rohan Verma, Mr. Bharath Vasudevan and Mr. Vellayan Subbiah as its members. The committee held two meetings during the year ended 31 March, 2022.

BUSINESS COMMITTEE

Terms of Reference

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

Composition & Meetings

As at 31 March, 2022, the business committee comprised of Mr. Vellayan Subbiah as the chairman, Mr. M.A.M. Arunachalam and Mr. Ravindra Kumar Kundu as its members. The senior management is invited to attend the meetings of the committee. The committee held two meetings during the year.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of Reference

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

Composition & Meetings

As at 31 March, 2022, the committee comprised of Mr. Vellayan Subbiah as the chairman, Ms. Bhama Krishnamurthy and Mr. M.A.M. Arunachalam as its members. The committee held two meetings during the year ended 31 March, 2022.

ATTENDANCE AT BOARD, COMMITTEE AND GENERAL MEETINGS

Name of the directors	Board (Attendance %)	Audit committee	Stakeholders relationship committee	Nomination & remuneration committee	Business committee	Risk management committee	Corporate social responsibility committee	IT strategy committee	Attendance at last AGM
Mr. Vellayan Subbiah	6 (100%)	NA	1	3	2	NA	2	2	Yes
Mr. N. Ramesh Rajan	6 (100%)	7	NA	3	NA	4	NA	NA	Yes
Mr. Ashok Kumar Barat	6(100%)	7	NA	1	NA	4	NA	2	Yes
Ms. Bhama Krishnamurthy	6 (100%)	7	NA	NA	NA	4	2	NA	Yes
Mr. Rohan Verma	4 (67%)	NA	1	NA	NA	NA	NA	2	Yes
Mr. M.A.M. Arunachalam	6(100%)	1	1	NA	2	4	2	NA	Yes
Mr. Anand Kumar	6 (100%)	7	NA	2	NA	NA	NA	NA	Yes
Mr. Bharath Vasudevan	6 (100%)	NA	NA	NA	NA	3	NA	2	Yes
Mr. Ravindra Kumar Kundu	6 (100%)	NA	2	NA	2	3	NA	NA	Yes

GENERAL BODY MEETINGS

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

Year	Date and Time	Venue
2019	30 July, 2019 at 3.30 p.m.	The Music Academy, New No.168 (Old No.306), T.T.K Road, Royapettah, Chennai - 600 014
2020	30 July, 2020 at 3.30 p.m.	Video Conferencing
2021	30 July, 2021 at 3.30 p.m.	Video Conferencing

DETAILS OF SPECIAL RESOLUTIONS PASSED

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

Date of AGM	Details
30 July, 2019	- Approval for borrowing powers of the Company - Issue of securities on private placement basis under section 42 of the Act - Approval for payment of commission to non-executive directors
30 July, 2020	- Issue of securities on private placement basis under section 42 of the Act
30 July, 2021	- Issue of securities on private placement basis under section 42 of the Act

POSTAL BALLOT

No postal ballot was conducted during FY 22.

Proposed resolutions through postal ballot

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

COMPLIANCE REPORT

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

SECRETARIAL AUDIT

The company annually conducts a secretarial audit by an independent practicing company secretary. For the year ended 31 March, 2022 M/s. R. Sridharan & Associates, company secretaries, had conducted the secretarial audit and the certificate was placed before the board and attached to this report.

RECONCILIATION OF SHARE CAPITAL AUDIT

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

CODE OF CONDUCT

The board has adopted a code to regulate, monitor and report trading by insiders in securities of the company. The code interalia requires pre-clearance for dealing in the securities of the company and prohibits the purchase or sale of securities of the company while in possession of unpublished price sensitive information in relation to the company and during the period when the trading window is closed. The board has further approved the code for practices and procedures for fair disclosure of unpublished price sensitive information and policy governing the procedure of inquiry in case of actual or suspected leak of unpublished price sensitive information. The code has also been hosted on the website of the company.

CODE FOR PREVENTION OF INSIDER TRADING

The board has adopted a code to regulate, monitor and report trading by insiders in securities of the company. The code interalia requires pre-clearance for dealing in the securities of the company and prohibits the purchase or sale of securities of the company while in possession of unpublished price sensitive information in relation to the company and during the period when the trading window is closed. The board has further approved the code for practices and procedures for fair disclosure of unpublished price sensitive information and policy governing the procedure of inquiry in case of actual or suspected leak of unpublished price sensitive information. The code has also been hosted on the website of the the company.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

CEO/CFO CERTIFICATION

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

SUBSIDIARY COMPANIES

A policy on material subsidiaries has been formulated and the same is posted on the company's website *(weblink: https://www.cholamandalam.com/company-policies.aspx).* The financial statements of subsidiary companies are tabled at the audit committee and board meetings every quarter. The company does not have any material subsidiary whose net worth exceeds 10% of the consolidated income or net worth of the company during the immediately preceding financial year.

DISCLOSURES

Related party transactions

All transactions with related parties that were entered into during the financial year were in the ordinary course of business and were on an arm's length basis. There were no material transactions with related parties i.e., transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries, or relatives, etc., that may have potential conflict with the interest of company at large.

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

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

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

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

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

Total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to M/s. Price Waterhouse LLP, and M/s. Sundaram & Srinivasan, Chartered Accountants, joint statutory auditors of the company and other firms in the network entity of which the statutory auditor is a part, as included in the consolidated financial statements of the company for the year ended 31 March, 2022, is as follows:

₹ in lakhs

Particulars	Amount
Fees for audit and related services paid to joint statutory auditors and affiliates firms and to entities of the network of which the statutory auditor is a part	72.15
Other fees paid to joint statutory auditors & affiliates firms and to entities of the network of which the statutory auditor is a part	-
Total fees*	**72.15**

*Includes input tax credit expensed wherever applicable

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

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

Whistle blower policy / vigil mechanism

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

Penalties

There were no penalties, strictures imposed on the company by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

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

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

ii. Reporting of internal auditor: The internal auditors of the company directly report to the audit committee.

MEANS OF COMMUNICATION

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

MANAGEMENT DISCUSSION & ANALYSIS

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

GENERAL SHAREHOLDER INFORMATION

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

On behalf of the board

Place : Chennai
Date : 5 May, 2022

Vellayan Subbiah
Chairman

Declaration on Code of Conduct

This is to confirm that the board has laid down a Code of Conduct for all board members and senior management of the company. The Code of Conduct has also been posted on the website of the company. It is further confirmed that all directors and senior management personnel of the company have affirmed compliance with the Code of Conduct of the company for the year ended March 31, 2022, as envisaged in Schedule V under regulation 34 (3) of the Listing Regulations.

Place: Chennai
Date: 5 May, 2022

Ravindra Kumar Kundu
Executive Director

Certificate from Company Secretary in Practice

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

The Members,

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED

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

Parrys, Chennai - 600001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED (CIN: L65993TN1978PLC007576)** having its Registered Office at Dare House No. 2, N.S.C Bose Road, Parrys, Chennai – 600001 (hereinafter referred to as "The Company") as produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

In our opinion and according to the verifications (including Director Identification Number (DIN) Status at the portal www.mca.gov.in) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company as on 31st March 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board India / Ministry of Corporate Affairs or any such other statutory authority.

S.NO	DIN	NAME OF THE DIRECTOR	DESIGNATION	DATE OF APPOINTMENT
1.	01138759	Vellayan Subbiah	Non-Executive - Non Independent / Promoter Director / Chairman	11/11/2020
2.	00492930	Ashok Kumar Barat	Non-Executive - Independent Director	31/10/2017
3.	01628318	N Ramesh Rajan	Non-Executive - Independent Director	30/10/2018
4.	02196839	Bhama Krishnamurthy	Non-Executive - Independent Director	31/07/2019
5.	01797489	Rohan Verma	Non-Executive - Independent Director	25/03/2019
6.	00202958	M A M Arunachalam	Non-Executive - Non Independent / Promoter Director	29/01/2021
7.	00818724	Anand Kumar	Non-Executive - Independent Director	16/03/2021
8.	09104808	Bharath Vasudevan	Non-Executive - Independent Director	16/03/2021
9.	07337155	Ravindra Kumar Kundu	Executive Director	23/01/2020

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

Place : Chennai
Date : 5 May, 2022

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

CS. R. Sridharan
CP No. 3239
FCS No. 4775
PR.NO.675/2020
UIN: S2003TN063400
UDIN: F004775D000264177

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

The Members,
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
Dare House, No. 2, N.S.C Bose Road,
Parrys, Chennai - 600001

We have examined documents, books, papers, minutes, forms and returns filed and other relevant records maintained by **CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED, (CIN: L65993TN1978PLC007576)** [hereinafter referred as "the Company"] having its Registered Office at Dare House, No.2, N.S.C Bose Road, Parrys, Chennai- 600001, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V and Regulation 34 (3) to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter called "SEBI (LODR) Regulations 2015") for the financial year ended 31st March, 2022. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated under the SEBI (LODR) Regulations 2015 for the financial year ended 31st March, 2022.

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

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

CS. R. Sridharan
FCS No. 4775
CP No. 3239
PR NO.657/2020
UIN: S2003TN06340
UDIN: F004775D000264166

Place : Chennai
Date : 5 May, 2022

General Shareholders Information

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER (CIN)

L65993TN1978PLC007576

ANNUAL GENERAL MEETING

Date	Time	Mode
29 July, 2022	4.00 p.m.	The annual general meeting (AGM) will be held through video conference in compliance with applicable guidelines and circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI).

FINANCIAL YEAR

1 April to 31 March.

DATES OF BOOK CLOSURE

Monday, 26 July, 2022 to Friday, 29 July, 2022 (both days inclusive).

DIVIDEND PAYMENT DATE

The board at its meeting held on 1 February, 2022 had approved payment of interim dividend on the equity shares for the year ended 31 March, 2022 at the rate of 65% (₹ 1.30 per equity share of ₹ 2 each) and fixed the record date as 11 February, 2022. The dividend was paid to all the shareholders by 25 February, 2022.

The board at its meeting held on 5 May, 2022 has further recommended payment of final dividend of 35% (₹ 0.70 per equity share of ₹2 each), for the year ended 31 March, 2022. The same will be paid within 30 days upon declaration by the shareholders at the ensuing annual general meeting.

LISTING ON STOCK EXCHANGES

Equity Shares:

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

Debt Securities:

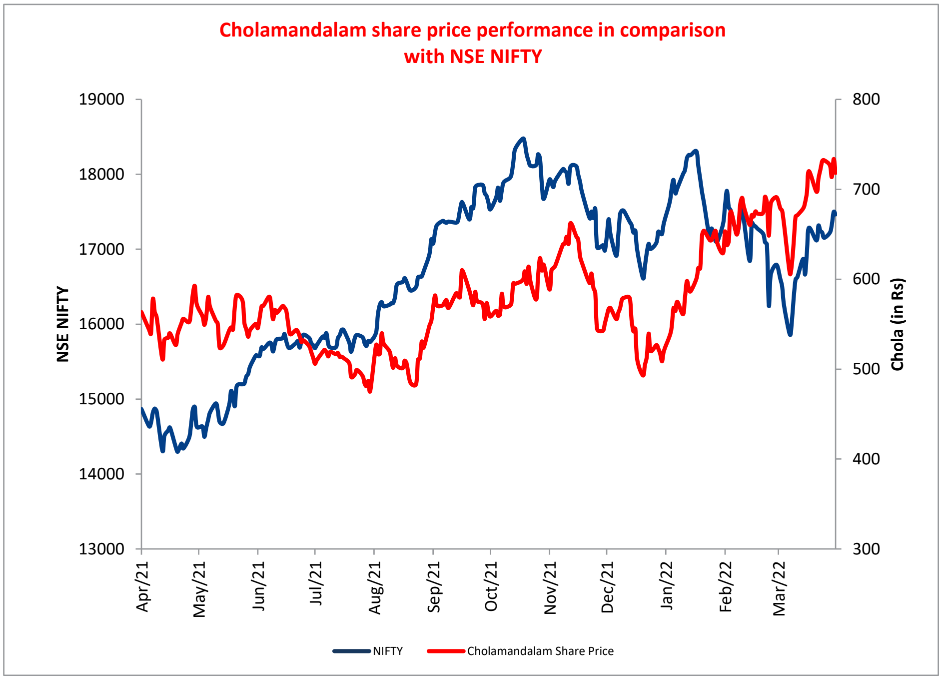
Debt securities are listed in the Wholesale Debt Market (WDM) Segment of NSE and F - Class Segment of BSE Limited.

Payment of Listing fees

The listing fees for equity shares for FY 22 were paid to the above stock exchanges.

SHARE PRICE DATA

Month	BSE Limited			National Stock Exchange of India Limited		
	High (in ₹)	Low (in ₹)	Vol.	High (in ₹)	Low (in ₹)	Vol.
April, 2021	592.50	511.10	31,61,780	592.50	510.85	8,98,63,000
May, 2021	582.55	524.00	38,56,734	572.05	524.00	13,86,68,975
June, 2021	580.60	513.05	35,23,680	566.00	513.25	6,82,93,491
July, 2021	521.55	476.00	53,33,483	519.25	475.75	5,88,76,629
August, 2021	553.50	483.25	46,07,038	538.00	484.20	7,46,79,688
September, 2021	609.60	555.70	26,22,130	591.70	554.75	5,19,13,118
October, 2021	623.50	558.50	42,21,778	603.50	558.65	5,17,03,450
November, 2021	662.40	542.65	19,93,579	640.00	542.20	5,90,85,299
December, 2021	579.30	492.95	13,68,578	576.80	492.80	4,61,37,392
January, 2022	654.00	537.00	21,68,592	638.00	537.25	7,46,67,879
February, 2022	691.75	637.85	20,36,342	689.00	639.20	6,14,05,325
March, 2022	733.70	606.55	13,85,273	725.30	607.30	4,74,61,979



REGISTRAR AND SHARE TRANSFER AGENT

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

The contact details of the RTA are as follows:
KFIN Technologies Limited
(Unit: Cholamandalam Investment and Finance Company Limited)
Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda,
Hyderabad - 500 032, Telengana | Phone No.: 040-67162222 | Toll Free No.: 18003094001| Fax No: 040-2342 0814
Email: einward.ris@kfintech.com | Website: www.kfintech.com or https://ris.kfintech.com/
Contact person: Mr. Rajkumar Kale - Assistant Vice President - Corporate Registry

TRUSTEES FOR THE DEBENTURE HOLDERS

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

The contact details of the Trustees are as follows:

1. **IDBI Trusteeship Services Limited**
   Asian Building, Ground Floor,
   17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001
   Phone : 022-40807035
   Website : www.idbitrustee.co.in
   E-mail : itsl@idbitrustee.com
   Contact person : Ms. Anjalee Athalye, Asst. VP (Operations)

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

Dematerialisation of shares and liquidity

The company's shares are tradable in the electronic form only. The company has established connectivity with National Securities Depository Limited and Central Depository Services (India) Limited. As of 31 March, 2022, 99.88% of the company's shares were held in dematerialised form. The company's shares are regularly traded on National Stock Exchange of India Limited and BSE Limited under the ISIN: INE121A01024.

Share Transfer System

Effective 1 April, 2019, SEBI has disallowed listed companies from accepting request for transfer of securities which are held in physical form. The shareholders who continue to hold shares in physical form after this date, will not be able to lodge the shares with company / its RTA for further transfer. Shareholders shall mandatorily convert them to demat form if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form will be accepted by the company / RTA. There are 2,296 shareholders holding 0.12% of the company's shares in physical form. Those shareholders whose shares are held in physical mode may consider moving to dematerialised mode as they will not be able to transfer them in physical mode and also it is a safer and easier way to hold.

Updation of KYC details

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

Nomination facility

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

Transmission of shares/issue of duplicate share certificates in demat mode only

As per SEBI norms, with effect from 25 January, 2022, all transmission requests including issuance of duplicate share certificates are mandatorily to be processed in dematerialised form only.

Payment of dividend through NACH

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

Green initiative in corporate governance

The Companies Act, 2013 and the underlying rules permit companies to send various documents including the financial statements through electronic mode to the shareholders. In compliance with the circulars issued by MCA and SEBI, electronic copies of the notice of the AGM and annual report for FY 22 will be sent to all the shareholders whose email addresses are registered with the company / depository participants. Shareholders are requested to register their e-mail ID with the depository participant, if the holding is in electronic mode. If shares are held in physical mode, the shareholders are requested to furnish their email addresses to RTA for receiving the above documents by electronic mode.

Details of complaints received and redressed

During the year, one investor service complaint relating to non-receipt of split share certificate was received. No investor service complaint was pending as at 31 March, 2022.

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

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

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

CREDIT RATING

The credit rating details of the company as at 31 March, 2022 are as follows:

Rating Agency	Term	Type	Rating as on 31 March, 2022	Revisions during the year	Obtained during the year
ICRA	LT	NCD / SD / CC / TL	[ICRA]AA+ with Stable Outlook	NA	NCD MLD - February 25, 2022 NCD - March 22, 2022 LTL/CC - February 24, 2022
	LT	PD	[ICRA]AA with Stable Outlook	NA	PDI - March 22, 2022
	ST	CP / WCDL	[ICRA]A1+	NA	CP - March 22, 2022
CRISIL	ST	CP	[CRISIL]A1+	NA	CP - March 14, 2022
	LT	SD	[CRISIL]AA+ / Stable	NA	
CARE	LT	SD	CARE AA+	NA	
	LT	PD	CARE AA	NA	
INDIA Ratings and Research Private Ltd	LT	NCD / SD	IND AA+ with Stable Outlook	NA	NCD / SD - March 23, 2022
	LT	PD	IND AA with Stable Outlook	NA	PD - March 23, 2022

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

Payment of unclaimed / unpaid dividend

In respect of unclaimed dividends, the company sends periodical reminders to the shareholders before transferring the unclaimed dividends to the investor education and protection fund (IEPF) established by the central government. The dividends that are lying unclaimed / unpaid with the company for a period of seven consecutive years are transferred from time to time to IEPF. The company has remitted ₹ 5.70 lakhs to IEPF during the year.

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

FY to which the dividend relates	Date of declaration	Due date for transfer to IEPF
2015 - Final	31 July, 2015	04 September, 2022
2016 - Interim	29 January, 2016	05 March, 2023
- Final	29 July, 2016	03 September, 2023
2017 - Interim	25 January, 2017	01 March, 2024
- Final	27 July, 2017	31 August, 2024
2018 - Interim	30 January, 2018	06 March, 2025
- Final	26 July, 2018	30 August, 2025
2019 - Interim	30 January, 2019	06 March, 2026
- Final	30 July, 2019	03 September, 2026
2020 - Interim I	12 December, 2019	16 January, 2027
- Interim – II	26 February, 2020	02 April, 2027
2021 - Interim	29 January, 2021	05 March, 2028
- Final	30 July, 2021	03 September, 2028
2022 - Interim	01 February, 2022	08 Mar, 2029

Transfer of Equity Shares to IEPF

In accordance with the provisions of section 124 and 125 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF), the underlying shares of all dividends which remain unpaid/unclaimed for a period of seven consecutive years be transferred to Investor Education and Protection Fund (IEPF). As required under the said rules, the company had published a notice in the newspapers inviting the shareholders attention to the aforesaid rules. The company had also sent out individual communication to the concerned shareholders whose shares are liable to be transferred to IEPF Account, pursuant to the said rules and also displayed the details of such shareholders and shares due for transfer on the website of the company at www.cholamandalam.com in line with the requirements. During the year, the company had transferred 26,426 shares pertaining to 86 shareholders to the demat account maintained by IEPF authority. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed from IEPF authority, as per the procedure prescribed in the rules. No claim shall lie in respect thereof with the company.

Unclaimed Suspense Account

In terms of regulation 34(3) of the Listing Regulations, all the shares issued in physical form pursuant to a public issue or any other issue, which remain unclaimed had been dematerialised and transferred to a folio in the name of unclaimed suspense account. The voting rights of these shares shall remain frozen till the rightful owner of such shares claims the shares.

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

S. No.	Description	Total No. of cases	Total Shares
1	No. of shareholders and outstanding shares lying in the unclaimed suspense account at the beginning of the year	2	950
2	No. of shareholders who approached for transfer of shares from unclaimed suspense account during the year	-	-
3	No. of shareholders to whom shares were transferred from the unclaimed suspense account during the year	-	-
4	No. of shares transferred to IEPF authority	2	950
5	No. of shareholders and outstanding shares lying in the unclaimed suspense account at the end of the year	Nil	Nil

Distribution of Shareholding as on 31 March, 2022

Sl. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 – 500	1,06,463	84.42	1,06,69,945	1.30
2	501 – 1000	10,475	8.31	74,28,570	0.90
3	1001 – 3000	5,800	4.60	97,55,563	1.19
4	3001 – 10000	1,986	1.57	1,06,44,028	1.30
5	10001 – 20000	487	0.39	69,39,946	0.85
6	20001 – 100000	530	0.42	2,36,69,399	2.88
7	100001 and above	375	0.30	75,19,64,370	91.58
	TOTAL	**1,26,116**	**100.00**	**82,10,71,821**	**100.00**

SHAREHOLDING PATTERN

Category (Shares)	As at 31 March, 2022	
	No. of Shares	% of shareholding
Promoter and promoter group	42,32,37,948	51.55
Foreign Portfolio Investors / Foreign Institutional Investors	14,45,59,510	17.60
Mutual Funds / Trust / Banks / Financial Institutions / AIFs / QIBs Private Corporate Bodies / NBFCs	19,71,28,659	24.01
Resident Individuals and others	5,61,45,704	6.84
TOTAL	**82,10,71,821**	**100.00**

OUTSTANDING GDRs/ADRs ETC.

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

COMMODITY PRICE RISK / FOREIGN EXCHANGE RISK AND COMMODITY HEDGING ACTIVITIES

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

LOCATION

The company's registered office is in Chennai and it operates out of 1,145 branches across the country.

On behalf of the board

Place : Chennai
Date : 5 May, 2022

Vellayan Subbiah
Chairman

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the company: **L65993TN1978PLC007576**
2. Name of the company: **Cholamandalam Investment and Finance Company Limited**
3. Registered office address: **"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai - 600001**
4. Website: ***www.cholamandalam.com***
5. E-mail id: **investors@chola.murugappa.com**
6. Financial Year reported: **01.04.2021 - 31.03.2022**
7. Sector(s) that the company is engaged in (industrial activity code-wise):

NIC Code	Group	Description
K	**649**	**Financial Services - Lending**

8. List three key services that the company provides (as in balance sheet):
   Key services rendered by the company are
   1. **Vehicle Finance**
   2. **Loan against Property, Home Loans**
   3. **SME Loans**
9. Total number of locations where business activity is undertaken by the company:
   (a) Number of international locations (Provide details of major 5): **Nil**
   (b) Number of national locations: **1,145 branches**
10. Markets served by the company - local / state / national / international: **National**

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid Up capital: ₹ **164.21 crores**
2. Total turnover: ₹ **10,048.29 crores**
3. Total profit after taxes: ₹ **2,146.71 crores**
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): **Refer CSR report**
5. List of activities in which expenditure in 4 above has been incurred: **Refer CSR report**

SECTION C: OTHER DETAILS

1. Does the company have any subsidiary company/companies?
   Yes, the company has three subsidiaries as on 31.03.2022 namely:
   1. Cholamandalam Securities Limited
   2. Cholamandalam Home Finance Limited and
   3. Payswiff Technologies Private Limited
2. Do the subsidiary company/companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

   BR initiatives of the parent company are generally followed by the subsidiary companies to the extent possible.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the company does business with, participate in the BR initiatives of the company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

   Not applicable.

SECTION D: BR INFORMATION

1. Details of director/directors responsible for BR:
   (a) Details of the director/director responsible for implementation of the BR policy/policies:
   1. Director Identification Number (DIN): **07337155**
   2. Name: **Mr. Ravindra Kumar Kundu**
   3. Designation: **Executive Director**

(b) Details of the BR head:

SN.	Particulars	Details
1	DIN (if applicable)	**07337155**
2	Name	**Mr. Ravindra Kumar Kundu**
3	Designation	**Executive Director**
4	Telephone number	**044 - 4090 7172**
5	E-mail id	kundur@chola.murugappa.com

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

(a) Details of compliance (Reply in Y/N)

SN.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for all the principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards?	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
4	Has the policy being approved by the board? If yes, has it been signed by MD/owner/CEO/ appropriate board director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the board /director /official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	*https://www.cholamandalam.com/company-policies.aspx*								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy /policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?#	Y	Y	Y	Y	Y	Y	Y	Y	Y

* National standards

\# The Company has in place an internal task force which evaluates the working of this policy.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: **Not applicable.**

3. Governance related to BR

(a) Indicate the frequency with which the board of directors, committee of the board or CEO to assess the BR performance of the company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR performance is assessed annually. In addition to this, the ESG performance and implementation plans are discussed during Board meetings. The Company understands the need to formalize accountability for ESG related aspects and has set up an internal steering committee who will be primarily responsible for implementation of the ESG policy across the company.

(b) Does the company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the company publishes a BR annually *(https://www.cholamandalam.com/annual-reports.aspx.)* and published a sustainability report *(https://www.cholamandalam.com/esg.aspx)* for the financial year 2020-2021.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - To conduct and govern themselves with ethics, transparency and accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the group/joint ventures/ suppliers/contractors/NGOs/others?

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

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Particulars	Received	Resolved	Pending
Customer complaints	**812**	**812**	**0**
Shareholder / Debenture holder	**1**	**1**	**0**

Principle 2 - To provide services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   The company being an Non-Banking Finance Company though not engaged in a business concerning design of products that could raise social concerns, economic risks and/or hazardous opportunities has designed its financial lending activities to ensure financial inclusion of various marginalized sections of the society, predominantly in geographies with limited presence of organized financiers.

   Vehicle Finance business provides loans that contribute to the economic development and social well-being of the borrowers and at the same time support the cause of a greener environment. The lending policies of the company are carefully designed to avoid exposure to areas & segments having social concerns, economic risks and/or hazardous opportunities.

   The company emphasises on lending for the purchase of commercial vehicles, tractors, construction equipment, Multi Utility Vehicles, etc, that add value to the economy and other products like cars, two wheelers which enhance the quality of life and augment the social status of the borrower.

   Further, to ensure that the company contributes to provide sustainability of benefits to the borrowers throughout the life cycle of the loan and the product, the company is providing loans for vehicle acquisition, vehicle maintenance, protection of asset and life by financing insurance and proving loans for working capital management, refinance on assets for meeting exigencies, household expenses, festival, education, family needs etc.

   Chola's SME (SME – Small and Medium Enterprises) business provide loans to micro business owners who may not have banking access to grow their business and thereby enhance their standard of living.

   Chola's Loan Against Property business provides loans that contributes to Economic development and social wellbeing of the borrowers and supports green revolution by going digital. Onboarding process is simplified to ensure maximum information is collected and verified digitally. Chola's LAP division offers secured long-term loans to borrowers also within Micro Small and Medium Enterprise (MSME) community, against their residential or commercial properties. Primary focus of this division is on self-employed non-professionals (kirana stores, small scale manufacturing units, Retail shops, etc.) who need financial support to either start new business or expand existing businesses. Chola is one of the key players in loan against property business in NBFC space and plays an important role in development of MSME community, thereby contributing positively to the growing Indian economy. Most of the MSME customers are organized and have not been catered by formal banking system, thus bridging the credit gap faced by them.

   The new product lines in Chola - Consumer and Small Enterprise Loan (CSEL) and Secured Business and Personal Loans (SBPL) support borrowers from a social concerns' perspective. CSEL provides personal loans to individuals and underserved MSMEs, who do not have access to organised credit, based on bureau data and alternate data sets. SBPL focusses on lending to smaller ticket size MSMEs with offerings of term loans, equipment finance, working capital finance and supply chain finance. Both product lines operate on PAN India basis.

   The company does not extend loans to entities and activities that do not meet certain strict ESG criteria such as child labor, borrowers lacking in appropriate governance or ethical practices amongst others. Credit policies of the company is designed to avoid exposure to areas & segments having ESG concerns, economical risk and/or hazardous opportunities.

   Hence, Chola is enabling people to enter a better life through economic upliftment and social growth.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   Not applicable. The company's products are structured to focus on social aspects also.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The company is in the process of putting in place procedures for sustainable sourcing.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Yes, the company procures goods and services from local and small producers, including communities surrounding their place of work wherever possible. The organization lays emphasis on local hiring, especially since it operates largely in Tier III, IV, V and VI cities it helps to connect with customers better and also contribute to the employability in the local area.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

   E-Waste: Chola strives to make sure that e-waste is recycled through an organization having a valid permit and follows the required protocols laid down by regulatory bodies.

   Environmental Conservation: The company has adopted several measures sensitising the employees on environmental conservation including the usage of paper and water. The company is also promoting consciousness amongst employees on adopting environmentally friendlier options at the workplace.

Principle 3 - To promote the well-being of all employees

1. Please indicate the total number of employees - **9,125**
2. Please indicate the total number of employees hired on temporary/contractual/casual basis - **2,803**
3. Please indicate the number of permanent women employees - **269**
4. Please indicate the number of permanent employees with disabilities - **23**
5. Do you have an employee association that is recognized by management - **No**
6. What percentage of your permanent employees is members of this recognized employee association? - **Not applicable.**
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

SN.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	-	-
2	Sexual harassment	-	-
3	Discriminatory employment	-	-

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

   The organization continuously strives towards establishing a safe working culture by imparting various programs. Chola has a dedicated Environment Health and Safety team which is committed to maintaining highest standards of health, safety and wellbeing of employees. The company has also designed processes and practices during the year to ensure interaction with the employees on a periodic basis to check on their safety and also to educate on precautions to be taken. Webinars were conducted on guided meditation practices. On call Doctors are also available 24/7 for support.

   Chola as a company requires strong connect with customers and involves regular field visits by employees; therefore "Employee Road Safety Training" is given to all employees. Additionally, around 5700 employees are also trained on Behavior-Based Road Safety Techniques, Monsoon Road Safety, and Winter Road Safety measures to ensure their personal safety. During the year, the company has launched Health and Fitness Campaign to create awareness about health issues and to facilitate employees adapt a healthy lifestyle.

   To reach greater heights, improving the productivity and behavioural & process related training were organized during the year covering over 6,100 employees. These covered 266 area offices and 3457 Sales Field Executives (SFE) and Credit Operations Executives (COE). Capability-building efforts towards learning dissemination to last-mile employees were anchored through structured Train The Trainer (TTT), along with Products Teams and functional stakeholders. 400 employees at Branch, Area,

Region, and zonal levels were covered in this initiative. Behavioural and process related training were attended by around 2,300 employees.

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No.

   Yes.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

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

   The Company has set up 80% of its branches in Tier-III, Tier-IV, Tier V and Tier-VI towns ensuring financial inclusion of vulnerable sections of the society who are also first time buyers and first time users.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   The company initiatives on improving accessibility to finance are covered in point 2 above. Further to this, Chola also has a Corporate Social Responsibility Committee in place which works on strategies to include expectations of different stakeholders including customers & communities who are at the bottom of the social pyramid. The company initiates various projects through their CSR initiatives for the upliftment of the stakeholders. The major focus areas of CSR at Chola include:

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

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the group/joint ventures/suppliers/ contractors/ NGOs/others?

   The policy on human rights covers the company, customers and its associates. Human rights are a matter of great importance at Chola. The Company appreciates that human rights are inherent, universal, indivisible and interdependent in nature. Care is taken to integrate respect for human rights in the management systems, wherever applicable, in particular through assessing and managing human rights impacts of operations. Access to grievance redressal mechanisms set up for all individuals impacted by the business is provided. The company recognizes and respects the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups and the business units within their sphere of influence, endeavour to promote the awareness and realization of human rights across their value chain and will not complicit with human rights abuses by a third party.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   The company received 812 customer complaints during the financial year. 100% customer complaints were resolved by the management as on 31 March, 2022. An MIS on customer complaints is circulated to the customer grievance redressal committee ("the committee").

   The committee under the chairmanship of Executive Director reviews the customer complaints on a quarterly basis.

Principle 6 - Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/ others.

   The ESG policy is applicable to the company. The company has taken steps in identifying material parters for Chola in its ESG journey. Details can be accessed from the Sustainability report published by the company on its website. *(https://www.cholamandalam.com/esg.aspx)*

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.

   Yes. Chola's efforts are on sustainable financing with a target to support the cause of a greener environment through initiating electric vehicle financing and attempting to increase loan disbursements to electrical vehicles. *(https://www.cholamandalam.com/esg.aspx)*

3. Does the company identify and assess potential environmental risks? Y/N.

   Not applicable.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   No.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.:

   Yes, in considering long-run planning, reduction of risk, and conservation of resources in administrative planning, sustainability has a significant contributory role. The company is progressing towards:

   - **Achieving green building status for its own premises under construction**
   - **Adopting energy efficient solutions for office lighting across all locations**
   - **Reduced water consumption across all locations through efficient water solutions**

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Not applicable.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of FY.

   Nil.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   - **Confederation of Indian Industry**
   - **Finance Industry Development Council**
   - **Finance Companies' Association (India)**
   - **South India Hire Purchase Association**

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others

   Yes. Representations had been submitted to the Government and regulatory authorities on various matters for the improvement of public good on areas relating to governance and administration, economic reforms, inclusive development policies and sustainable business principles.

Principle 8 - Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Yes, please refer CSR Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   Please refer CSR Report.

3. Have you done any impact assessment of your initiative?

   We have done impact assessment study for the Health, Environment, Rural Development, Arts & Culture and WASH projects.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

   Please refer CSR Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Yes, the company works with villages in Odisha and Telangana and has extended community interventions such as building toilets, providing purified drinking water facilities for villages and schools. Chola installed Ultra filtration water plants in 22 villages of Telangana. While doing so, Chola has a process in place to follow up these initiatives to retain its focus on environmental issues and has strongly encourages communities to participate wherever possible to keep it self-sustainable.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of the financial year.

   There were no customer complaints pending at the end of the financial year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

   Not Applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as at the end of the financial year. If so, provide details thereof, in about 50 words or so.

   No.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

   Customer satisfaction trend (CSAT) is monitored basis inflow and query to complaint percentages. Further, we also monitor the transactional CSAT for customer calls that land on the inbound toll free number basis a SMS that goes out at the conclusion of the call asking for satisfaction levels. At present, our transactional CSAT stands at 94%.

Independent Auditor's Report

To the Members of Cholamandalam Investment and Finance Company Limited

Report on the Audit of the Standalone financial statements

Opinion

1 We have audited the accompanying standalone financial statements of Cholamandalam Investment and Finance Company Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Standalone Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional 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.

Key audit matters	How our audit addressed the key audit matter
Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (Refer Note 9 of the standalone financial statements) The loan balances towards vehicle finance, home loans, loans against property, and other loans aggregating to INR 76,47,789 lakhs and the associated impairment allowances aggregating to INR 2,32,868 lakhs are significant to the standalone financial statements and involves judgement around the determination of the impairment allowance in line with the requirements of the Ind AS 109 "Financial Instruments". Impairment allowances represent management's estimate of the losses incurred within the loan portfolios at the balance sheet date and are inherently judgmental. Impairment, based on ECL model, is calculated using main variables, viz. 'Staging', 'Exposure At Default', 'Probability of Default' and 'Loss Given Default' as specified under Ind AS 109.	The audit procedures performed by us to assess appropriateness of the impairment allowance based on ECL on loans included the following: • We understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the management over: i. the assumptions used in the calculation of ECL and its various aspects such as determination of Probability of Default, Loss Given Default, Exposure At Default, Staging of Loans, etc.; ii. the completeness and accuracy of source data used by the Management in the ECL computation; and iii. ECL computations for their reasonableness. • We, along with the assistance of the auditor's our expert, verified the appropriateness of methodology and models used by the Company and reasonableness of the assumptions used within the computation process to estimate the impairment provision.

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
Quantitative factors like days past due, behaviour of the portfolio, historical losses incurred on defaults and macro-economic data points identified by the Management's expert and qualitative factors like nature of the underlying loan, deterioration in credit quality, correlation of macro- economic variables to determine expected losses, uncertainty over realisability of security, judgement in relation to management overlays and related Reserve Bank of India (RBI) guidelines, to the extent applicable, etc. have been taken into account in the ECL computation. Given the inherent judgmental nature and the complexity of model involved, we determined this to be a Key Audit Matter.	• We test-checked the completeness and accuracy of source data used. • We recomputed the impairment provision for a sample of loans across the loan portfolio to verify the arithmetical accuracy and compliance with the requirements of Ind AS 109. • We evaluated the reasonableness of the judgement involved in management overlays that form part of the impairment provision, and the related approvals. We evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the Standalone Financial Statements.
Assessment of Direct tax and Indirect tax litigations and related disclosure of contingent liabilities (Refer to Note 38 (a) of the Standalone Financial Statements) As at March 31, 2022, the Company has exposure towards litigations relating to various tax matters as set out in the aforesaid Notes. Significant management judgement is required to assess matters relating to direct tax and indirect tax litigations, to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.	Our audit procedures included the following: • We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to direct and indirect tax laws and regulations ; • We inquired with management the recent developments and the status of the material litigations which were reviewed and noted by the Audit Committee; • We performed our assessment on a test check basis on the underlying calculations supporting the contingent liabilities related to litigations disclosed in the Standalone Financial Statements; • We used auditor's expert to gain an understanding and to evaluate the disputed tax matters; • We considered external legal opinions, where relevant, obtained by management and examined by the auditor's expert; • We obtained the listings from the management and got it reconfirmed from management's consultants; • We evaluated the adequacy of presentation and disclosures in relation to litigations in the Standalone Financial Statements.
Audit in an Information Technology (IT) enabled environment – including considerations on exceptions identified in IT Environment The IT environment of the entity involves a few independent and inter- dependent IT systems used in the operations of the entity for processing and recording of the business transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the entity. Appropriate IT general controls and IT application controls are required to ensure that such IT systems can process the data as required, completely, accurately, and consistently for reliable financial reporting. We have identified certain key IT applications and the related IT infrastructure (herein after referred to as "In-scope IT systems"), which have an impact on the financial reporting process and the	Our audit procedures with respect to this matter included the following: In assessing the controls over the IT systems, we have involved our Technology Assurance specialists to obtain an understanding of the IT environment, IT infrastructure and IT systems. With respect to the "In-scope IT systems" identified as relevant to the audit of the financial statements and financial reporting process of the entity, we have evaluated and tested relevant IT general controls or relied upon service auditor's report, where applicable. On such "In-scope IT systems", we have covered the key IT general controls with respect to the following domains: • Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured.

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
related controls as a key audit matter because of the increased level of automation; a few systems being used by the entity for processing financial transactions; and the complexity of the IT architecture; and its impact on the financial records and financial reporting process of the entity.	• User access management, which includes user access provisioning, de- provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privileged access to applications, operating system and databases in the production environment were granted only to authorized personnel. • Other areas that were assessed under the IT control environment included backup management, business continuity and disaster recovery, incident management, batch processing and monitoring. We have also evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting procedures, system interfaces, system reconciliation controls and key system generated reports, as applicable. Where control deficiencies have been identified, we have tested compensating controls or performed alternative audit procedures, where necessary.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report (Financial Highlights, Board's report, Management Discussion and Analysis and Report on Corporate Governance), but does not include the standalone financial statements and our auditor's report thereon.

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

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

7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Independent Auditor’s Report (Contd.)

Auditor’s responsibilities for the audit of the standalone financial statements

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

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

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

13. The standalone financial statements of the Company for the year ended March 31, 2021, were audited by another firm of chartered accountants under the Companies Act, 1956/ Act who, vide their report dated May 07, 2021, expressed an unmodified opinion on those standalone financial statements.

    Our opinion is not modified in respect of above matter.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by Section 143(3) of the Act, we report that:

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

Independent Auditor's Report (Contd.)

(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), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38(a) to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 7 and Note 9 to the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 50A Part II - Other Disclosures to the standalone financial statements);

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 50A Part II - Other Disclosures to the standalone financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Sundaram and Srinivasan
Chartered Accountants
Firm Registration No. : 004207S

S. Usha
Partner
Membership No. : 211785
UDIN : 22211785AIKTFO9980

Place : Chennai
Date : May 5, 2022

For Price Waterhouse LLP
Chartered Accountants
Firm Registration No. : 301112E /E300264

A. J. Shaikh
Partner
Membership No. : 203637
UDIN : 22203637AIKXQO1770

Place : Chennai
Date : May 5, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the standalone financial statements as at the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Cholamandalam Investment and Finance Company Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Annexure A to Independent Auditor's Report (Contd.)

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the standalone financial statements as at the year ended March 31, 2022

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Sundaram and Srinivasan
Chartered Accountants
Firm Registration No. : 004207S

S. Usha
Partner
Membership No. : 211785
UDIN : 22211785AIKTFO9980

Place : Chennai
Date : May 5, 2022

For Price Waterhouse LLP
Chartered Accountants
Firm Registration No. : 301112E /E300264

A. J. Shaikh
Partner
Membership No. : 203637
UDIN : 22203637AIKXQO1770

Place : Chennai
Date : May 5, 2022

Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the standalone financial statements as of and for the year ended March 31, 2022

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 13 and 14 to the standalone financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise (Refer Note 50A to the standalone financial statements).

ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. (Also refer Note 18.1 (vi) to the financial statements)

iii. (a) The Company is registered with Reserve Bank of India (RBI) under section 45-IA as a non- banking financial company, and its principal business is to give loans. Accordingly, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company

(b) Based on our examination and the information and explanations given to us, in respect of investments/ guarantees/ securities/ loans/ advances in nature of loan, in our opinion, the terms and conditions under which such loans were granted/ investments were made/ guarantees provided/ security provided are not prejudicial to the Company's interest.

(c) In respect of the loans/ advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company engaged in the business of granting loans majorly to retail customers for vehicle finance, affordable housing etc., the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable. The Company has recognised provisions against the above loans, in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (refere Note 9 and 53 to the financial statements).

(d) In respect of the loans/ advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2022 is ₹ 3,48,118 lakhs. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon. Refer Note 9.2 in the standalone financial statements for details of number of cases and the amount of principal and interest overdue as at March 31, 2022.

(e) This Company is registered with the Reserve Bank of India (RBI) under section 45-IA as a non- banking financial company, and its principal business is to give loans. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company.

(f) The loans/advances in nature of loans granted during the year, including to promoters/related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand.

Annexure B to Independent Auditor's Report (Contd.)

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the standalone financial statements as of and for the year ended March 31, 2022

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and sub-section (1) of Section 186 of the Act in respect of the loans and investments made and guarantees and security provided by it. The provisions of sub-sections (2) to (11) of Section 186 are not applicable to the Company as it is a non-banking financial company registered with the RBI engaged in the business of giving loans.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Further, the provisions of sub-sections (1) of Section 73 are not applicable to the company as it is a non-banking financial company registered with the RBI engaged in the business of giving loans.

vi. The Central Government of India has not specified the maintenance of cost records under sub- section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (in ₹ lakhs)	Period to which the amounts relates	Forum where the dispute is pending	Remarks, if any
Income Tax Act, 1961	Tax and interest	20.52	2005-06	Assessing Officer	
Income Tax Act, 1961	Tax and interest	0.11	2008-09	High Court	
Income Tax Act, 1961	Tax and interest	641.49	1990-91, 1991-92, 2009-10	Income Tax Appellate Tribunal	
Income Tax Act, 1961	Tax and interest	58.32	2015-16	Assessing Officer (International Taxation	
Income Tax Act, 1961	Tax and interest	9,951.31	2013-14, 2015-16, 2016-17, 2017-18	CIT (Appeals)	
Bihar Finance Act, 1981	Sales tax	2.19	1992-93, 1993-94	Sales Tax Appellate Tribunal, Jamshedpur	
Delhi Sales Tax Act, 1975	Sales tax	7.58	1991-92	Deputy Commissioner of Sales Tax, Appeals	
Gujarat Sales Tax Act, 1969	Sales tax	2.03	1997-98	Sales Tax Appellate Tribunal, Baroda	
Odisha Value Added Tax Act, 2004	Sales tax	302.56	2007-08 to 2013-14	Odisha Sales Tax Appellate Tribunal	
Rajasthan Sales Tax Act	Sales tax	101.63	2006-07 to 2014-15	Supreme Court	
Rajasthan Sales Tax Act	Sales tax	14.73	2012-13, 2016-17, 2017-18	Assessing Officer	
Tamilnadu General Sales Tax Act, 1959	TNGST and CST	998.80	1995-96	High Court	
Tamilnadu Value Added Tax Act, 2006	Sales tax	392.58	2006-07 to 2013-14	High Court	
Finance Act, 1994	Service tax	19,689.95	2005-06 to 2017-18	CESTAT	
Goods and Services Tax Act, 2018	Goods and Services Tax	10.96	2017-18	Commissioner of GST (Appeals)	

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

Annexure B to Independent Auditor's Report (Contd.)

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the standalone financial statements as of and for the year ended March 31, 2022

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 18.1 (v) to the financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies

x (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures specified under Section 133 of the Act.

xiv (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

xiv (b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as an Non Deposit Taking Systemically Important Investment and Credit Company.

(b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group has two CICs as part of the Group has to CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

Annexure B to Independent Auditor's Report (Contd.)

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the standalone financial statements as of and for the year ended March 31, 2022

xviii. There has been resignation of the statutory auditors of the Company during the year. As stated in the resignation letter dated July 30, 2021 of the outgoing statutory auditors, the resignation was pursuant to the "Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)" issued by RBI on April 27, 2021. We noted no issues, objections or concerns raised by the outgoing statutory auditors in their aforesaid letter.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note X to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act.

(b) In respect of ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under this clause is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Sundaram and Srinivasan
Chartered Accountants
Firm Registration No. : 004207S

S. Usha
Partner
Membership No. : 211785
UDIN : 22211785AIKTFO9980

Place : Chennai
Date : May 5, 2022

For Price Waterhouse LLP
Chartered Accountants
Firm Registration No. : 301112E /E300264

A. J. Shaikh
Partner
Membership No. : 203637
UDIN : 22203637AIKXQO1770

Place : Chennai
Date : May 5, 2022

Standalone Balance Sheet As at March 31, 2022

₹ in lakhs

	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
Cash and Cash Equivalents	5	2,65,788	1,44,785
Bank Balances other than Cash and Cash Equivalents	6	1,56,220	3,78,403
Derivative financial instruments	7	18,653	4,587
Receivables	8		
i) Trade Receivables		3,247	2,031
ii) Other Receivables		9,554	4,612
Loans	9	74,14,921	65,83,934
Investments	10	2,07,616	1,61,882
Other Financial Assets	11	32,088	53,637
		81,08,087	**73,33,871**
Non- Financial Assets			
Current tax assets(Net)		25,071	14,615
Deferred tax assets (Net)	12	67,143	76,380
Investment Property	13	13	13
Property, Plant and Equipment	14	23,989	20,302
Capital Work in Progress		2,303	-
Intangible assets under development		1,395	982
Intangible assets	15	1,455	1,645
Other Non-Financial Assets	16	6,879	7,034
		1,28,248	**1,20,971**
TOTAL ASSETS		**82,36,335**	**74,54,842**
LIABILITIES AND EQUITY			
Financial Liabilities			
Derivative financial instruments	7	16,956	12,742
Payables			
(I) Trade Payables			
i) Total outstanding dues of micro and small enterprises	33 & 50A	306	-
ii) Total outstanding dues of creditors other than micro and small enterprises		7,984	5,267
(II) Other Payables			
i) Total outstanding dues of micro and small enterprises		-	-
ii) Total ou tstanding dues of creditors other than micro and small enterprises		71,990	54,239
Debt Securities	17	13,32,110	12,35,767
Borrowings(Other than Debt Securities)	18	52,00,452	47,18,226
Subordinated Liabilities	19	3,84,788	4,19,006
Other Financial Liabilities	20	33,343	33,804
		70,47,929	**64,79,051**
Non-Financial Liabilities			
Current Tax Liabilities(Net)		-	4,225
Provisions	21	11,827	10,958
Other Non-Financial Liabilities	22	5,811	4,577
		17,638	**19,760**
Equity			
Equity Share Capital	23A	16,428	16,407
Other Equity	23B	11,54,340	9,39,624
		11,70,768	**9,56,031**
TOTAL LIABILITIES AND EQUITY		**82,36,335**	**74,54,842**

This is the Standalone Statement of Balance Sheet referred to in our report of even date

The accompanying notes are integral part of the Standalone financial statements

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Regn No. : 301112E/ E300264

A.J. Shaikh
Partner
Membership No. : 203637

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. : 004207S

S. Usha
Partner
Membership No. : 211785

For and on behalf of the Board of Directors

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Date : May 5, 2022
Place : Chennai

Standalone Statement of Profit and Loss for the year ended March 31, 2022

₹ in lakhs

	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Operations			
Interest Income	24A	9,56,681	9,22,416
Fee Income	24B	38,374	20,685
Net gain on fair value change on financial instruments	24C	1,299	463
Sale of Services	24D	8,475	8,037
Total Revenue from operations (I)		**10,04,829**	**9,51,601**
Other Income (II)	25	9,048	5,955
Total Income (III) = (I) + (II)		**10,13,877**	**9,57,556**
Expenses			
Finance costs	26	4,29,882	4,57,591
Impairment of financial Instruments (Net)	27	88,030	1,37,777
Employee benefits expense	28	89,453	74,853
Depreciation and amortisation expense	13, 14 & 15	9,735	9,830
Other expenses	29	1,07,683	73,661
Total Expenses (IV)		**7,24,783**	**7,53,712**
Profit before tax (V) = (III) - (IV)		**2,89,094**	**2,03,844**
Tax expense/(benefit)			
- Current tax		69,196	75,086
- Adjustment of tax relating to earlier periods		68	394
- Deferred tax		5,159	(23,127)
Net tax expense (VI)		74,423	52,353
Profit for the year - A = (V) - (VI)		**2,14,671**	**1,51,491**
Other Comprehensive income:			
i) Items that will not be reclassified to profit or loss:			
Re-measurement gains / (losses) of Post employment benefit Obligations (net)		5	(127)
Income tax impact		(1)	32
ii) Items that will be reclassified to profit or loss:			
Net Gain On Cashflow Hedge Reserve	42.8	16,197	(4,521)
Income tax impact		(4,077)	1,138
Other comprehensive income/(loss) net of tax for the year (B)		**12,124**	**(3,478)**
Total comprehensive income net of tax for the year (A + B)		**2,26,795**	**1,48,013**
Earnings per equity share of ₹ 2 each	30		
Basic (₹)		26.16	18.48
Diluted (₹)		26.11	18.45
The accompanying notes are integral part of the Standalone financial statements			

This is the Standalone Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Regn No. : 301112E/ E300264

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. : 004207S

For and on behalf of the Board of Directors

A.J. Shaikh
Partner
Membership No. : 203637

S. Usha
Partner
Membership No. : 211785

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

Date : May 5, 2022
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Standalone Statement of Changes in Equity for the year ended March 31, 2022

₹ in lakhs

A) Equity Share Capital

Balance as at March 31, 2021	Changes in Equity Share capital due to prior year errors	Restated Balance at the beginning of the current reporting year	Changes in Equity share capital during the current year	Balance as at March 31, 2022
16,407	-	16,407	21	16,428

B) Other Equity (Refer Note 23B)

₹ in lakhs

Particulars	Share application Money Pending for allotment	Reserve and Surplus							Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive income	Effective portion of cashflow hedge	Total
		Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained earnings	Statutory Reserve	Share based Payments Reserve				
Balance as at March 31, 2021	**-**	**4**	**2,86,605**	**3,300**	**3,73,913**	**1,24,021**	**1,59,046**	**3,445**	**-**	**(129)**	**(10,581)**	**9,39,624**
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the current reporting period	-	4	2,86,605	3,300	3,73,913	1,24,021	1,59,046	3,445		(129)	(10,581)	**9,39,624**
Remeasurement of defined benefit plans	-	-	-	-	-	4		-		-	-	**4**
Total comprehensive income for the period, net of income tax	-	-	-	-	-	-		-		-	12,120	**12,120**
Dividend including tax	-	-	-	-	-	(16,414)		-		-	-	**(16,414)**
Transfer to retained earnings						2,14,671						**2,14,671**
Changes during the period	-	-	2,287	-	-	-		2,048		-	-	**4,335**
Transfer to reserves from Retained earnings during the year	-		-	-	1,00,000	(1,43,000)	43,000	-		-	-	**-**
Balance as at March 31, 2022	**-**	**4**	**2,88,892**	**3,300**	**4,73,913**	**1,79,282**	**2,02,046**	**5,493**	**-**	**(129)**	**1,539**	**11,54,340**

Standalone Statement of Changes in Equity for the year ended March 31, 2022 (Contd.)

₹ in lakhs

Standalone Statement of Changes in Equity for the year ended March 31, 2021

Previous reporting period

A) Equity Share Capital

Balance as on March 31, 2020	Changes in Equity Share capital due to prior year errors	Restated Balance at the beginning of the current reporting year	Changes in Equity share capital during the current year	Balance as on March 31, 2021
16,398	-	16,398	9	16,407

B) Other Equity (Refer Note 23B)

₹ in lakhs

Particulars	Share application Money Pending for allotment	Reserve and Surplus							Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive income	Effective portion of cashflow hedge	Total
		Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained earnings	Statutory Reserve	Share based Payments Reserve				
Balance as at March 31, 2020	**10**	**4**	**2,85,678**	**3,300**	**2,98,777**	**89,281**	**1,28,046**	**3,017**	**-**	**(129)**	**(7,198)**	**8,00,786**
Changes in accounting policy /prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the current reporting period	**10**	**4**	**2,85,678**	**3,300**	**2,98,777**	**89,281**	**1,28,046**	**3,017**	**-**	**(129)**	**(7,198)**	**8,00,786**
Remeasurement of defined benefit plans	-	-	-	-	-	**(95)**	-	-	-	-	-	**(95)**
Total comprehensive income for the period, net of income tax	-	-	-	-	-	-		-	-	-	(3,383)	**(3,383)**
Dividend including tax	-	-	-	-	-	(10,656)	-	-	-	-	-	**(10,656)**
Transfer to retained earnings	-	-	-	-	-	1,51,491	-	-	-	-	-	**1,51,491**
Changes during the period	(10)		927	-	136	-	-	428	-	-	-	**1,481**
Transfer to reserves from Retained earnings during the year	-	-	-	-	75,000	(1,06,000)	31,000	-	-	-	-	**-**
Balance as at March 31, 2021	**-**	**4**	**2,86,605**	**3,300**	**3,73,913**	**1,24,021**	**1,59,046**	**3,445**	**-**	**(129)**	**(10,581)**	**9,39,624**

The accompanying notes are integral part of the Standalone financial statements

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Regn No. : 301112E/ E300264

A.J. Shaikh
Partner
Membership No. : 203637

Date : May 5, 2022
Place : Chennai

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. : 004207S

S. Usha
Partner
Membership No. : 211785

For and on behalf of the Board of Directors

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Standalone Cash Flow Statement for the year ended March 31, 2022

₹ in lakhs

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
Cash Flow from Operating Activities				
Profit Before Tax		**2,89,094**		**2,03,844**
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortisation expense	9,735		9,830	
Impairment of financial instruments	88,030		1,37,777	
Finance Costs	4,29,882		4,57,591	
Loss on Sale of Property, plant and equipment (Net)	7		54	
Net gain on fair value change in financial instrument	(1,299)		(463)	
Interest Income on bank deposits and other investments	(24,168)		(34,694)	
Interest on Income Tax Refund	(662)		(336)	
Short Term Rent Concessions	(112)		(630)	
Share based payment expense	2,020		561	
		5,03,433		5,69,690
Operating Profit Before Working Capital Changes		7,92,527		7,73,534
Adjustments for :-				
(Increase)/Decrease in operating Assets				
Loans	(9,19,017)		(11,81,438)	
Trade receivables	(6,158)		(769)	
Other Financial Assets	21,549		(14,961)	
Other Non Financial Assets	155	(9,03,471)	(1,917)	(11,99,085)
Increase/(Decrease) in operating liabilities and provisions				
Payables	20,807		20,699	
Other Financial liabilities	(2,551)		6,756	
Provisions	869		1,882	
Other Non Financial liabilities	1,234	20,359	1	29,338
Cash Flow used in Operations		(90,585)		(3,96,213)
Finance Costs paid	(4,11,731)		(4,54,564)	
Interest Received on Bank Deposits and other investments	26,042		35,399	
		(3,85,689)		(4,19,165)
		(4,76,274)		(8,15,378)
Income tax paid (Net of refunds)		(84,478)		(70,326)
Net Cash Used in Operating Activities (A)		**(5,60,752)**		**(8,85,704)**
Cash Flow from Investing Activities				
Purchase of Property, plant and Equipment and Intangible Assets	(7,092)		(3,111)	
Capital Work in Progress	(2,303)		-	
Proceeds from Sale of Property, plant and equipment	192		150	
Investment in Subsidiaries/Associates	(45,976)		-	
Purchase of Mutual Funds Units	(42,11,289)		(17,68,421)	
Redemption of Mutual Funds Units	42,12,589		17,68,884	
Movement of Investment (net)	242		(1,54,590)	
Investment in Bank Fixed Deposits (net of withdrawals)	2,20,305		(18,800)	
Net Cash Used in Investing Activities (B)		**1,66,668**		**(1,75,888)**

Standalone Cash Flow Statement for the year ended March 31, 2022

₹ in lakhs

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
Cash Flow from Financing Activities				
Proceeds from issue of Share Capital (Including Securities Premium)		2,308		936
Payment of Lease liabilities		(5,411)		(4,914)
Proceeds from issue of Debt securities	9,50,140		18,76,079	
Redemption of Debt securities	(8,43,426)		(13,75,181)	
Proceeds from Borrowing other than debt securities	25,27,481		48,56,670	
Repayment of Borrowings other than debt securities	(20,66,818)		(44,52,011)	
Proceeds from issue of subordinated liabilities	54,500		14,500	
Repayment of subordinated liabilities	(87,270)		(34,650)	
		5,34,607		8,85,407
Dividends Paid		(16,417)		(10,655)
Net Cash From Financing Activities (C)		**5,15,087**		**8,70,774**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**1,21,003**		**(1,90,818)**
Cash and Cash Equivalents at the Beginning of the Year		1,44,785		3,35,603
Cash and Cash Equivalents at the End of the Year		2,65,788		1,44,785
Components of Cash and Cash Equivalents:				
Cash on hand		1,603		3,179
Balances with banks				
- In Current Accounts		11,506		1,38,636
- In Deposit Accounts - Original maturity of 3 months or less		2,50,034		-
Cheques, drafts on hand		2,645		2,970
Total		**2,65,788**		**1,44,785**

The accompanying notes are integral part of the Standalone financial statements

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

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Regn No. : 301112E/ E300264

A.J. Shaikh
Partner
Membership No. : 203637

Date : May 5, 2022
Place : Chennai

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. : 004207S

S. Usha
Partner
Membership No. : 211785

For and on behalf of the Board of Directors

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

1. Corporate information

Cholamandalam Investment and Finance Company Limited ("the Company") (CIN L65993TN1978PLC007576) is a public limited Company domiciled in India. The Company is listed on Bombay Stock Exchange and National Stock Exchange. The Company is one of the premier diversified non-banking finance companies in India, engaged in providing vehicle finance, home loans and Loan against property.

The standalone financial statements are presented in INR which is also functional currency of the Company.

2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

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

In the preparation of the financial statements, Management makes estimates and assumptions considered in that affect reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods

The standalone financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except when otherwise indicated.

The regulatory disclosures as required by Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company Directions, 2016 issued by the RBI ('RBI Master Directions') to be included as a part of the Notes to Accounts are prepared as per the Ind AS financial statements, pursuant to the RBI notification on Implementation of Indian Accounting Standards, dated March 13, 2020.

2.2 Presentation of financial statements

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

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

3. Significant accounting policies

3.1 Financial instruments – initial recognition

3.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans are recognised when fund transfers are initiated to the customers' account or cheques for disbursement have been prepared by the Company (as per the terms of the agreement with the borrowers) or when the Company assumes unconditional obligations to release the disbursement amount to third party on the direction of the borrower, whichever is earlier. The Company recognises debt securities and borrowings when funds reach the Company.

3.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL (Fair value through profit and loss). Transaction costs/fees which are directly attributable to acquisition of financial assets or financial liabilities are recognised immediately in statement of profit and loss in case of instruments measured at FVTPL and or , are added to, or subtracted from, this amount for other categories.

3.1.3 Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets and financial liabilities based on the business model for

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- FVTPL
- FVOCI

3.2 Financial assets and liabilities

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

The Company measures financial assets at amortised cost if both of the following conditions are met:

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

The details of these conditions are outlined below.

3.2.1.1 Business model assessment

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

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

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

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

3.2.1.2 The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

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

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Contractual terms that introduce exposure to risk or volatility in contractual cashflow that are unrelated to a basic lending arrangement do not give to contractual cashflows that are SPPI, such financial assets are either classified as FVTPL /FVOCI

3.2.2 Investment in Mutual funds

The Company recognises the investment on trade date and is classified and measured, at fair value through profit or loss. Any gain/losses on disposal or subsequent re-measurement is recognised in the statement of Profit and Loss.

3.2.3 Equity instruments

Investment in Subsidiaries and Joint Ventures are carried at Cost in the Separate Financial Statements as permitted under Ind AS 27.

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

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits

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from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI (Other Comprehensive Income).Equity instruments at FVOCI are not subject to an impairment assessment.

3.2.4 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

3.2.5 Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these commitments together with the corresponding ECLs are disclosed in notes.

3.3 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.4 Derecognition of financial assets and liabilities

3.4.1 Derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Modification of loan terms is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment). When a financial asset is modified the company assesses whether this modification results in derecognition. In accordance with the company's policy, a modification results in derecognition when it gives rise to substantially different terms. When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the financial asset is considered as impaired, which is reviewed after a period of 12 months from the date of modification. In case of modifications done in compliance with regulatory guidelines/ directives, the financial asset's risk is considered to have increased significantly since initial recognition. Where a modification does not lead to derecognition, the company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance).

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

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset

  Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities, when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

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A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset

Or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on de-recognition of such financial asset previously carried under amortisation cost category. The resulting interest only strip initially is recognised at FVTPL and re-assessed at the end of every reporting period.

3.4.2 Financial liabilities

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

3.5 Impairment of financial assets

3.5.1 Overview of the ECL principles

The Company records allowance for expected credit losses for all financial assets other than FVTPL, together with loan commitments. Equity instruments are not subject to impairment.

Loans

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Notes.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.

3.5.2 The calculation of ECLs

The Company calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Notes forming part of the Standalone Financial Statements (Contd.)

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The key elements of the ECL are summarised below:

PD: The *Probability of Default* is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD: The *Exposure at Default* is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

LGD: The *Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitment: When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provisions.

Other Financial assets: The Company follows 'simplified approach' for recognition of impairment loss allowance on other financial assets. The application of simplified approach does not require the Company to track changes in credit risk and calculated on case by case approach, taking into consideration different recovery scenarios.

3.5.3 Forward looking information

The Company considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, Inflation etc., as considered relevant so as to determine the impact of macro-economic factors on the Company's ECL estimates.

The inputs and models used for calculating ECLs are recalibrated periodically through the use of available incremental and recent information. Further, internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

3.6 Collateral repossessed

The Company generally does not use the assets repossessed for the internal operations. The underlying loans in respect of which collaterals have been repossessed with an intention to realize by way of sale are considered as Stage 3 assets and the ECL allowance is determined based on the estimated net realisable value of the repossessed asset. Any surplus funds are returned to the borrower and accordingly collateral repossessed are not recorded on the balance sheet and not treated as non-current assets held for sale.

3.7 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

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3.8 Restructured, rescheduled and modified loans

The Company sometimes makes concessions or modifications to the original terms of loans such as changing the instalment value or changing the tenor of the loan, as a response to the borrower's request. The Company considers the modification of the loan only before the loans gets credit impaired.

When the loan has been renegotiated or modified but not derecognised, the Company also reassesses whether there has been a significant increase in credit risk. The Company also considers whether the assets should be classified as Stage 3. Once an asset has been classified as restructured, it will remain restructured for a period of year from the date on which it has been restructured.

Loans which have been renegotiated or modified in accordance with RBI Notifications (including extensions granted) - RBI/2020-21/16 DOR.No.BP. BC/3/21.04.048/2020-21- Resolution Framework for COVID-19 related Stress and RBI/2020-21/17 DOR.No.BP. BC/4/21.04.048/2020-21- Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances, have been classified as Stage 2 due to significant increase in credit risk.

3.9 Derivative and Hedge accounting

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in profit or loss immediately unless the derivative is designated and is effective as a hedging instrument , in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve).

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the profit and loss statement.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

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3.10 Recognition of interest income

3.10.1 The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost. The EIR is the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

3.10.2 Interest Income

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account the fees and costs that are an integral part of the EIR. For credit-impaired financial assets interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

3.11 Taxes

3.11.1 Current tax

Current tax comprises amount of tax payable in respect to the taxable income or loss for the year determined in accordance with Income Tax Act,1961 and any adjustment to tax payable or receivable in respect of prior years.

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

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and is intended to realise the asset and settle the liability on a net basis or simultaneously.

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

3.11.2 Deferred Tax

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

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

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

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

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

3.12 Investment Property

Investment property represents property held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on building classified as investment property has been provided on the straight-line method over a period of 60 years based on the Company's estimate of their useful lives taking into consideration technical factors, which is the same as the period prescribed in Sch II to the Companies Act 2013.

Though the Company measures investment property using cost based measurement, the fair value of

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investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

3.13 Property, plant and equipment

Property plant and equipment is stated at cost (net of tax/ duty credits availed) excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Cost includes professional fees/ charges related to acquisition of property plant and equipment. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure incurred, is capitalised only if it results in economic useful life beyond the original estimate.

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated.

Useful life of assets as per Schedule II:

Asset Description	Estimated Useful Life
Buildings	60 years
Computer Equipment	3 years
Other Equipment	5 years
Leasehold improvements	Lease period or 5 years whichever is lower

Useful life of assets based on Management's estimation and which are different from those specified in schedule II:

Asset Description	Estimated Useful Life
Furniture and Fixtures*	5 years
Vehicles*	5 years

*The Company, based on technical assessment made by technical expert and management estimate, depreciates Furniture & Fixtures and vehicles over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets individually costing less than or equal to ₹ 5,000 are fully depreciated in the year of acquisition

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

3.14 Intangible assets

The Company's intangible assets mainly include the value of computer software.

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

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight-line basis over a 3-year period or the license period whichever is lower.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

3.15 Impairment of non–financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.16 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as employee benefit obligations in the balance sheet.

(ii) Post-employment obligations

The company operates the following post-employment schemes:

(a) defined contribution plans such as provident fund

(b) defined benefit plans such as gratuity, pension, post-employment medical plans

a) Defined Contribution Scheme

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

Employees' State Insurance: The Company contributes to Employees State Insurance Scheme and recognizes such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

Superannuation: The Company contributes a sum equivalent to 15% of eligible employees' salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India ("LIC"). The Company has no liability for future Superannuation Fund benefits other than its contribution and recognizes such contributions as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

b) Defined Benefit Scheme

Gratuity: The Company makes contribution to a Gratuity Fund administered by trustees and managed by LIC. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year by an independent actuary using the Projected Unit Credit method.

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Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

c)Compensated Absences : The Company treats its liability for compensated absences based on actuarial valuation as at the Balance Sheet date, determined by an independent actuary using the Projected Unit Credit method.

Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur and not deferred.

3.17 Share Based Payments

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Company are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or Credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. On cancellation or lapse of options granted to employees, the compensation charged to statement of profit and loss is credited with corresponding decrease in equity.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

3.18 Provisions and Contingent liabilities

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

Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed

Contingent liability is disclosed in case of present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligations and the present obligation arising from past events, when no reliable estimate is possible.

3.19 Dividends on ordinary shares

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013 in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.20 Determination of Fair value

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments** - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments** - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.
- **Level 3 financial instruments** - Those that include one or more unobservable input that is significant to the measurement as whole.

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

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

3.21 Recognition of Income

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable.

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

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

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

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

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

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

3.21.1 Interest on overdue balances and Other Charges

Overdue interest in respect of loans is recognised upon realisation.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

3.21.2 Fee Income & Sale of Service

a) Fee income from loans are recognised upon satisfaction of following:

i) Completion of service

ii) and realisation of the fee income.

b) Servicing and collections fees on assignment are recognised upon completion of service.

c) Advertising income is recognised over the contract period as and when related services are rendered.

3.22 Dividend Income

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

3.23 Input Tax credit (Goods and Service Tax)

Input Tax Credit is accounted for in the books in the period when the underlying service / supply received is accounted to the extent permitted as per the applicable regulatory laws and when there is no uncertainty in availing / utilising the same. The ineligible input credit is charged off to the respective expense or capitalised as part of asset cost as applicable.

3.24 Foreign Currency transactions

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Foreign exchange differences are regarded as an adjustment to borrowing cost are presented in the statement of profit and loss within finance cost.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

3.25 Earnings Per Share

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

Earnings considered for Earnings per share is the net profit for the period after deducting preference dividend, if any, and attributable tax thereto for the period.

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

3.26 Segment Information

An operating segment is a component of the Company that engages in the business activities from which it may earn revenues and incur expenses , whose operating results are regularly reviewed by Company's executive vice president and Chief Financial officer("Chief operating decision maker")

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the Segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

Assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the Segment. Assets and liabilities, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

3.27 Cash Flow Statement

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

For the purpose of the Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

bank overdrafts as they are considered an integral part of cash management of the Company.

3.28 Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.29 Leases

The Company's lease asset consists of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-to-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-to-use asset is initially recognised at cost which comprises of the initial amount of lease liability adjusted for lease payments made or prior to commencement date plus any direct cost i.e. lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment loss if any.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-to-Use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term. Right to use assets are evaluated for recoverability whenever events or changes in the circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates in the country of domicile of the leases. The Company has used single discount rate to a portfolio of leases with similar characteristics. Lease liabilities are remeasured with a corresponding adjustment to the related right to use asset if the Company changes its assessment if the whether it will exercise an extension or a termination option.

The Company has opted to presented the Right to use as a part of the block of asset to which the lease pertains to and consequently, the Right to use asset has been presented as a part of Property, plant and equipment under the Buildings block, whereas the lease liability is presented under Other Financial Liabilities in the Balance Sheet. Lease payments made by the Company are classified as financing cash flows.

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

4A. Significant accounting judgements, estimates and assumptions

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

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

i Business Model Assessment

The Company from time to time enters into direct bilateral assignment deals, which qualify for de-recognition under Ind AS 109. Accordingly, the assessment of the Company's business model for managing its financial assets becomes a critical judgment.

Further, the Company also made an investment in the Government securities in order to comply the liquidity ratio compliance as required by RBI pursuant to its master directions. The Company intends to hold these assets till maturity expects that any sale if any necessitated by requirements are likely to be infrequent and immaterial.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Accordingly the related assessment becomes a critical judgement to determine the business model for such financial assets under Ind AS.

Refer Note 3.2.1.1 for related details.

ii Fair value of financial instruments

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

iii Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of temporary adjustments as qualitative adjustment or overlays based on broad range of forward looking information as economic inputs.

The Company has considered the impact of COVID-19 pandemic and the moratorium given to borrowers pursuant to the COVID-19 regulatory package announced by Reserve Bank of India, in determination of impairment allowance for the year. Also refer note 2.3.It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

iv. Leases

a. Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

b. Estimating the incremental borrowing rate

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

v Provisions and other contingent liabilities

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

4B. New Standards and amendments

(i) Interest Rate Benchmark Reform – Amendments to Ind AS 107 and Ind AS 109:

The Ministry of Corporate Affairs had earlier notified amendments to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures which were effective from April 1, 2020 (the Phase 1 amendments). Those amendments provided temporary reliefs from applying specific hedge accounting requirements to relationships affected by IBOR reform.

The amendments to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures which are effective from April 1, 2021 (the Phase 2 amendments) address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark rate with an alternative one.

The key reliefs provided by the Phase 2 amendments are as follows:

- Changes to contractual cash flows

When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in profit and loss.

- Hedge accounting

The hedge accounting reliefs will allow most Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

This amendment had no significant impact on the financial statements of the Company

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019.

This amendment had no significant impact on the consolidated financial statements of the Company

(ii) COVID-19-related Rent Concessions – Amendments to Ind AS 116

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. Previously, an amendment to Ind AS 116, Leases provided lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions. The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, it was subsequently extended to 30 June 2022

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 5 CASH AND CASH EQUIVALENTS		
Cash on hand	1,603	3,179
Balances with banks		
- In Current Accounts	11,506	1,38,636
- In Deposit Accounts - Original maturity of 3 months or less	2,50,034	-
Cheques, drafts on hand	2,645	2,970
Total	**2,65,788**	**1,44,785**

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 6 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
- In Deposit Accounts - Original maturity more than 3 months	1,08,302	2,78,758
- In earmarked accounts		
- Margin account for derivatives	13,913	10,585
- In Unpaid Dividend Accounts	71	74
- Deposits with Banks as collateral towards securitisation loan	33,907	31,978
- Deposits with Banks as collateral towards Overdraft facility (Refer note18)	-	57,000
- Escrow account on unclaimed debentures	19	-
- Other deposit Account on amalgamation of Cholamandalam Factoring Limited	8	8
Total	**1,56,220**	**3,78,403**

₹ in lakhs

Particulars	As at March 31, 2022			As at March 31, 2021		
	Notional amounts	Fair Value -Assets	Fair Value -Liabilites	Notional amounts	Fair Value -Assets	Fair Value -Liabilites
Note : 7 DERIVATIVE FINANCIAL INSTRUMENTS **Part I**						
(i) Other derivatives - Cross Currency Interest Rate Swap	1,89,723	10,809	-	2,34,373	2,634	914
(ii) Overnight Index Swaps	-	-	282	-	-	-
(iii) Forward Contracts	1,94,890	7,844	16,674	1,40,286	1,953	11,828
Total Derivative financial Instruments	**3,84,613**	**18,653**	**16,956**	**3,74,659**	**4,587**	**12,742**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Cash flow hedging:						
Others - Cross currency interest rate swap	1,89,723	10,809	-	2,34,373	2,634	914
(ii) Interest rate Swaps	-	-	282	-	-	-
(iii) Forward Contracts	1,94,890	7,844	16,674	1,40,286	1,953	11,828
Total Derivative financial Instruments	**3,84,613**	**18,653**	**16,956**	**3,74,659**	**4,587**	**12,742**

The Company has a Board approved policy for entering into derivative transactions. Derivative transaction comprises of Currency, Interest Rate Swaps and forward contracts. The Company undertakes such transactions for hedging interest / foreign exchange risk on borrowing. The Asset Liability Management Committee and Business Committee periodically monitors and reviews the risks involved.

The notional amount for interest rate swap represents the foreign currency borrowing on which Company has entered to hedge the variable interest rate.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 8 RECEIVABLES (Unsecured)		
(i) Trade Receivables		
Considered Good*	3,247	2,031
Subtotal (i)	**3,247**	**2,031**
(ii) Other Receivables		
Considered Good*	9,554	4,612
Subtotal (ii)	**9,554**	**4,612**
Total (i)+(ii)	**12,801**	**6,643**

*Includes dues from related parties (Refer Note 37)
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
*Respective ageing was given in note 50A

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 9 LOANS (At amortised cost)		
(A)		
(i) Bills Discounted	37,099	13,417
(ii) Term loans	76,10,690	68,14,958
Total (A) - Gross	**76,47,789**	**68,28,375**
Less: Impairment Allowance for (i) & (ii)	(2,32,868)	(2,44,441)
Total (A) - Net	**74,14,921**	**65,83,934**
(B)		
(i) Secured by tangible assets	75,08,560	67,85,357
(ii) Unsecured	1,39,229	43,018
Total (B) - Gross	**76,47,789**	**68,28,375**
Less: Impairment Allowance for (i) & (ii)	(2,32,868)	(2,44,441)
Total (B) - Net	**74,14,921**	**65,83,934**
(C)		
(I) Loans In India		
(i) Public Sector	-	-
(ii) Others	76,47,789	68,28,375
Less: Impairment Allowance	(2,32,868)	(2,44,441)
Total (C)(I) - Net	**74,14,921**	**65,83,934**

All loans are in India and have been granted to individuals or entities other than public sector

The Company has not granted loans and advances in the nature of loans to Promoters, Directors , Key Managerial Personnel or related parties u/s2(76) either repayable on demand or without specifying terms/period. Refer related party disclosure(Note 37)

Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and / or pledge of securities and / or equitable mortgage of property and / or equipment and including undertaking to create a security.

Term loans includes unsecured short term loans to a subsidiary and associate. These loans have been classified under Stage 1 Category at the various reporting periods and related impairment provision as per the Company's accounting policy has been created. The details of the same are disclosed below:

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Loan - Outstanding Value		
Cholamandalam Securities Limited	450	-
White Data System India Private Limited	300	340
Impairment Allowance		
Cholamandalam Securities Limited	-	-
White Data System India Private Limited*	*	*

* Represents amount less than ₹ 1,00,000

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 9.1 LOANS

An analysis of changes in the gross carrying amount and corresponding ECL allowances in relations to loans

₹ in lakhs

	Gross Carrying amount				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Bills discounted								
Opening as on April 1, 2021	9,678	-	3,739	13,417	57	-	3,434	3,491
New assets originated	33,290	39	-	33,329	270	4	-	274
Exposure de-recognised /matured/repaid	(9,332)	-	(315)	(9,647)	(75)	-	(221)	(296)
Transfer to Stage 1	71	-	(71)	-	21	-	(21)	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	(416)	-	416	-	(2)	-	2	-
Impact on account of exposures transferred during the period between stages	-	-	-	-	-	-	118	118
Impact of changes on items within the same stage	-	-	-	-	-	-	166	166
Closing as on March 31, 2022	**33,291**	**39**	**3,769**	**37,099**	**271**	**4**	**3,478**	**3,753**
Term loans								
Opening as on April 1, 2021	61,25,086	4,23,110	2,66,762	68,14,958	53,673	70,963	1,16,315	2,40,951
New assets originated	32,21,557	13,708	8,464	32,43,729	16,917	1,359	1,182	19,458
Exposure de-recognised /matured/repaid	(20,99,167)	(2,16,387)	(78,580)	(23,94,134)	(36,643)	(26,255)	(15,211)	(78,109)
Transfer to Stage 1	50,781	(39,278)	(11,503)	-	10,106	(6,801)	(3,305)	-
Transfer to Stage 2	(4,77,609)	4,83,290	(5,681)	-	(7,437)	9,024	(1,587)	-
Transfer to Stage 3	(1,11,057)	(70,302)	1,81,359	-	(2,181)	(12,310)	14,491	-
Impact on account of exposures transferred during the period between stages	117	4,888	7,706	12,711	-	38,427	44,058	82,485
Impact of changes on items within the same stage	19,839	3,205	9,930	32,974	1,311	218	11,617	13,146
Write off*	(31,077)	(20,526)	(47,945)	(99,548)	(1,726)	(8,667)	(38,423)	(48,816)
Closing as on March 31, 2022	**66,98,470**	**5,81,708**	**3,30,512**	**76,10,690**	**34,020**	**65,958**	**1,29,137**	**2,29,115**
Bills Discounted								
Opening as on April 1, 2020	5,142	42	3,414	8,598	31	4	3,173	3,208
New assets originated	9,678	-	430	10,108	57	-	125	182
Exposure de-recognised /matured/repaid	(5,142)	-	(147)	(5,289)	(31)		(103)	(134)
Transfer to Stage 3	-	(42)	42	-	-	(4)	4	-
Impact on account of exposures transferred during the year between stages (net)	-	-	-	-	-	-	38	38
Impact of changes on items within the same stage (net)	-	-	-	-	-	-	197	197
Closing as on March 31, 2021	**9,678**	**-**	**3,739**	**13,417**	**57**	**-**	**3,434**	**3,491**
Term loans								
Opening as on April 1, 2020	52,69,032	2,02,024	2,12,916	56,83,972	39,091	23,342	86,656	1,49,089
New assets originated	24,24,901	15,298	7,604	24,47,803	37,558	6,175	2,704	46,437
Exposure de-recognised /matured/repaid	(11,85,960)	(58,822)	(47,464)	(12,92,246)	(20,161)	(4,487)	(8,028)	(32,676)
Transfer to Stage 1	65,509	(56,814)	(8,695)	-	8,889	(6,055)	(2,834)	-
Transfer to Stage 2	(3,52,885)	3,59,980	(7,095)	-	(8,308)	10,745	(2,437)	-
Transfer to Stage 3	(81,332)	(43,717)	1,25,049	-	(2,120)	(5,357)	7,477	-
Impact on account of exposures transferred during the year between stages	139	10,451	7,862	18,452	112	48,112	34,511	82,735
Impact of changes on items within the same stage	-	-	8,382	8,382	-	-	19,077	19,077
Write off*	(14,318)	(5,290)	(31,797)	(51,405)	(1,388)	(1,512)	(20,811)	(23,711)
Closing as on March 31, 2021	**61,25,086**	**4,23,110**	**2,66,762**	**68,14,958**	**53,673**	**70,963**	**1,16,315**	**2,40,951**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 9.1 LOANS (Contd.)

ECL across stages have been computed on collective basis.

The Company uses Days past due of the customer to determine the credit quality of loans

*Total write off includes Loss on disposal of repossessed vehicles - ₹ 60,124 Lakhs for the year ended March 31, 2022 (₹ 27,211 lakhs -March 31, 2021)

Note : 9.2 OVERDUE GREATER THAN 90 DAYS AS ON MARCH 31, 2022

₹ in lakhs

No. of cases	Principal outstanding	Overdue Instalments*
87,914	2,03,229	1,44,889

*Overdue instalments includes principal amount overdue and interest overdue

₹ in lakhs

Particulars		As at March 31, 2022	As at March 31, 2021
Note : 10 INVESTMENTS			
Investment in Equity Instruments* Unquoted -			
a)	**Subsidiaries at cost**		
	Cholamandalam Home Finance Limited 4,24,00,000 Equity shares of ₹10 each fully paid up	4,240	4,240
	Cholamandalam Securities Limited 2,25,00,014 Equity shares of ₹ 10 each fully paid up	2,250	2,250
b)	**Joint Venture**		
	Payswiff Technologies Private Limited 27,73,227 Equity shares of ₹ 10 each fully paid up	45,001	-
c)	**Associate at cost**		
	White Data System India Private Limited 12,75,917 Equity shares of ₹ 10 each fully paid up	800	800
	Vishvakarma Payments Private Limited 2,100 Equity shares of ₹ 10 each fully paid up	-	-
	Paytail commerce Private limited 27,482 Equity shares of ₹ 10 each fully paid up	975	-
d)	**Others - Unquoted - FVOCI ****		
	Amaravathi Sri Venkatesa Paper Mills Limited 2,93,272 Equity shares of ₹ 10 each fully paid up#	-	-
	Saraswat Co-operative Bank Limited 1,000 Equity shares of ₹ 10 each fully paid up#	-	-
	The Shamrao Vithal Co-operative Bank Limited 1,000 Equity shares of ₹ 25 each fully paid up#	-	-
	Chola Insurance Distribution Services Private Limited 19,133 Equity shares of ₹ 10 each fully paid up	2	2
	Chennai Willingdon Corporate Foundation 5 shares of ₹ 10 each fully paid up		
e)	**Investment in Indian Government Securities - amortised cost** (Issued by Government of India)	1,54,348	1,54,590
Total		**2,07,616**	**1,61,882**

*Investments are made in India

**The Company has designated certain unquoted equity instruments as FVOCI on the basis that these are not held for trading.

represents amount less than Rs 1 lakh.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 11 OTHER FINANCIAL ASSETS		
Unsecured - considered good		
At amortised cost		
Security deposits	2,473	2,280
Other advances	678	304
COVID Ex-gratia Claim Receivable	-	9,647
Interest only strip receivable	28,937	41,406
Total	**32,088**	**53,637**

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 12 DEFERRED TAX		
Deferred Tax Assets		
Impairment allowance for financial instruments	57,487	61,472
Provision for Contingencies and Undrawn commitments	1,025	1,120
Provision for Compensated Absences and Gratuity	2,105	1,792
Impact of Effective interest rate adjustment on Financial Assets	4,583	6,281
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	1,550	1,145
Items recognised in OCI		3,932
Others	703	899
(A)	**67,453**	**76,641**
Deferred Tax Liability		
Impact of Effective interest rate adjustment on Financial Liabilities	163	261
Items recognised in OCI	147	-
(B)	**310**	**261**
Net Deferred Tax Assets (A) - (B)	**67,143**	**76,380**

₹ in lakhs

	Year ended March 31, 2022		Year ended March 31, 2021	
	Income Statement	OCI	Income Statement	OCI
Deferred Tax Assets				
Impairment allowance for financial instruments	3,985	-	(23,731)	-
Provision for Contingencies and Undrawn commitments	95	-	(121)	-
Provision for Compensated Absences and Gratuity	(313)	-	(507)	-
Impact of Effective interest rate adjustment on Financial Assets	1,698	-	1,534	-
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	(405)	-	(226)	-
Others	197	-	87	-
(A)	**5,257**	**-**	**(22,964)**	**-**
Deferred Tax Liability				
Impact of Effective interest rate adjustment on Financial Liabilities	98	-	163	-
Re-measurement gains / (losses) on defined benefit plans (net)		(1)	-	32
Cashflow Hedge reserve	-	(4,077)	-	1,138
(B)	**98**	**(4,078)**	**163**	**1,170**
Net deferred tax charge / (reversal) (A) - (B)	**5,159**	**4,078**	**(23,127)**	**(1,170)**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

₹ in lakhs

Particular	
Note : 13 INVESTMENT PROPERTY	
Gross carrying amount as at April 1, 2020	**14**
Additions	-
Disposals	-
Gross carrying amount as at March 31, 2021	**14**
Additions	-
Disposals	-
Gross carrying amount as at March 31, 2022	14
Accumulated depreciation and impairment	
Balance as at April 1, 2020	**-**
Depreciation for the year	1
Depreciation on disposals	-
Balance as at March 31, 2021**	**1**
Depreciation for the year	-
Depreciation on disposals	-
Balance as at March 31, 2022**	**1**
Net Carrying amount	
As at March 31, 2021	**13**
As at March 31, 2022	**13**
Useful Life of the asset (In Years)	60
Method of depreciation	Straight line method

The Company's investment property consists of 4 properties and has let out one property as at March 31, 2022.

** represents amount less than ₹ 1,00,000

Income earned and expense incurred in connection with investment property

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rental Income	5	4
Direct Operating expense from property that generated rental income	1	1
Direct Operating expense from property that did not generate the rental income	-	-

ii) Contractual obligations

There are no contractual obligations to purchase, construct or develop investment property.

iii) Leasing Arrangements

Certain investment properties are leased out to tenants under cancellable operating lease.

₹ in lakhs

	As at March 31, 2022	As at March 31, 2021
iv) Fair Value		
Investment Property (₹ in Lakhs)	309	304

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted avg)	Sensitivity of the input to fair value	Fair value (₹ in lakhs)	Sensitivity (₹ in lakhs)
v) Sensitivity analysis						
Investment Property As at March 31, 2022	Professional valuer	Price per Sq. feet	₹ 7,000 - 13,000 per Sq. feet	5%	309	15
Investment Property As at March 31, 2021	Professional valuer	Price per Sq. feet	₹ 7,000 - 13,000 per Sq. feet	5%	304	15

vi) The Title Deeds of the Immovable Properties mentioned above are in the name of the company

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

₹ in lakhs

Particulars	Freehold Land	Computer Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicles	Buildings (Refer Note below) Owned Assets	Buildings (Refer Note below) Right of Use Assets	Total
Note : 14 PROPERTY, PLANT AND EQUIPMENT									
Gross carrying amount as at April 1, 2020	**3,956**	**8,174**	**2,784**	**2,393**	**4,895**	**1,973**	**2,305**	**14,860**	**41,340**
Additions	-	1,444	164	77	132	205	-	1,504	3,526
Disposals	-	25	24	6	14	398	-	22	489
Gross carrying amount as at March 31, 2021	**3,956**	**9,593**	**2,924**	**2,464**	**5,013**	**1,780**	**2,305**	**16,342**	**44,377**
Additions	-	3,774	263	208	348	1,005	-	7,041	12,639
Disposals	-	552	39	10	16	560	-	291	1,468
Gross carrying amount as at March 31, 2022	**3,956**	**12,815**	**3,148**	**2,662**	**5,345**	**2,225**	**2,305**	**23,092**	**55,548**
Accumulated depreciation / amortisation and impairment									
Balance as at April 1, 2020	**-**	**5,211**	**1,431**	**1,683**	**2,435**	**668**	**123**	**4,190**	**15,741**
Depreciation for the year	-	1,923	527	288	885	387	43	4,553	8,606
Depreciation on disposals	-	18	13	5	11	214	-	11	272
Balance as at March 31, 2021	**-**	**7,116**	**1,945**	**1,966**	**3,309**	**841**	**166**	**8,732**	**24,075**
Depreciation for the year	-	1,976	475	330	824	390	41	4,426	8,462
Depreciation on disposals	-	535	25	10	14	394	-		978
Balance as at March 31, 2022	**-**	**8,557**	**2,395**	**2,286**	**4,119**	**837**	**207**	**13,158**	**31,559**
Net Carrying amount									
As at March 31, 2021	**3,956**	**2,477**	**979**	**498**	**1,704**	**939**	**2,139**	**7,610**	**20,302**
As at March 31, 2022	**3,956**	**4,258**	**753**	**376**	**1,226**	**1,388**	**2,098**	**9,934**	**23,989**
Useful Life of the asset (In Years)		3	5	5	5	5	60	upto 5	
Method of depreciation					Straight-line method				

Note

1. Details of Immovable properties of land and buildings (Owned Assets), whose title deeds have been pledged in favour of Trustees for the benefit of debenture holders as security, has been explained in Note 17.1
2. The Company has elected to include ROU assets pertaining to lease of buildings as part of the Property, plant and equipment as permitted under paragraph 47 of Ind AS 116.
3. The Title Deeds of the Immovable Properties mentioned above are in the name of the company.
4. Company has not carried out any revaluation of property, plant and equipment during the year ended March 31, 2022

₹ in lakhs

Particulars	Computer Software
Note : 15 INTANGIBLE ASSETS	
Gross carrying amount as at April 1, 2020	**6,220**
Additions	1,133
Disposals	-
Gross carrying amount as at March 31, 2021	**7,353**
Additions	1,081
Disposals	-
Gross carrying amount as at March 31, 2022	**8,434**
Accumulated Amortization and impairment	
Balance as at April 1, 2020	**4,473**
Amortization for the year	1,235
Amortization on disposals	-
Balance as at March 31, 2021	**5,708**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 15 INTANGIBLE ASSETS (Contd.)

₹ in lakhs

Particulars	Computer Software
Amortization for the year	1,271
Amortization on disposals	-
Balance as at March 31, 2022	**6,979**
Net Carrying amount	
As at March 31, 2021	**1,645**
As at March 31, 2022	**1,455**
Useful Life of the asset (In Years)	3
Method of depreciation	Straight line method

1. Company has not carried out any revaluation of intangible assets during the year ended March 31, 2022.

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 16 OTHER NON FINANCIAL ASSETS		
Prepaid expenses	2,431	1,495
Capital advances	143	1,006
GST Input Credit	993	1,816
Others	3,312	2,717
Total	**6,879**	**7,034**

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 17 DEBT SECURITIES (at amortised cost)		
Redeemable Non-Convertible Debentures		
Medium-Term - Secured	10,52,995	9,34,263
Medium-Term - Unsecured	2,500	-
Commercial Papers - Unsecured	2,76,615	3,01,504
Total	**13,32,110**	**12,35,767**

All debt securities have been contracted in India

17.1 Security

(i) Redeemable Non-Convertible Debentures - Medium-term is secured by way of specific charge on assets under hypothecation relating to Vehicle Finance, Loan against property, Bills discounted and other loans and *pari passu* charge on immovable property which are owned assets of the Company situated at Chennai.

(ii) The Company has not defaulted in the repayment of dues to its lenders.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 17 DEBT SECURITIES (at amortised cost) (Contd.)

17.2 Details of Debentures - Contractual principal repayment value

(i) Secured Redeemable Non-Convertible Debentures - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2022 ₹ in lakhs	Balance as at March 31, 2021	Due date of redemption	Rate of interest %
2,700	10,00,000	27,000		Mar-27	7.30
250	10,00,000	2,500	2,500	Nov-26	8.55
5,000	10,00,000	50,000	50,000	Jul-25	7.92
4,974	10,00,000	49,740		Mar-25	7.08
2,000	10,00,000	20,000		Feb-25	5.85
8,600	10,00,000	86,000		Dec-24	5.57 to 6.30
1,500	10,00,000	15,000	15,000	Oct-24	6.80
4,000	10,00,000	40,000		Aug-24	5.53 to 5.58
6,000	10,00,000	60,000	30,000	Jul-24	5.46 to 7.38
1,500	10,00,000	15,000	15,000	Apr-24	8.6179
6,850	10,00,000	68,500	58,500	Feb-24	6.25 to 6.45
5,500	10,00,000	55,000	55,000	Dec-23	6.10
6,023	10,00,000	60,230	35,230	Sep-23	5.58 to 8.80
1,990	10,00,000	19,900		Aug-23	9.06
9,000	10,00,000	90,000	15,000	May-23	5.70 to 7.50
3,250	10,00,000	32,500	32,500	Apr-23	6.26
8,000	10,00,000	80,000	80,000	Mar-23	5.85 to 5.68
3,350	10,00,000	33,500	33,500	Feb-23	5.70 to 7.41
5,900	10,00,000	59,000	59,000	Dec-22	5.48 to 7.98
6,150	10,00,000	61,500	61,500	Nov-22	5.45 to 8.00
3,523	10,00,000	35,230	35,230	Sep-22	8.70
2,000	10,00,000	20,000	20,000	Jun-22	7.20
1,050	10,00,000		10,500	Mar-22	8.35 to 9.06
2,000	10,00,000		20,000	Dec-21	6.93
3,523	10,00,000		35,230	Sep-21	8.45
3,250	10,00,000		32,500	Aug-21	6.74 to 8
2,550	10,00,000		25,500	Jul-21	8.9765
4,010	10,00,000		40,100	Jun-21	8.49 to 8.52
4,100	10,00,000		41,000	May-21	6.90
4,770	10,00,000		47,700	Apr-21	8.0874
		9,80,600	**8,50,490**		

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

17.2 Details of Debentures - Contractual principal repayment value (Contd.)

(ii) Secured Redeemable Non-Convertible Debentures - Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2022 ₹ in lakhs	Balance as at March 31, 2021 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
1000	10,00,000	10,000	-	Mar-27	14,22,599	4,22,599
1250	10,00,000	12,500	12,500	Jul-25	14,61,481	4,61,481
850	10,00,000	8,500	8,500	Jul-25	13,53,045	3,53,045
500	10,00,000	5,000	5,000	Jan-23	12,54,470	2,54,470
250	10,00,000	2,500	2,500	Dec-24	12,93,960	2,93,960
350	10,00,000	3,500	3,500	Oct-24	13,01,025	3,01,025
1100	10,00,000		11,000	May-21	12,94,211	2,94,211
		42,000	43,000			

(iii) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Put option

No. of Debentures	Face Value ₹	Balance as at March 31, 2022 ₹ in lakhs	Balance as at March 31, 2021 ₹ in lakhs	Due date of redemption	Put option date	Rate of interest %
10	10,00,000	100	100	Aug-23	Jul-21	9.06
		100	**100**			

(iv) UnSecured Redeemable Non-Convertible Debentures - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2022 ₹ in lakhs	Balance as at March 31, 2021 ₹ in lakhs	Due date of redemption	Put option date	Rate of interest %
250	10,00,000	2,500	-	Jul-23	-	5.12
		2,500	**-**		**-**	

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 18 BORROWINGS (Other than Debt Securities) at amortised cost		
A) Term Loans		
i) a) From Banks - Secured		
- Rupee Loans	41,87,373	35,68,218
- Foreign currency Loans	61,577	-
- External Commercial Borrowings	1,94,543	2,39,869
b) From Banks - Unsecured		
Short term loans	-	20,000
ii) From Other Parties - Secured		
Financial Institutions		
- Rupee Loans	1,53,894	1,72,786
- External Commercial Borrowings	1,44,285	1,37,230
Securitisation - Rupee Loans	3,43,306	4,34,452
B) Loan repayable on demand - Secured from Banks - Rupee Loans (Refer Note 6 and 18.1.(vi))	1,15,474	1,45,671
Total	**52,00,452**	**47,18,226**
Borrowings within India	48,61,624	43,41,127
Borrowings Outside India	3,38,828	3,77,099

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 18 BORROWINGS (Contd.)

18.1 Security

(i) Secured term loans from banks and financial institution are secured by way of specific / *pari passu* charge on assets under hypothecation relating to automobile financing and loans against immovable property.

(ii) Loan repayable on demand is in the nature of Cash Credit from banks and is secured by way of floating charge on assets under hypothecation and other assets.

(iii) The Company has not defaulted in the repayment of dues to its lenders.

(iv) Securitisation rupee loan represents the net outstanding value (Net of Investment in Pass- through Certificates) of the proceeds received by the Company from securitisation trust in respect of loan assets transferred by the Company pursuant to Deed of Assignment. The Company has provided Credit enhancement to the trust by way of cash collateral and Bank guarantee.

(v) The Company has utilised the borrowings for the purpose for which it was obtained

(vi) The quarterly statements or returns of current assets filed by the company with banks are in agreement with books of accounts

18.2 Details of term loans - Contractual principal repayment value

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding March 31, 2022	Amount outstanding March 31, 2021
Base Rate / MCLR	< 1year	1	1,40,000	86,250
		2	1,98,750	1,25,016
		3	-	30,000
		4	87,756	1,78,750
		8	50,000	60,395
		12	-	20,000
	1 - 2 years	1	60,000	1,40,000
		2	1,10,000	1,92,917
		4	81,506	1,92,949
		8	50,000	60,395
		12	-	20,000
	2 - 3 years	1	5,000	33,333
		2	80,000	1,22,500
		3	7,796	-
		4	51,111	1,61,699
		8	-	60,395
		12	-	20,000
	3 - 4 years	1	5,000	10,000
		2	-	80,000
		3	4,500	-
		4	25,111	1,41,699
		6	-	7,796
		12	-	20,000
	4 - 5 years	1	-	5,000
		3	-	57,441
		4	-	25,111
		9	-	15,000
Base Rate/ MCLR + spread (0.10%)	< 1year	1	60,000	3,85,000
		2	25,000	-
		3	-	50,000
	1 - 2 years	1	60,000	35,000
		2	25,000	30,000
		3	-	50,000
	2 - 3 years	1	-	70,000
		2	-	30,000
		3	-	50,000
Rate based on T Bill + Spread	< 1 year	1	1,71,550	48,200
		2	22,500	15,000

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

18.2 Details of term loans - Contractual principal repayment value (Contd.)

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding March 31, 2022	Amount outstanding March 31, 2021
		3	6,000	-
		4	1,41,352	41,667
		12	20,000	-
	1 - 2 years	1	1,46,000	41,050
		2	-	12,500
		3	12,500	-
		4	2,13,726	66,667
		12	20,000	-
	2 - 3 years	1	1,08,000	25,000
		3	43,500	12,500
		4	1,05,726	50,000
		12	20,000	-
	3 - 4 years	1	88,000	-
		2	28,571	-
		4	28,583	-
		9	15,000	-
	4 - 5 years	1	92,375	-
		4	11,083	-
Fixed Rate	< 1year	1	20,000	51,000
		2	10,000	16,000
		4	53,040	40,400
	1 - 2 years	1	33,300	20,000
		2	10,000	10,000
		4	38,040	39,400
	2 - 3 years	1	1,51,633	-
		2	22,100	43,300
		3	10,220	-
		4	-	24,400
	3 - 4 years	1	1,51,733	-
		2	10,000	55,400
	4 - 5 years	1	1,18,333	-
		2	-	43,400
Repo	< 1year	1	23,333	42,500
		2	82,940	15,000
		3	24,333	3,333
		4	1,13,286	82,976
		8	36,000	36,000
		12	83,333	83,333
	1 - 2 years	1	23,333	8,333
		2	30,000	15,000
		3	3,333	3,333
		4	2,51,666	49,643
		6	41,667	-
		8	-	36,000
		12	-	83,333
	2 - 3 years	1	60,119	8,333
		2	15,000	15,000
		3	25,179	3,334
		4	2,12,451	49,643

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

18.2 Details of term loans - Contractual principal repayment value (Contd.)

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding March 31, 2022	Amount outstanding March 31, 2021
		6	-	41,667
	3 - 4 years	1	-	10,119
		2	15,000	-
		3	1,875	3,750
		4	1,43,880	37,500
	4 - 5 years	1	3,500	-
		2	1,000	-
		3	79,420	-
		4	22,000	-
	> 5 Years	1	5,000	-
Total			**43,47,043**	**38,50,660**
3M MIBOR + Spread	< 1year	1	7,500	-
	1-2 years	1	-	7,500
USD 3M LIBOR + Spread	< 1year	4	21,570	5,202
	1-2 years	4	21,570	20,807
	2-3 years	4	21,570	20,807
	3 - 4 years	4	21,570	20,807
	4 - 5 years	4	21,570	20,807
	>5 Years	5	26,963	46,815
USD 6M LIBOR + Spread	< 1year	1	1,36,418	36,553
	1-2 years	1	-	1,31,589
	2-3 years	1	69,725	-
	3 - 4 years	1	-	67,257
USD 12M LIBOR + Spread	< 1year	1	61,528	-
Total			**4,09,984**	**3,78,144**

The Company has raised funds in the form of Foreign Currency Loans/ External Commercial Borrowings whose interest payments are benchmarked to LIBOR rates.

The maturity of some of those contracts are beyond June 2023 (IBOR Transition date). Based on the assessment performed by the Company, no significant impact is assessed on those contracts upon this transition.

Details of Securitised loan

₹ in lakhs

Rate of Interest	Maturity	Amount outstanding* March 31, 2022	Amount outstanding* March 31, 2021
	Less than 1 year	1,42,619	1,75,343
Fixed	1-2 year	83,830	1,09,355
(4.9% to 8%)	2-3 year	38,337	45,570
	3-4 year	13,014	12,428
	4-5 year	3,094	4,451
	more than 5 years	8,055	12,990
Total		**2,88,949**	**3,60,137**
	Less than 1 year	6,779	6,501
Floating	1-2 year	5,804	6,925
Base Rate/ MCLR - spread	2-3 year	6,095	7,459
(0.75% to 2.65%)	3-4 year	6,088	7,866
	4-5 year	5,630	7,832
	more than 5 years	23,734	37,198
Total		**54,130**	**73,781**

* Represents amounts to be paid to the securitisation trust as per the securitisation cash flows net of amounts to be received against Investment in PTC.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 19 SUBORDINATED LIABILITIES (at amortised cost)		
Perpetual Debt - Unsecured	1,32,899	1,48,920
Subordinated Debt - Unsecured		
a) Rupee Denominated Bonds	40,736	40,684
b) Other Subordinated Debts	2,11,153	2,29,402
Total	**3,84,788**	**4,19,006**

i) All Subordinated liabilities have been contracted in India except for Rupee denominated bonds.
ii) The Company has not defaulted in the repayment of dues to its lenders.

19.1 Details of Subordinated Liabilities - Contractual principal repayment value

(i) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2022 ₹ in lakhs	Balance as at March 31, 2021 ₹ in lakhs	Due date of redemption	Rate of interest %
150	1,00,00,000	15,000		Feb-32	8.10
200	1,00,00,000	20,000		Oct-31	7.90
400	1,00,00,000	40,000	40,000	Jan-30	9.25
3000	10,00,000	30,000	30,000	Aug-28	9.75
5300	10,00,000	53,000	53,000	Mar-28	9.05
1500	10,00,000	15,000	15,000	Aug-27	8.53
2500	10,00,000	25,000	25,000	Jun-27	8.78 to 8.80
100	10,00,000	1,000	1,000	Nov-26	9.20
150	10,00,000	1,500	1,500	Jun-24	11.00
50	10,00,000	500	500	May-24	11.00
250	10,00,000	2,500	2,500	Apr-24	11.00
250	10,00,000	2,500	2,500	Mar-24	11.00
200	10,00,000	2,000	2,000	Feb-24	11.00
250	10,00,000	2,500	2,500	Jan-24	11.00
2000	10,00,000	20,000	20,000	Nov-23	9.08 to 9.20
500	10,00,000	5,000	5,000	Oct-23	9.08
150	10,00,000	1,500	1,500	Sep-23	11.00
600	10,00,000	6,000	6,000	Dec-22	11.05 to 11.25
3,150	10,00,000		31,500	Nov-21	10.02
1000	10,00,000		10000	Jun-21	11.30
1000	10,00,000		10000	May-21	11.30
		2,43,000	**2,59,500**		

(ii) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt -Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2022 ₹ in lakhs	Balance as at March 31, 2021 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
150	10,00,000	1,500	1,500	Nov-23	17,57,947	7,57,947
		1,500	**1,500**			

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

19.1 Details of Subordinated Liabilities - Contractual principal repayment value (Contd.)

(iii) Unsecured Redeemable Non-Convertible Debentures - Perpetual debt

No. of Debentures	Face Value ₹	Balance as at March 31, 2022 ₹ in lakhs	Balance as at March 31, 2021 ₹ in lakhs	Maturity Date - Perpetual#	Rate of interest % (increase by 100 bps if call option is not exercised on the due date)
25	1,00,00,000	2,500		Mar-32	9.10
30	1,00,00,000	3,000		Sep-31	8.98
40	1,00,00,000	4,000		Jul-31	9.05
100	1,00,00,000	10,000		May-31	9.2
2000	5,00,000	10,000	10,000	Mar-31	9.25
900	5,00,000	4,500	4,500	Nov-30	9.30
1000	5,00,000	5,000	5,000	Dec-29	10.75
1120	5,00,000	5,600	5,600	Mar-29	10.83
5000	5,00,000	25,000	25,000	Feb-29	10.88
500	5,00,000	2,500	2,500	Aug-24	12.80
174	10,00,000	1,740	1,740	Jul-24	12.90
500	5,00,000	2,500	2,500	Jun-24	12.90
500	5,00,000	2,500	2,500	Feb-24	12.90
50	10,00,000	500	500	Jan-24	12.60
1,031	10,00,000	10,310	10,310	Dec-23	12.50 to 12.60
245	10,00,000	2,450	2,450	Oct-23	12.60
1,000	5,00,000	5,000	5,000	Oct-23	12.90
300	10,00,000	3,000	3,000	Feb-23	12.80
1450	10,00,000	14,500	14,500	Dec-22	12.70 to 12.80
860	5,00,000	4,300	4,300	Sep-22	12.75
2000	5,00,000	10,000	10,000	Aug-22	12.90
200	5,00,000		1,000	Mar-22	12.50
700	5,00,000		3,500	Jan-22	12.50
3,500	5,00,000		17,500	Dec-21	12.50 to 12.95
320	5,00,000		1,600	Aug-21	12.50
413	5,00,000		2,065	Jul-21	12.50
2,021	5,00,000		10,105	Jun-21	12.50
		1,28,900	**1,45,170**		

Company can redeem using Call option on the maturity date with prior approval of RBI.

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 20 OTHER FINANCIAL LIABILITIES		
Unpaid dividend	71	74
Advance from customers	2,963	5,239
Security deposits received	343	80
Collections towards derecognised assets pending remittance	17,837	18,928
Lease liability (Refer note 48)	10,998	8,905
Other liabilities	1,131	578
Total	**33,343**	**33,804**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 21 PROVISIONS		
Provision for Employee Benefits		
- Compensated absences (Refer Note 35)	7,754	6,508
	7,754	**6,508**
Other Provisions		
Provision for contingencies and service tax claims (Refer note 39)	3,953	4,346
Provision for expected credit loss towards undrawn commitments (Refer Note 39)	120	104
	4,073	**4,450**
Total	**11,827**	**10,958**

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 22 OTHER NON FINANCIAL LIABILITIES		
Income received in advance	607	1,150
Statutory liabilities	4,563	2,568
Others	641	859
Total	**5,811**	**4,577**

₹ in lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	Amount	Nos.	Amount
Note : 23 A) EQUITY SHARE CAPITAL				
AUTHORISED				
Equity Shares of ₹ 2 each with voting rights	1,20,00,00,000	24,000	1,20,00,00,000	24,000
Preference Shares of ₹ 100 each	5,00,00,000	50,000	5,00,00,000	50,000
		74,000		**74,000**
ISSUED				
Equity Shares of ₹ 2 each with voting rights	82,17,55,591	16,435	82,02,61,529	16,405
		16,435		**16,405**
SUBSCRIBED AND FULLY PAID UP				
Equity Shares of ₹ 2 each with voting rights	82,10,71,821	16,421	81,95,77,759	16,400
Add : Forfeited Shares	6,54,500	7	6,54,500	7
		16,428		**16,407**

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

₹ in lakhs

	As at March 31, 2022		As at March 31, 2021	
	Nos.	Amount	Nos.	Amount
Equity Shares				
At the beginning of the year (₹ 2/- each)	82,00,35,129	16,400	81,95,77,759	16,391
Issued during the year				
Employees Stock Option (ESOP) Scheme	10,36,692	21	4,57,370	9
Outstanding at the end of the year - ₹2/- each	**82,10,71,821**	**16,421**	**82,00,35,129**	**16,400**
Forfeited shares				
Equity Shares - Amount originally paid up	**6,54,500**	**7**	**6,54,500**	**7**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 23 A) EQUITY SHARE CAPITAL (Contd.)

i) Terms/rights attached to Equity shares

The Company has only one class of equity shares having a par value of ₹ 2 (March 2019 - ₹ 10) per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend.

Repayment of capital will be in proportion to the number of equity shares held.

b) Equity Shares held by Holding Company

	As at March 31, 2022	As at March 31, 2021
Cholamandalam Financial Holdings Limited	37,28,85,889	37,28,85,889

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

₹ in lakhs

Equity Shares	As at March 31, 2022		As at March 31, 2021	
	Nos.	% holding in the class	Nos.	% holding in the class
Cholamandalam Financial Holdings Limited - Holding Company	37,28,85,889	45.41	37,28,85,889	45.50

d) Shares held by Promoters as on March 31,2022 - Please refer Annexure A

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Annexure A

Details of Shareholding of promoters and promoter Group as on March 31,2022

Promoters Name	No. of shares as on March 31, 2021	% to shares	No. of shares as on March 31, 2022	% to shares	% Change during the year
Valli Annamalai	12,500	-	12,500	-	-
M Vellachi	1,94,660	0.02	11,60,427	0.14	0.12
M A M Arunachalam	65,000	0.01	65,000	0.01	-
Arun Alagappan	9,50,000	0.12	9,50,000	0.12	-
M.A.Alagappan	24,88,760	0.30	24,88,760	0.30	-
Lakshmi Chockalingam	6,685	-	6,685	-	-
A Vellayan	1,35,785	0.02	1,35,785	0.02	-
Lalitha Vellayan	1,39,630	0.02	1,39,630	0.02	-
Meyyammai Venkatachalam	50,255	0.01	50,255	0.01	-
M V Valli Murugappan	21,56,350	0.26	-	-	(0.26)
M M Murugappan	21,035	-	21,035	-	-
A M Meyyammai	2,51,880	0.03	2,51,880	0.03	-
M V Subbiah HUF (M V Subbiah holds shares in the capacity of Karta)	10,000	-	10,000	-	-
Meenakshi Murugappan	245	-	245	-	-
Valli Alagappan	5,000	-	5,000	-	-
A Venkatachalam	2,09,605	0.03	2,09,605	0.03	-
V Narayanan	2,54,000	0.03	2,54,000	0.03	-
V Arunachalam	2,42,515	0.03	2,42,515	0.03	-
Arun Venkatachalam	4,03,750	0.05	4,03,750	0.05	-
Solachi Ramanathan	20,000	-	20,000	-	-
Vedika Meyyammai Arunachalam	1,08,280	0.01	1,08,280	0.01	-
A V Nagalakshmi	15,960	-	15,960	-	-
M V AR Meenakshi	8,53,155	0.10	8,53,155	0.10	-
A. Keertika Unnamalai	2,47,440	0.03	2,27,440	0.03	-

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 23 A) EQUITY SHARE CAPITAL (Contd.)

Annexure A

Details of Shareholding of promoters and promoter Group as on March 31,2022

Promoters Name	No. of shares as on March 31, 2021	% to shares	No. of shares as on March 31, 2022	% to shares	% Change during the year
Sigapi Arunachalam	74,255	0.01	74,255	0.01	-
Uma Ramanathan	23,500	-	23,500	-	-
V Vasantha	1,250	-	1,250	-	-
Dhruv M Arunachalam	50,000	0.01	50,000	0.01	-
Kanika Subbiah	67,000	0.01	67,000	0.01	-
Pranav Alagappan	3,11,440	0.04	3,11,440	0.04	-
Valli Arunachalam	-	-	11,90,583	0.15	0.15
A Venkatachalam HUF (A Venkatachalam holds shares in the capacity of Karta)	7,000	-	7,000	-	-
A A Alagammai	2,894	-	2,894	-	-
Umayal R	49,455	0.01	49,455	0.01	-
Valliammai Murugappan	12,890	-	12,890	-	-
Ambadi Enterprises Ltd	2,91,380	0.04	2,91,380	0.04	-
A M M Vellayan Sons P Ltd	26,575	-	26,575	-	-
Carborundum Universal Limited	500	-	500	-	-
E.I.D. Parry (India) Ltd.	1,965	-	1,965	-	-
M.M.Muthiah Research Foundation	1,41,750	0.02	1,41,750	0.02	-
Ambadi Investments Limited (formerly Ambadi Investments Private Limited)	3,37,21,870	4.11	3,37,21,870	4.11	-
Parry Enterprises India Ltd	1,965	-	1,965	-	-
Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Ltd)	37,28,85,889	45.47	37,28,85,889	45.41	(0.06)
AR Lakshmi Achi Trust	4,77,145	0.06	4,77,145	0.06	-
M A Alagappan Holdings Private Limited	1,70,700	0.02	1,70,700	0.02	-
Murugappa Educational and Medical Foundation	1,965	-	1,965	-	-
MA Murugappan Holdings LLP (M A Murugappan Holdings Private Ltd was converted its status to LLP)	75,000	0.01	75,000	0.01	-
Lakshmi Ramaswamy Family Trust(A A Alagammai & Lakshmi Ramaswamy Trustees holds shares for Trust)	5,85,630	0.07	5,85,630	0.07	-
Murugappan Arunachalam Children Trust (Sigappi Arunachalam, MAM Arunachalam, AM Meyammai are Trustees)	74,405	0.01	74,405	0.01	-
Valli Subbiah Benefit Trust (S Vellayan & A Vellayan, Trustees holds shares for Trust)	2,33,375	0.03	1,93,375	0.02	(0.01)
V S Bhairavi Trust (M V Subbiah & Kanika Subbiah, Trustees holds shares for Trust)	1,88,875	0.02	1,88,875	0.02	-
Arun Murugappan Children Trust (MAM Arunachalam & Sigappi Arunachalam Trustees holds shares for Trust)	1,41,160	0.02	1,41,160	0.02	-
MA.Alagappan Grand Children Trust (Arun Alagappan and AA Alagammai, Trustees holds shares for Trust)	1,57,250	0.02	1,57,250	0.02	-
K S Shambhavi Trust (M V Subbiah & S Vellayan, Trustees holds shares for Trust)	1,55,955	0.02	1,55,955	0.02	-
M V Seetha Subbiah Benefit Trust (S Vellayan & A Vellayan, Trustees holds shares for Trust)	2,64,000	0.03	2,64,000	0.03	-
Kadamane Estates - Firm- M.A.Alagappan holds shares in the capacity of Partner	3,55,850	0.04	3,55,850	0.04	-

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 23 A) EQUITY SHARE CAPITAL (Contd.)
Annexure A
Details of Shareholding of promoters and promoter Group as on March 31,2022

Promoters Name	No. of shares as on March 31, 2021	% to shares	No. of shares as on March 31, 2022	% to shares	% Change during the year
M M Muthiah Family Trust (M M Murugappan, M M Muthiah, Trustees holds shares for Trust)	46,620	0.01	46,620	0.01	-
M M Veerappan Family Trust (M M Murugappan & Meenakshi Murugappan, Trustees holds shares for Trust)	46,055	0.01	46,055	0.01	-
M V Muthiah Family Trust (M M Venkatachalam & M V Muthiah, Trustees holds shares for Trust)	4,74,130	0.06	4,74,130	0.06	-
M V Subramanian Family Trust (M M Venkatachalam & M V Subramanian, Trustees holds shares for Trust)	4,74,130	0.06	4,74,130	0.06	-
M M Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan Trustees holds shares forTrust)	3,33,000	0.04	3,33,000	0.04	-
Meenakshi Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan, Trustees for Trust)	25,000	-	25,000	-	-
M M Venkatachalam Family Trust(M M Venkatachalam Lakshmi Venkatachalam, Trustees for Trust)	1,22,550	0.01	1,22,550	0.01	-
Saraswathi Trust (M V Subbiah, S Vellayan & M V Seetha Subbiah, Trustees holds shares for Trust)	7,79,785	0.10	7,79,785	0.09	-
Shambho Trust (M V Subbiah,S Vellayan, Trustees holds shares for Trust)	16,01,300	0.20	16,01,300	0.20	-
	42,32,97,948	**51.62**	**42,32,37,948**	**51.55**	

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 23 B) OTHER EQUITY		
Statutory Reserve (Refer Note a)		
Balance at the beginning of the year	1,59,046	1,28,046
Add: Amount transferred from retained earnings	43,000	31,000
Closing balance at the end of the year	**2,02,046**	**1,59,046**
Capital Reserve (Refer Note b)		
Balance at the beginning of the year	4	4
Add: Changes during the year	-	-
Closing balance at the end of the year	**4**	**4**
Capital Redemption Reserve (Refer Note c)		
Balance at the beginning of the year	3,300	3,300
Add: Changes during the year	-	-
Closing balance at the end of the year	**3,300**	**3,300**
Securities Premium Account (Refer Note d)		
Balance at the beginning of the year	2,86,605	2,85,678
Add: Premium on ESOPs exercised	2,287	927
Closing balance at the end of the year	**2,88,892**	**2,86,605**
General Reserve (Refer Note e)		
Balance at the beginning of the year	3,73,913	2,98,777
Add: Amount transferred from Share Based Payment Reserve	-	136
Add: Amount transferred from retained earnings	1,00,000	75,000
Closing balance at the end of the year	**4,73,913**	**3,73,913**
Share Based Payments Reserve (Refer Note f)		
Balance at the beginning of the year	3,445	3,017
Addition during the period	2,048	564
Transfer to General reserve	-	(136)
Closing balance at the end of the year	**5,493**	**3,445**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 23 B) OTHER EQUITY (Contd.)

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Retained Earnings (Refer Note g)		
Balance at the beginning of the year	1,24,021	89,281
Profit for the year	2,14,671	1,51,491
Less:		
Dividend		
Equity	(16,414)	(10,656)
Transfer to Statutory Reserve	(43,000)	(31,000)
Transfer to General Reserve	(1,00,000)	(75,000)
Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net) transferred to Retained Earnings	4	(95)
Closing balance at the end of the year	**1,79,282**	**1,24,021**
Cash flow hedge reserve (Refer Note h)		
Balance at the beginning of the year	(10,581)	(7,198)
Addition	12,120	(3,383)
Closing balance at the end of the year	**1,539**	**(10,581)**
FVOCI Reserve (Refer Note i)		
Balance at the beginning of the year	(129)	(129)
Closing balance at the end of the year	**(129)**	**(129)**
Total Other Equity	**11,54,340**	**9,39,624**

a) Statutory reserve represents the reserve created as per Section 45IC of the RBI Act, 1934, pursuant to which a Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit annually as disclosed in the Statement of Profit and Loss account, before any dividend is declared.

b) Capital reserve represents the reserve created on account of amalgamation of Chola Factoring Limited in the year 2013-14.

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

d) Securities premium reserve is used to record the premium on issue of shares. The premium received during the year represents the premium received towards allotment of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares, buy back of its own shares and securities in accordance with the provisions of the Companies Act, 2013.

e) The general reserve is a free reserve, retained from Company's profits and can be utilized upon fulfilling certain conditions in accordance with specific requirement of Companies Act, 2013.

f) Under IND AS 102, fair value of the options granted is required to be accounted as expense over the life of the vesting period as employee compensation costs, reflecting the period of receipt of service. Share based payment reserve represents the among of reserve created for recognition of employee compensation cost at grant date and fair value of options vested and but not execersied by the employess and unvested options are recoginised in statement of profit and loss account

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

h) Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

i) FVOCI Reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income.

Proposed dividend

The Board of Directors of the Company have recommended a final dividend of 35% being ₹ 0.70 per share on the equity shares of the Company, for the year ended March 31, 2022 (₹ 0.70 per share - March 31, 2021) which is subject to approval of shareholders. Consequently the proposed dividend has not been recognised in the books in accordance with IND AS 10.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
REVENUE FROM OPERATIONS		
Note : 24A - Interest Income		
(i) Interest - on financial assets measured at amortised cost		
(a) Loans		
- Bills Discounting	1,751	766
- Term loans	9,30,762	8,86,956
(b) Term Deposits With Banks		
- under lien	1,544	2,147
- free of lien	11,753	26,947
(C) Others		
- Deposits with Financial Institutions	1,359	2,299
- Investment in Government Securities	9,512	3,301
Total (A)	**9,56,681**	**9,22,416**
Note : 24B - Fee Income		
(i) Fee Income*		
-Term loans	38,374	20,685
Total (B)	**38,374**	**20,685**
*Services are rendered at a point in time		
Note : 24C - Net gain on fair value change on financial instruments		
Net gain on fair value changes on assets measured at FVTPL		
Investment in mutual funds	1,299	463
Total (C)	**1,299**	**463**
Note : 24D - Sale of Services		
(i)Sale of Services		
(a) Servicing and Collection fee on Assignment	504	691
(b) Other Service Income	7,971	7,346
Total (D)	**8,475**	**8,037**
Note: Timing of revenue recognition		
Services rendered at a point in time	7,875	7,437
Services rendered over a time	600	600
Total	**8,475**	**8,037**

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Note : 25 OTHER INCOME		
Recovery of Bad debts	8,335	5,594
Interest on Income tax refund	662	336
Rent	51	25
Total	**9,048**	**5,955**

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Note : 26 FINANCE COST		
Interest on financial liabilities measured at amortised cost		
- Debt securities	78,886	74,325
- Borrowings other than debt securities	3,07,383	3,37,970
- Subordinated liabilities	39,662	42,835
Others		
- Bank charges	1,891	1,537
- Interest on lease liability	870	924
- Interest on income tax	1,190	-
Total	**4,29,882**	**4,57,591**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Note : 27 IMPAIRMENT OF FINANCIAL INSTRUMENTS		
Impairment provision		
- Loans - measured at amortised cost	87,990	1,37,777
Loss on sale of Investments	40	-
Total	**88,030**	**1,37,777**

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Note : 28 EMPLOYEE BENEFITS EXPENSE		
Salaries, bonus and commission	81,095	69,258
Contribution to provident and other funds		
- Employees' provident fund	3,473	2,953
- Superannuation fund	403	337
Share based payment Expense	2,020	561
Gratuity expense (Refer note 35)	1,274	1,117
Staff welfare expenses	1,188	627
Total	**89,453**	**74,853**

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Note : 29 OTHER EXPENSES		
Rent and facility charges	1,198	734
Rates and taxes	5,173	2,047
Energy cost	1,107	1,011
Repairs and maintenance	585	400
Communication costs	3,125	2,772
Printing and stationery	1,817	1,233
Advertisement and publicity expenses	1,298	1,267
Directors fees, allowances and expenses	147	109
Auditors' remuneration (Refer note 32)	94	80
Legal and professional charges	11,928	4,083
Insurance	2,791	1,591
Travelling and conveyance	4,795	2,641
Information technology expenses	4,775	3,243
Loss on sale of property, plant and equipment(Net)	7	54
Recovery charges	42,425	26,657
Corporate social responsibility expenditure (Refer note 29.1)	3,644	3,207
Outsource cost	22,591	22,417
Miscellaneous expenses	340	289
	1,07,840	73,835
Less : Expenses recovered	(157)	(174)
Total	**1,07,683**	**73,661**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 29 OTHER EXPENSES (Contd.)

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
29.1 Details of CSR expenditure		
Gross Amount required to be spent towards CSR u/s 135 (5) of Companies Act , 2013 (A)	3,632	3,207
Amount approved by the Board to be spent during the year	3,644	3,207
Amount spent during the year (B)		
(a) Construction/ acquisition of asset	-	-
(b) Others	3,644	3,207
Excess/(shortfall) (A-B)	12	-

None of the CSR projects undertaken by the Company has been fall under definition of "On-going Projects"

There is no amount required to be contributed to specified fund u/s 135(6)

Note : 30

a) Earnings per share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit After Tax Attributable to Equity Shareholders **(₹ in lakhs)**	2,14,671	1,51,491
Weighted Average Number of Equity Shares (Basic)	82,05,81,106	81,96,69,366
Add: Dilutive effect relating to ESOP	15,91,805	14,30,020
Weighted Average Number of Equity Shares (Diluted)	82,21,72,911	82,10,99,386
Earnings per Share - Basic (₹)	**26.16**	**18.48**
Earnings per Share - Diluted (₹)	26.11	18.45
Face Value Per Share (₹)	**2**	**2**

Note:

Earnings per Share calculations are done in accordance with Ind AS 33 "Earnings per Share".

b) Income tax reconciliation

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. Reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March, 2022 and 2021 is, as follows:

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax from continuing operations	2,89,094	2,03,844
Income tax rate of 25.17% (31 March 2021: 25.17%)	72,759	51,308
Effects of:		
Impact of difference in tax base for Donations and CSR Expense	918	813
Share based payment expense – No deduction claimed under tax	508	141
Impact Deduction u/s 80JJA	(28)	(28)
Other Adjustments	266	119
Income tax expense reported in statement of profit and loss	74,423	52,353

Note : 31 TRANSFER OF FINANCIAL ASSETS

31.1 Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

A) Securitisation

The Company has Securitised certain loans, however the Company has not transferred substantially all risks and rewards, hence these assets have not been de-recognised in its entirety.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 31 TRANSFER OF FINANCIAL ASSETS (Contd.)

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Securitisations		
Carrying amount of transferred assets measured at amortised cost	3,75,013	4,75,242
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	3,67,247	4,63,916
Fair value of assets	3,80,513	4,76,131
Fair value of associated liabilities	3,66,882	4,37,374
Net position at Fair Value	13,631	38,757

B) Direct bilateral assignment

The Company has transferred certain loans (measured at amortised cost) by way of direct bilateral assignment, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Assignment		
Carrying amount of de-recognised financial asset	2,76,499	4,16,042
Carrying amount of Retained Assets at amortised cost	31,734	47,502

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Assignment		
Gain on sale of the de-recognised financial asset	-	-

31.2 The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

₹ in lakhs

Particulars	Year ended March 31, 2022		Year ended March 31, 2021
Note : 32 AUDITORS' REMUNERATION			
Statutory Audit	52	4	47
Limited Review	16	5	16
Tax Audit	-	-	5
Other Services	1	11	5
Reimbursement of Expenses(incl. input tax credit expensed)	3	2	7
Total	**72**	**22***	**80**

* Represents the amount paid to the previous auditor during the year ended 31st March 2022

Note : 33 MICRO, SMALL & MEDIUM ENTERPRISES

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars are furnished below:

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount due to suppliers under MSMED Act, as at the year end	306	-
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note: 34 a) EXPENDITURE IN FOREIGN CURRENCIES

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Membership fees	-	3
Interest on borrowings	21,549	12,166
License fees	472	173
Professional charges	30	547

Note: b) REMITTANCES IN FOREIGN CURRENCIES

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of Computer Equipment	1,346	265
Borrowing origination costs	32	1,468
Repayment of Borrowing	40,492	-

c) There is no dividend paid in foreign currency.

Note : 35 RETIREMENT BENEFIT

A) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions and where there is no legal or constructive obligation to pay further contributions. During the year, the Company recognised ₹ 3,473 lakhs (Previous Year - ₹ 2,953 lakhs) to Provident Fund under Defined Contribution Plan, ₹ 403 lakhs (Previous Year - ₹ 337 lakhs) for Contributions to Superannuation Fund and ₹ 32 lakhs (Previous Year - ₹ 49 lakhs) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

B) Defined Benefit Plan

1) Gratuity

The Company's defined benefit gratuity plan requires contributions to be made to a separately administered fund. The gratuity plan is funded with Life Insurance Corporation of India (LIC). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans :

Change in Defined Benefit Obligation and Fair value of Plan assets:

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Defined Benefit Obligation at the beginning of the year	**7,303**	**5,989**
Current Service Cost	1,150	1,026
Interest Cost	456	386
Remeasurement Losses/(Gains)		
a. Effect of changes in financial assumptions	(234)	90
b. Effect of experience adjustments	222	36
Benefits Paid	(434)	(224)
Defined Benefit Obligation at the end of the year	**8,463**	**7,303**
Change in Fair value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Year	5,311	4,575
Expected Returns on Plan Assets	332	295
Employer's Contribution	2052	664
Benefits Paid	(434)	(224)
Return on plan assets (excluding interest income)	(7)	-
Transfer in/out	(9)	-
Fair Value of Plan Assets at the end of the year	**7,245**	**5,310**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 35 RETIREMENT BENEFIT (Contd.)

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amount Recognised in the Balance Sheet		
Fair Value of Plan Assets as at the End of the Year	7,245	5,310
Defined benefit obligation at the End of the Year	(8,463)	(7,303)
Amount Recognised in the Balance Sheet under Other Payables	**(1,218)**	**(1,993)**
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	1,150	1,026
Net interest Expense	456	386
Expected Return on Plan Assets	(332)	(295)
Net Cost recognized in the statement of Profit and Loss*	**1,274**	**1,117**
Remeasurement Losses/(Gains)		
a) Effect of changes in financial assumptions	(234)	90
b) Effect of experience adjustments	222	36
c) Return on plan assets (excluding interest income)	7	-
Net cost recognized in Other Comprehensive Income	**(5)**	**126**
Assumptions		
Discount Rate	6.70% p.a.	6.25% p.a.
Future salary increase	7.50% p.a.	7.50% p.a.
Attrition Rate		
- Senior management	13% p.a.	13% p.a.
- Middle management	13% p.a.	13% p.a.
- Others	13% p.a.	13% p.a.
Expected rate of return on Plan Assets	7.50% p.a.	7.50% p.a.
Mortality	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2012-14) Ultimate
Maturity profile of Defined Benefit Obligations		
Weighted average duration (Based on discounted cash flows)	6 years	6 years
Expected Cash flows over the next (valued on undiscounted basis)		
Within the next 12 months (next annual reporting period)	1,210	964
Between 2 and 5 years	4,173	3,478
Between 5 and 10 years	3,868	3,277
Beyond 10 Years	4,314	3,805
Total Expected Cash flows	**13,565**	**11,524**

* Recognized under Employee Benefit Expenses

Sensitivity Analysis:

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount Rate (+/- 1%)	7,980	8,999	6,869	7,787
Salary Growth Rate (+/- 1%)	8,925	8,028	7,728	6,906
Attrition Rate (+/- 50% of attrition rates)	8,341	8,621	7,117	7,576
Mortality Rate (+/- 10% of mortality rates)	8,463	8,463	7,303	7,303

Notes:

1. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
2. The Company's best estimate of contribution during the next year is ₹ 2,432 lakhs.
3. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
4. The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).
5. The above sensitivity analysis are based on change in an assumption which is holding all the other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant actuarial assumptions the same method of present value of defined benefit obligations calculated with Projected unit cost method at the end of the reporting period has been applied while calculating defined benefit liability recognised in the balance sheet.
6. The method and type of assumptions used in preparing the sensitivity analysis does not change as compared to the prior period

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 35 RETIREMENT BENEFIT (Contd.)

DESCRIPTION OF RISK EXPOSURES

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

(a) Interest Rate risk: The plan exposes the company to the risk of fall in interest rates . A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability(as shown in financial statements).

(b) Liquidity Risk: This is the risk that the company is not able to meet the short-term gratuity payouts .This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

(c) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future .Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(d) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(e) Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act,1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g.Increase in the maximum limit on gratuity of ₹ 20,00,000)

(f) Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

(g) Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on an particular investment.

2. Compensated Absences

Assumptions	March 31, 2022	March 31, 2021
Discount Rate	6.70% p.a.	6.25% p.a.
Future salary increase	7.50% p.a.	7.50% p.a.
Attrition Rate		
- Senior management	13% p.a.	13% p.a.
- Middle management	13% p.a.	13% p.a.
- Others	13% p.a.	13% p.a.
Mortality	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2012-14) Ultimate

Notes:

1. The Company has not funded its Compensated Absences liability and the same continues to remain as unfunded as at March 31, 2022.
2. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
3. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

Note : 36 SEGMENT INFORMATION

The Company is primarily engaged in the business of financing. All the activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India

During year ending 31 March 2022, For management purposes, the Company has been organised into the following operating segments based on products and services, as follows

Vehicle Finance - Loans to customers against purchase of new/used vehicles, tractors, construction equipment and loan to automobile dealers.

Loan against property - Loans to customer against immovable property

Home Loans - loans given for acquisition of residential property

Other loans - This includes, loan against shares and other unsecured loans

The Chief Operating Decision Maker (CODM) monitors the operating results of its business units separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements. However, income taxes are managed on a entity as whole basis and are not allocated to operating segments.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 36 SEGMENT INFORMATION (Contd.)

₹ in lakhs

Particulars	Year ended March 31, 2022					
	Vehicle finance	Loan against property	Home Loans	Others	Unallocable	Total
Revenue from Operations						
- Interest Income	7,08,861	1,55,970	59,453	8,196	24,201	**9,56,681**
- Net gain on derecognition of financial instruments under amortised cost category						-
- Fee Income	32,994	4,706	464	190	20	**38,374**
- Net gain on Fair value change on financial instrument					1,299	**1,299**
- Sale of Services	7,961	389	125	-	-	**8,475**
- Others						
Segment revenue from Operations (I)	**7,49,816**	**1,61,065**	**60,042**	**8,386**	**25,520**	**10,04,829**
Other Income (II)	8,021	284	1	28	714	**9,048**
Total Segment Income - (I) + (II)	**7,57,837**	**1,61,349**	**60,043**	**8,414**	**26,234**	**10,13,877**
Expenses						
- Finance costs	3,20,214	90,709	26,237	3,936	(11,214)	**4,29,882**
- Impairment of Financial Instruments	72,262	10,625	4,381	720	42	**88,030**
- Employee benefits expense	68,601	11,180	5,899	3,492	281	**89,453**
- Depreciation and amortisation expense	8,097	982	536	120	-	**9,735**
- Other expenses	88,735	6,988	4,045	4,227	3,688	**1,07,683**
Segment Expenses	**5,57,909**	**1,20,484**	**41,098**	**12,495**	**(7,203)**	**7,24,783**
Segment Profit / (loss) before taxation	**1,99,928**	**40,865**	**18,945**	**-4,081**	**33,437**	**2,89,094**
Tax expense						**74,423**
Profit for the year						**2,14,671**

₹ in lakhs

Particulars	Year ended March 31, 2021					
	Vehicle finance	Loan against property	Home Loans	Others	Unallocable	Total
Revenue from Operations						
- Interest Income	6,93,467	1,44,319	46,679	3,229	34,722	**9,22,416**
- Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-	-	
- Fee Income	18,224	2,180	181	89	12	**20,685**
- Net gain on Fair value change on financial instrument	-	-	-	-	463	**463**
- Sale of Services	7,096	540	400	-	-	**8,037**
Segment revenue from Operations (I)	**7,18,787**	**1,47,039**	**47,260**	**3,318**	**35,197**	**9,51,601**
- Other income (II)	5,244	287	-	63	361	**5,955**
Total Segment Income - (I) + (II)	**7,24,031**	**1,47,326**	**47,260**	**3,381**	**35,558**	**9,57,556**
Expenses						
- Finance costs	3,50,978	84,871	20,670	2,493	(1,421)	**4,57,591**
- Impairment of Financial Instruments	1,18,036	14,847	5,479	-582	(3)	**1,37,777**
- Employee benefits expense	61,327	7,692	4,971	695	168	**74,853**
- Depreciation and amortisation expense	8,388	1,039	371	32	-	**9,830**
- Other expenses	61,102	4,939	3,591	164	3,865	**73,661**
Segment Expenses	**5,99,831**	**1,13,388**	**35,082**	**2,802**	**2,609**	**7,53,712**
Segment Profit / (loss) before taxation	**1,24,200**	**33,938**	**12,178**	**579**	**32,949**	**2,03,844**
Tax expense						**52,353**
Profit for the year						**1,51,491**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 36 SEGMENT INFORMATION (Contd.)

₹ in lakhs

Particulars	Vehicle finance	Loan against property	Home Loans	Others	Unallocable	Total
As on March 31, 2022						
Segment Assets	52,18,720	15,57,057	4,74,236	1,64,160		**74,14,173**
Unallocable Assets					8,22,162	**8,22,162**
Total Assets						**82,36,335**
Segment Liabilities	44,76,896	13,35,726	4,06,825	1,40,825		**63,60,272**
Unallocable Liabilities					7,05,295	**7,05,295**
Total Liabilities						**70,65,567**
As on March 31, 2021						
Segment Assets	48,93,657	12,71,552	3,72,558	45,828		**65,83,595**
Unallocable Assets					8,71,247	**8,71,247**
Total Assets						**74,54,842**
Segment Liabilities	42,66,080	11,08,484	3,24,780	39,951		**57,39,295**
Unallocable Liabilities					7,59,516	**7,59,516**
Total Liabilities						**64,98,811**

In computing the segment information, certain estimates and assumptions have been made by the management.

As the assets are allocated to segment based on certain assumptions, hence additions to the Property, plant and equipment have not been disclosed separately for each specific segment.

There are no revenue from transactions with a single external customer or counter party which amounted to 10% or more of the Company's total revenue in the Current year and Previous year.

Note : 37 RELATED PARTY DISCLOSURES

List of Related Parties:

- **Holding Company:** Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited)
- **Entity having significant influence over holding Company:** Ambadi Investments Limited
- **Subsidiaries of the entity which has significant influence over holding Company:** Parry Enterprises Limited and Parry Agro Limited
- **Fellow Subsidiaries:** Cholamandalam MS General Insurance Company Limited, Cholamandalam Health Insurance Limited
- **Joint Venture of Holding Company:** Cholamandalam MS Risk Services Limited
- **Subsidiaries:** Cholamandalam Securities Limited, Cholamandalam Home Finance Limited
- **Joint Venture:** Payswiff Technologies Private Limited and its subsidiaries (from 8th February 2022)
- **Associate :** White Data Systems India Private Limited, Vishvakarma Payments Private Limited (from 30th March 2021), Paytail Commerce Private Limited (from 15th September 2021)
- **Key Managerial Personnel:**
  - a. Mr. Arun Alagappan, Managing Director (upto February 14, 2021)
  - b. Mr. D. Arulselvan, Chief Financial Officer
  - c. Ms. P.Sujatha, Company Secretary
  - d. Mr. Ravindra Kumar Kundu, Executive Director
- **Non-Executive Directors**
  - a) Mr. Ashok Kumar Barat
  - b) Mr. M.M. Murugappan (upto November 11, 2020)
  - c) Mr. N. Ramesh Rajan
  - d) Mr. Rohan Verma
  - e) Ms. Bhama Krishnamurthy
  - f) Mr. Vellayan Subbiah (From November 11, 2020)
  - g) Mr. M.A.M. Arunachalam (From January 29, 2021)
  - h) Mr. Anand Kumar (From March 16, 2021)
  - i) Mr. Bharath Vasudevan (From March 16, 2021)

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 37 RELATED PARTY DISCLOSURES (Contd.)

a) Transactions during the year

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Dividend Payments (Equity Shares)		
a) Cholamandalam Financial Holdings Limited	7,458	4,848
b) Ambadi Investments Limited	674	438
c) Parry Enterprises India Limited	*	*
d) AR Lakshmi Archi Trust #	10	-
e) M A Murugappan Holdings LLP#	2	1
f) Kadamane Estates Co#	7	5
Amount received towards Reimbursement of expenses		
a) Cholamandalam Financial Holdings Limited	118	104
b) Cholamandalam Securities Limited	404	213
c) Cholamandalam Home Finance Limited	5,209	3,544
d) Cholamandalam MS General Insurance Company Limited	6	5
e) Parry Enterprises India Limited	1	1
f) Cholamandalam MS Risk Services Limited	-	*
Expenses – Reimbursed		
a) Cholamandalam Home Finance Limited	145	157
b) White Data Systems India Private Limited	3	-
c) Cherry Tin Online Private Limited#	8	-
d) Cholamandalam Securities Limited	8	-
Services Received		
a) Cholamandalam Securities Limited	23	15
b) White Data Systems India Private Limited	24	29
c) Parry Enterprises India Limited	194	72
d) Cholamandalam MS General Insurance Company Limited	217	196
e) Cholamandalam MS Risk Services Limited	1	-
Amount received towards other Reimbursements		
a) Cholamandalam Securities Limited	33	1
Rental Income		
a) Cholamandalam Securities Limited	5	8
Rental Expense		
a) Cholamandalam Home Finance Limited	63	126
Loans given		
a) Cholamandalam Securities Limited	6,550	1,600
b) White Data Systems India Private Limited	300	340
c) Payswiff Solutions Private Limited	300	-
Loans recovered		
a) Cholamandalam Securities Limited	6,100	2,300
b) White Data Systems India Private Limited	340	340
c)) Payswiff Solutions Private Limited	300	-
Interest Income Received		
a) Cholamandalam Securities Limited	9	1
b) White Data Systems India Private Limited	21	26
c) Payswiff Solutions Private Limited	1	-
Loans availed		
a) Cholamandalam Home Finance Limited	6,850	22,820

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 37 RELATED PARTY DISCLOSURES (Contd.)

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Loans repaid		
a) Cholamandalam Home Finance Limited	6,850	22,820
Interest Expense		
a) Cholamandalam Home Finance Limited	140	80
b) Cholamandalam MS General Insurance Company Limited	1,313	1,603
Subscriptions/Advertisement Expenses		
a) Finance Industry Development Council#	1	-
Commission and Sitting fees to non-executive Directors	137	100

b) Balances Outstanding at the year end.

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Loans - Receivable		
a) Cholamandalam Securities Limited	450	-
b) White Data Systems India Private Limited	300	340
c) Medall Healthcare Private Limited#	1,732	-
Debt Securities – Payable		
a) Cholamandalam MS General Insurance Company Limited	(14,793)	(18,527)
Other Receivable / (Payable)		
a) Cholamandalam Financial Holdings Limited	-	2
b) Paytail Commerce Private Limited	437	-
c) Cholamandalam Securities Limited	14	(5)
d) Cholamandalam Home Finance Limited	599	272
e) Cholamandalam MS General Insurance Company Limited	-	1
f) White Data Systems India Private Limited	(10)	(6)
g) Parry Enterprises India Limited	(44)	*
h) Cholamandalam MS Risk Services Limited	(1)	-

c) Remuneration to Key Managerial Personnel

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Short- term employee benefits	557	794
Post–employment pension (defined Contribution)	84	92
Dividend Payments	8	17
Share based payments	271	27
Sale of Vehicle(s)	4	21
Sale of Asset	*	-
Relatives of KMP and Directors	11	7

* Represents amounts less than ₹ 1 lakh

Represents entities included as per Companies Act , 2013

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 37 RELATED PARTY DISCLOSURES (Contd.)

Disclosure pursuant to Schedule V of Clause A.2 and 2A of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

i) **Disclosures relating Loans and Advances /Investments**

₹ in lakhs

Sl	Loans and Advances in the nature of Loans	2021-2022		2020-2021	
		Outstanding at the year end	Maximum Amount Outstanding during year	Outstanding at the year end	Maximum Amount Outstanding March 2021
(A)	To Subsidiaries				
	- Cholamandalam Securities Limited	450	2,600	-	700
(B)	To Associates				
	- White Data Systems India Private Limited	300	340	340	340
(C)	To Joint Venture				
	- Payswiff Technologies Private Limited and its subsidiaries	-	3,230	-	-
	To Firms/Companies in which Directors are Interested (other than (A) and (B) above)	-	-	-	-
(D)	Investments by the loanee in the shares of parent company and subsidiary company	-	-	-	-

ii) Cholamandalam Financial Holdings Limited (CFHL), promoter-group company holds 45.41% of equity shares of the company. Disclosure relating to transactions with CFHL is given above.

Note : 38 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contested Claims not provided for:

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax and Interest on Tax issues where the Company has gone on appeal	29,977	22,465
Decided in the Company's favour by Appellate Authorities and for which the Department is on further appeal with respect to Income Tax	634	21,898
Sales Tax issues pending before Appellate Authorities in respect of which the Company is on appeal.	1952	2,573
Decided in the Company's favour by Appellate Authorities and for which the Department is on further appeal with respect to Sales Tax	102	-
Service Tax & GST issues pending before Appellate Authorities in respect of which the Company is on appeal.	19,992	19,992
Disputed claims against the Company lodged by various parties under litigation (to the extent quantifiable)	14,458	10,801

i) The Company is of the opinion that for the above demands, based on the management estimate no significant liabilities are expected to arise.

ii) It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.

iii) The Company does not expect any reimbursement in respect of the above contingent liabilities.

iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/ authorities.

(b) Commitments

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Capital commitments	3,992	3,650
Disbursements – Undrawn lines	1,48,588	1,24,190

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

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 39 CHANGES IN PROVISIONS

₹ in lakhs

Particulars	As at March 31, 2021	Additional Provision	Utilisation/ Reversal	As at March 31, 2022
Provision for Contingencies and Service Tax claims	4,346	108	501	3,953
Provision for Undrawn commitments	104	16	-	120

₹ in lakhs

Particulars	As at March 31, 2020	Additional Provision	Utilisation/ Reversal	As at March 31, 2021
Provision for Contingencies and Service Tax claims	3,838	508	-	4,346
Provision for Undrawn commitments	131	89	116	104

Undrawn loan commitments are commitments under which the Company is required to provide a loan under pre-sanctioned terms to the customer.

The undrawn commitments provided by the Company are predominantly in the nature of limits provided for Automobile dealers based on the monthly loan conversions and partly disbursed loans for immovable properties. These undrawn limits are converted within a short period of time and do not generally remain undisbursed / undrawn beyond one year from the reporting date. The undrawn loan commitments amount outstanding as at March 31, 2022 is ₹ 1,48,588 lakhs (₹ 1,24,190 lakhs as at March 31, 2021).

The Company creates expected credit loss provision on the undrawn commitments outstanding as at the end of the reporting period and the related expected credit loss on these commitments as at March 31, 2022 is ₹ 120 lakhs (₹ 104 lakhs as at March 31, 2021)

Note : 40 ESOP DISCLOSURE

ESOP 2007

The Board at its meeting held on June 22, 2007, approved an issue of Stock Options up to a maximum of 5% of the issued Equity Capital of the Company (before Rights Issue) aggregating to 1,904,162 Equity Shares (prior to share split) in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines.

ESOP 2016

The Board at its meeting held on October 7, 2016, approved to create, and grant from time to time, in one or more tranches, not exceeding 1,56,25,510 Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the company including some of subsidiaries, managing director and whole time director, (other than promoter/promoter group of the company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company), as may be decided by the board, exercisable into not more than 1,56,25,510 equity shares of face value of ₹2/- each fully paid-up, on such terms and in such manner as the board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2016.

In this regard, the Company has recognised expense amounting to ₹ 2020 lakhs for employees services received during the year, shown under Employee Benefit Expenses (Refer Note 28).

The movement in Stock Options during the current period are given below:

Employee Stock Option Plan 2007

		Options outstanding	During the Year				Options outstanding	Options vested but not exercised	Options unvested		
Particulars	Date of Grant	As at 31.03.2021	Addition in number of options on account of share split*	Options Granted	Options Forfeited / Expired	Options Exercised and allotted	As at 31.03.2022	As at 31.03.2022	As at 31.03.2022	Exercise Price ₹	Weighted Average Remaining Contractual Life
GT25 Apr 2008	25 Apr 08	-	-	-	-	-	-	-	-	-	-
GT27 JAN 2011A	27 Jan 11	-	-	-	-	-	-	-	-	-	-
GT27 JAN 2011B	27 Jan 11	-	-	-	-	-	-	-	-	-	-
GT30 APR 2011	30 Apr 11	10,240	-	-	-	10,240	-	-	-	33	-
GT27 OCT 2011	27 Oct 11	8,580	-	-	-	8,580	-	-	-	31	-
Total		**18,820**	**-**	**-**	**-**	**18,820**	**-**	**-**	**-**	**-**	**-**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 40 ESOP DISCLOSURE (Contd.)

Employee Stock Option Plan 2016

		Options outstanding	During the Year				Options outstanding	Options vested but not exercised	Options unvested		
Particulars	Date of Grant	As at 31.03.2021	Addition in number of options on account of share split*	Options Granted	Options Forfeited / Expired	Options Exercised and allotted	As at 31.03.2022	As at 31.03.2022	As at 31.03.2022	Exercise Price ₹	Weighted Average Remaining Contractual Life
GT25 JAN2017	25 Jan 17	16,64,690	-	-	-	6,01,040	10,63,650	10,63,650	-	202	-
GT30 JAN2018	30 Jan 18	2,04,085	-	-	-	84,675	1,19,410	1,89,240	-	262	-
GT30 JAN2018A	30 Jan 18	87,300	-	-	-	-	87,300	17,470	-	262	-
GT23 APR2018	23 Apr 18	26,940	-	-	-	-	26,940	13,470	13,470	312	0.06 years
GT26 JUL2018	26 Jul 18	1,40,360	-	-	-	3,000	1,37,360	1,08,560	28,800	299	-
GT30 OCT2018	30 Oct 18	2,97,400	-	-	-	70,100	2,27,300	1,30,580	96,720	254	0.58 years
GT19 MAR2019	19 Mar 19	5,71,180	-	-	-	1,36,260	4,34,920	2,86,750	1,48,170	278	0.97 years
GT30 JUL2019	30 Jul 19	26,772	-	-	-	26,772	-	-	-	248	-
GT05 NOV2019	5 Nov 19	2,50,040	-	-	-	51,740	1,98,300	32,940	1,65,360	316	1.10 years
GT23 JAN2020	23 Jan 20	42,400	-	-	10,600	-	31,800	-	31,800	318	1.32 years
GT03 JUNE2020	3 Jun 20	2,11,900	-	-	-	44,285	1,67,615	-	1,69,520	158	1.30 years
GT03 JUNE2020A	3 Jun 20	1,905	-	-	-	-	1,905	-	-	158	1.30 years
GT07 MAY2021	7 May 21	-	-	10,66,600	-	-	10,66,600	-	10,66,600	580	1.80 years
GT30 JULY2021	30 Jul 21	-	-	24,700	-	-	24,700	-	24,700	487	2.03 years
GT29 OCT2021	29 Oct 21	-	-	8,08,120	-	-	8,08,120	-	8,08,120	609	2.28 years
GT01 FEB2022	1 Feb 22	-	-	1,26,100	-	-	1,26,100	-	1,26,100	630	2.54 years
Total		**35,24,972**	**-**	**20,25,520**	**10,600**	**10,17,872**	**45,22,020**	**18,42,660**	**26,79,360**		

Note: Includes options (vested and unvested) issued employees of subsidiary as at March 31, 2022 - 11,276 options prior to share split (March 31, 2021 - 11,276 options)

*Equity shares of face value of ₹ 10/- have been split into face value of ₹ 2 per share on June 18, 2019, pursuant to resolution passed through postal ballot on June 3, 2019

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 40 ESOP DISCLOSURE (Contd.)

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options outstanding	During the Year				Options outstanding	Options vested but not exercised	Options unvested	Exercise Price ₹	Weighted Average Remaining Contractual Life
		As at 31.03.2020	Addition in number of options on account of share split*	Options Granted	Options Forfeited / Expired	Options Exercised and allotted	As at 31.03.2021	As at 31.03.2021	As at 31.03.2021		
Gt 25 Apr 2008	25 Apr 08	-	-	-	-	-	-	-	-	-	-
GT 27 JAN 2011A	27 Jan 11	23,120	-	-	-	23,120	-	-	-	38	-
GT 27 JAN 2011B	27 Jan 11		-	-	-	-	-	-	-	-	-
GT 30 APR 2011	30 Apr 11	25,240	-	-	-	15,000	10,240	10,240	-	33	-
GT 27 OCT 2011	27 Oct 11	29,760	-	-	-	21,180	8,580	8,580	-	31	-
Total		**78,120**	**-**	**-**	**-**	**59,300**	**18,820**	**18,820**	**-**		

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding	During the Year				Options outstanding	Options vested but not exercised	Options unvested	Exercise Price ₹	Weighted Average Remaining Contractual Life
		As at 31.03.2020	Addition in number of options on account of share split*	Options Granted	Options Forfeited / Expired	Options Exercised and allotted	As at 31.03.2021	As at 31.03.2021	As at 31.03.2021		
GT25 JAN2017	25 Jan 17	21,18,600	-	-	1,92,140	2,61,770	16,64,690	16,64,690	-	202	-
GT30 JAN2018	30 Jan 18	2,38,485	-	-	-	34,400	2,04,085	2,04,085	-	262	-
GT30 JAN2018A	30 Jan 18	89,800	-	-	-	2,500	87,300	60,360	26,940	262	0.84 years
GT23 APR2018	23 Apr 18	44,900	-	-	-	17,960	26,940	-	26,940	312	0.56 years
GT26 JUL2018	26 Jul 18	2,74,860	-	-	1,31,500	3,000	1,40,360	86,600	53,760	299	0.32 years
GT30 OCT2018	30 Oct 18	3,67,300	-	-	44,900	25,000	2,97,400	1,03,960	1,93,440	254	1.08 years
GT19 MAR2019	19 Mar 19	5,88,460	-	-	-	17,280	5,71,180	2,75,740	2,95,440	278	1.47 years
GT30 JUL2019	30 Jul 19	31,632	-		4,860	-	26,772	13,386	13,386	248	0.33 years
GT05 NOV2019	5 Nov 19	2,75,600	-		-	25,560	2,50,040	29,560	2,20,480	316	1.73 years
GT23 JAN2020	23 Jan 20	53,000	-		-	10,600	42,400	-	42,400	318	1.94 years
GT03 JUNE2020	3 Jun 20	-	-	2,11,900	-	-	2,11,900	-	2,11,900	158	1.88 years
GT03 JUNE2020A	3 Jun 20	-	-	1,905	-	-	1,905	-	1,905	158	0.18 years
Total		**40,82,637**	**-**	**2,13,805**	**3,73,400**	**3,98,070**	**35,24,972**	**24,38,381**	**10,86,591**		

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 40 ESOP DISCLOSURE (Contd.)

Note: Includes options (vested and unvested) issued employees of subsidiary as at March 31, 2021 - 11,276 options prior to share split (March 31, 2020 - 11,276 options)

*Equity shares of face value of ₹ 10/- have been split into face value of ₹ 2 per share on June 18, 2019, pursuant to resolution passed through postal ballot on June 3, 2019

The following tables list the inputs to the Black Scholes model used for the plans for the year ended March 31, 2022:

ESOP 2007

Variables						
Date of Grant	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying Share in the Market at the time of the Option Grant (₹)	Fair Value of the Option (₹)
30 Jul 07	7.10% - 7.56%	3-6 years	40.64% -43.16%	5.65%	193.40	61.42
24 Oct 07	7.87% -7.98%	3-6 years	41.24% -43.84%	5.65%	149.90	44.25
25 Jan 08	6.14% -7.10%	3-6 years	44.58% -47.63%	5.65%	262.20	78.15
25 Apr 08	7.79% - 8.00%	2.5-5.5 years	45.78% - 53.39%	3.97%	191.80	76.74
30 Jul 08	9.14% - 9.27%	2.5-5.5 years	46.52% - 53.14%	3.97%	105.00	39.22
24 Oct 08	7.54% - 7.68%	2.5-5.5 years	48.2% - 55.48%	3.97%	37.70	14.01
27 Jan 11						
- Tranche I	8%	4 years	59.50%	10%	187.60	94.82
- Tranche II	8%	3.4 years	61.63%	10%	187.60	90.62
30 Apr 11	8%	4 years	59.40%	25%	162.55	73.07
28 Jul 11	8%	4 years	58.64%	25%	175.35	79.17
27 Oct 11	8%	4 years	57.52%	25%	154.55	67.26

The shareholders of the Company, at the 34th Annual General Meeting held on July 30, 2012, authorised extension of exercise period from 3 years from the date of vesting to 6 years from the date of vesting. Accordingly, the Company has measured the fair value of the options using the Black Scholes model immediately before and after the date of modification to arrive at the incremental fair value arising due to the extension of the exercise period. The incremental fair value so calculated is recognised from the modification date over the vesting period in addition to the amount based on the grant date fair value of the stock options.

The incremental (benefit)/cost due to modification of the exercise period from 3 years to 6 years from the date of vesting for the year ended March 31, 2022 is ₹ Nil (March 31, 2021- ₹ Nil)

The fair value of the options has been calculated using the Black Scholes model on the date of modification.

The assumptions considered for the calculation of the fair value (on the date of modification) are as follows:

Variables	Post Modification
Risk Free Interest Rate	7.92%-8.12%
Expected Life	0.12 years- 6.25 years
Expected Volatility	28.28%-63.00%
Dividend Yield	1.18%
Price of the underlying share in market at the time of the option grant.(₹)	212.05

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 40 ESOP DISCLOSURE (Contd.)

ESOP 2016

Variables						
Date of Grant	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying Share in the Market at the time of the Option Grant (₹)	Fair Value of the Option (₹)
25 Jan 17	6.36% - 6.67%	3.5 - 6.51 years	33.39% - 34.47%	0.54%	1,010.00	401.29
30 Jan 18	7.11% - 7.45%	3.5 - 5.50 years	30.16% - 31.46%	0.42%	1,309.70	496.82
30 Jan 18	7.11% - 7.45%	3.5 - 5.50 years	30.16% - 31.46%	0.42%	1,309.70	531.84
23 Apr 18	7.45% - 7.81%	3.51 - 6.51 years	30.33% - 32.38%	0.42%	1,562.35	646.08
26 Jul 18	7.71% - 7.92%	3.51 - 5.51 years	30.56% - 31.83%	0.43%	1,497.30	586.32
30 Oct 18	7.61% - 7.85%	3.51 - 6.51 years	32.34% - 32.70%	0.51%	1,268.50	531.36
19 Mar 19	6.91% - 7.25%	3.51 - 6.51 years	32.19% - 32.59%	0.47%	1,390.05	564.13
30 Jul 19	6.15% - 6.27%	3.51 - 4.51 years	32.21% - 32.93%	0.52%	248.20	83.66*
5 Nov 19	6.15% - 6.27%	3.51 - 4.51 years	32.21% - 32.93%	0.52%	316.00	112.09*
23 Jan 20	6.15% - 6.27%	3.51 - 4.51 years	32.21% - 32.93%	0.52%	317.00	109.51*
3 Jun 20	5%	3.50 years	47.50%	1.33%	157.90	58.27*
7 May 21	5.12% - 6.02%	3.5 - 6.51 years	52.06% - 43.62%	0.34%	580.30	276.84
30 Jul 21	5.25% - 6.20%	3.50 - 6.51 years	52.06% - 43.65%	0.41%	487.15	232.48
29 Oct 21	5.22% - 6.17%	3.50 - 6.51 years	53.2% - 43.93%	0.33%	609.00	293.95
1 Feb 22	5.49% - 6.50%	3.50 - 6.51 years	53.81% - 44.42%	0.32%	629.50	309.23

* Fair value option of equity shares issued under this grant is post share split with a face value of ₹ 2/- each

Note : 41 SHARING OF COSTS

The Company shares certain costs / service charges with other companies. These costs have been allocated between the Companies on a basis mutually agreed between them, which has been relied upon by the Auditors.

Note : 42.1 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Company's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

The Company has complied in full with the capital requirements prescribed by RBI over the reported period. The Capital adequacy ratio as of March 31, 2022 is 19.62% (March 31, 2021- 19.10%) as against the regulatory requirement of 15%.

Note : 42.2 FINANCIAL RISK MANAGEMENT

The key financial risks faced by the company are credit and market risks comprising liquidity risk, interest rate risk and foreign currency risks.

Note : 42.2.1 CREDIT RISK

Credit risk arises when a borrower is unable to meet his financial obligations to the lender. This could be either because of wrong assessment of the borrower's payment capabilities or due to uncertainties in his future earning potential. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 42 CAPITAL MANAGEMENT (Contd.)

42.2.1.1 ASSESSMENT METHODOLOGY

The company has comprehensive and well-defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes detailed risk assessment of the borrowers, physical verifications and field visits. The company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals. This enables it to implement necessary changes to the credit policy, whenever the need arises. Also, being in asset financing business, most of the company's lending is covered by adequate collaterals from the borrowers. The company has a robust online application underwriting model to assess the credit worthiness of the borrower for underwriting decisions for its vehicle finance, Loan Against Property and home loan business. The company also has a well- developed model for the vehicle finance portfolio, to help business teams plan volume with adequate pricing of risk for different segments of the portfolio.

42.2.1.2 RISK MANAGEMENT AND PORTFOLIO REVIEW

The company has a robust portfolio review mechanism. Key metrics like early delinquency, default rates are tracked, monitored and reviewed daily. Business teams review key trends in these Key Risk Indicators and location level strategies are adopted.

42.2.1.3 ECL METHODOLOGY

The Company records allowance for expected credit losses for all financial assets including loan commitments, other than those measured at FVTPL. Equity instruments carried at cost are not subject to impairment under the ECL methodology.

42.2.1.4 ASSUMPTIONS AND ESTIMATION TECHNIQUES

The Company calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. ECL is computed on collective basis. The portfolio is segmented based on shared risk characteristics for the computation of ECL.

The key elements of the ECL are summarised below:

42.2.1.4(a) PD

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. While computing probability of default, significant outlier events are suitably handled to ensure it does not skew the outcomes.

A 12M marginal PD is computed by creating cohorts of accounts starting in Stage 1 at the beginning of the year and subsequently moving to Stage 3 at any point in time during the year.

A conditional average probability of default is computed by taking cohort of which were in Stage 2 at the beginning the year and subsequently moved to Stage 3 anytime in each subsequent year.

42.2.1.4(b) EAD

The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

42.2.1.4(c) LGD

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.The recoveries are discounted back to the default date using customer IRR. This present value of recovery is used for LGD computation. A recovery rate (RR) computed as the ratio of present value of recovery to the EAD (1 – RR), gives the LGD.

42.2.1.5 MECHANICS OF THE ECL METHOD

Stage 1:

All loans (other than purchased credit impaired asset) are categorised as Stage 1 on initial recognition.The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:

Loans which are past due for more than 30 days are categorised as Stage 2. When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3:

Loans which are past due for more than 90 days are categorised as Stage 3. For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 42 CAPITAL MANAGEMENT (Contd.)

Restructured loans are categorised as Stage 3 on the date of restructuring and remain so for a period of one year. Post this, regular staging criteria applies.

Loans which have been renegotiated or modified in accordance with RBI Notifications for COVID-19 related stress, has been classified as Stage 2 due to significant increase in credit risk.

The Post Implementation Staging of Loans restructured under Covid Resolution framework shall follow the Days Past Due of respective loan agreements.

In respect of new lending products introduced during the year, the company follows simplified matrix approach for determining impairment allowance based on industry practise in the absence of historical information. These loans constitutes less than 1% of the total loan book.

Loan Movement across stages during the year is given in a note 9.1

Loan commitment:

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provisions.

Other Financial assets:

The Company follows 'simplified approach' for recognition of impairment loss allowance on other financial assets. The application of simplified approach does not require the Company to track changes in credit risk and calculated on case by case approach, taking into consideration different recovery scenarios.

Based on Management's assessment of ECL on trade receivables/ other financial assets, the provisions are not material to financial statements (Nil as at March 31, 2021).

42.2.1.6 Incorporation of forward looking statements in ECL model

The Company considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth,Inflation, Government Expenditure etc., as considered relevant so as to determine the impact of macro-economic factors on the Company's ECL estimates.

The inputs and models used for calculating ECLs are recalibrated periodically through the use of available incremental and recent information. Further, internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Annual data from 2010 to 2026 (including forecasts for 5 years) were obtained from World Economic Outlook, October 2021 published by International Monetary Fund (IMF). IMF provides historical and forecasted data for important economic indicators country-wise. The data provided for India is used for the analysis. Macro variables that were compared against default rates at segment level to determine the key variables having correlation with the default rates using appropriate statistical techniques. Vasicek model has been incorporated to find the Point in Time (PIT) PD. The company has formulated the methodology for creation of macro-economic scenarios under the premise of economic baseline, upside and downside condition. A final PIT PD is arrived as the scenario weighted PIT PD under different macroeconomic scenarios.

42.2.1.7 Macro economic variables

Segment	Macro-Economic Variables correlated for each segment	
Heavy Commercial Vehicle	Gross domestic product, current prices USD	Inflation, end of period consumer prices
Light Commercial Vehicle	Gross domestic product, current prices USD	Inflation, end of period consumer prices
Car & MUV	Gross domestic product, current prices USD	Inflation, end of period consumer prices
Mini Light Commercial Vehicle	Gross domestic product per capita, constant prices USD	Inflation, end of period consumer prices
Used Vehicles	General government total expenditure	Gross domestic product per capita, constant prices USD
Shubh	General government total expenditure	Gross domestic product per capita, constant prices USD
Tractor	Inflation, average consumer prices	General government total expenditure
Construction Equipment	Gross domestic product per capita, constant prices USD	Gross domestic product, current prices USD
Loan Against Property	Gross domestic product, current prices USD	Inflation, end of period consumer prices
Home Loan	Inflation, average consumer prices	General government total expenditure

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 42 CAPITAL MANAGEMENT (Contd.)

Since the company has used Gross Domestic Product (GDP) as a predominant macro economic variable the sensitivity around the same is given below:

₹ in lakhs

Year ended	Increase/ (Decrease) of GDP	Impact on Expected Credit Losses (ECL)-Increase/(Decrease)
March 31, 2022	Decrease by 5%	518
March 31, 2022	Increase by 5%	(535)

42.2.1.8 Concentration of credit risk and Collateral and Credit Enhancements

42.2.1.8(a) Concentration of credit risk

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Company is in retail lending business on pan India basis targeting primarily customers who either do not get credit or sufficient credit from the traditional banking sector. Vehicle Finance (consisting of new and used Commercial Vehicles, Passenger Vehicles, Tractors, Construction Equipment and Trade advance to Automobile dealers) is lending against security (other than for trade advance) of Vehicle/ Tractor / Equipment and contributes to 69% of the loan book of the Company as of March 31, 2022 (72% as of March 31, 2021). Hypothecation endorsement is made in favour of the Company in the Registration Certificate in respect of all registerable collateral. Portfolio is reasonably well diversified across South, North, East and Western parts of the country. Similarly, sub segments within Vehicle Finance like Heavy Commercial Vehicles, Light Commercial Vehicles, Car and Multi Utility Vehicles, three wheeler and Small Commercial Vehicles, Refinance against existing vehicles, older vehicles (first time buyers), Tractors and Construction Equipment have portfolio share between 10% and 6% leading to well diversified sub product mix.

Loan Against Property is mortgage loan against security of existing immovable property (primarily self-occupied residential property) to self- employed non-professional category of borrowers and contributes to 22 % of the lending book of the Company as of March 31, 2022 (22% as of March 31, 2021). Portfolio is concentrated in North 35% with small presence in East 5%. South has 35% and West contributes 25% of the overall exposure of the company.

The Concentration of risk is managed by Company for each product by its region and its sub-segments. Company did not overly depend on few regions or sub-segments as of March 31, 2022.

42.2.1.8(b) Collateral and Credit enhancements

Although collateral can be an important mitigation of credit risk, it is the Company's practice to lend on the basis of the customer's ability to meet the obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements.

The Company obtains first and exclusive charge on all collateral that it obtains for the loans given. Vehicle Finance and Loan Against Property loans are secured by collateral at the time of origination. In case of Vehicle loans, Company values the vehicle either through proforma invoice (for new vehicles) or using registered valuer for used vehicles. In case of Loan against Property, the value of the property at the time of origination will be arrived by obtaining two valuation reports from Company's empanelled valuers.

Hypothecation endorsement is obtained in favour of the Company in the Registration Certificate of the Vehicle/ Tractor / Equipment funded under the vehicle finance category.

Immovable Property is the collateral for Loan Against Property. Security Interest in favour of the Company is created by Mortgage through deposit of title deed which is registered wherever required by law.

In respect of Other loans, Home loans follow the same process as Loan Against Property and pledge is created in favour for the Company for loan against securities. 99% of the Company's term loan are secured by way of tangible Collateral.

In respect of some unsecured lending, the company obtains First Loss Default Guarantee or similar arrangement from external service providers as partial cover against potential credit default.

Fair value of collateral held against credit impaired assets - March 31, 2022

₹ in lakhs

Maximum exposure to credit risk (a)	Vehicles (b)	Loan against property (c)	Other loans (d)	Net exposure (e)=(a-b-c-d)	Associated ECL
3,30,532	2,33,024	2,40,987	23,823	(1,67,302)	1,26,650

Fair value of collateral held against credit impaired assets - March 31,2021

Maximum exposure to credit risk (a)	Vehicles (b)	Loan against property (c)	Other loans (d)	Net exposure (e)=(a-b-c-d)	Associated ECL
2,64,053	1,90,025	2,15,929	20,285	(1,62,186)	1,14,030

Note: Column (b), (c), (d) of the above table, represents fair value of collateral

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 42 CAPITAL MANAGEMENT (Contd.)

Valuation of Collateral:

a) Vehicles including construction equipment and tractors are valued at original cost less 20% depreciation per year on WDV

b) Immovable property is valued based on the amount as per the valuation report at the time of sanctioning of loan

c) Other loans are valued based on book debts at cost or securities at market value

42.2.2 Market Risk

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates. The company's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The company is exposed to interest rate risk and liquidity risk, if the same is not managed properly. The company continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee (ALCO) reviews market-related trends and risks and adopts various strategies related to assets and liabilities, in line with the company's risk management framework. ALCO activities are in turn monitored and reviewed by a board sub-committee. In addition, the company has put in an Asset Liability Management (ALM) support group which meets frequently to review the liquidity position of the company.

42.2.2.1 Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required. The Company also has lines of credit that it can access to meet liquidity needs. These are reviewed by the Asset Liability Committee (ALCO) on a monthly basis. The ALCO provides strategic direction and guidance on liquidity risk management. A sub-committee of the ALCO, comprising members from the Treasury and Risk functions, monitor liquidity risks on a weekly basis and decisions are taken on the funding plan and levels of investible surplus, from the ALM perspective. This sets the boundaries for daily cash flow management.

Analysis of Financial assets and Financial liabilities by remaining contractual maturities given in note -47.

42.2.2.2 Interest Rate Risk

The Company being in the business of lending raises money from diversified sources like market borrowings, term Loan from banks and financial institutions, foreign currency borrowings etc. Financial assets and liabilities constitute significant portion, changes in market interest rates can adversely affect the financial condition. The fluctuations in interest rates can be due to internal and external factors. Internal factors include the composition of assets and liabilities across maturities, existing rates and re-pricing of various sources of borrowings. External factors include macro-economic developments, competitive pressures, regulatory developments and global factors. The movement in interest rates (upward / downward) will impact the Net Interest Income depending upon rate sensitivity of the asset or liability. The company uses traditional gap analysis report to determine the vulnerability to movements in interest rates. The Gap is the difference between Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) for each time bucket. A positive gap indicates that the company can benefit from rising interest rates while a negative gap indicates that the company can benefit from declining interest rates. Based on market conditions, the company enters into interest rate swap to mitigate interest rate risk.

₹ in lakhs

Year ended	Increase/(Decrease)	Impact on Profit before Tax
March 31, 2022	Increase by 100 bps	(14,340)
March 31, 2022	Decrease by 100 bps	14,340

₹ in lakhs

Year ended	Increase/(Decrease)	Impact on Profit before Tax
March 31, 2021	Increase by 100 bps	(10,360)
March 31, 2021	Decrease by 100 bps	10,360

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 42 CAPITAL MANAGEMENT (Contd.)

42.2.2.3 Foreign Currency Risk

Foreign currency risk for the Company arise majorly on account of foreign currency borrowings. The Company manages this foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure.

The Company holds derivative financial instruments such as Cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate.

The Counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

42.2.2.4- Hedging Policy

The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment and hence the hedge ratio is 1:1.

42.2.2.4(a) Disclosure of Effects of Hedge Accounting

Cash flow Hedge

As at March 31, 2022

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in lakhs)		Maturity Date	Changes in Fair value of Hedging Instrument (₹ in lakhs)	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness (₹ in lakhs)	Line item in Balance sheet
	Asset	Liability	Asset	Liability				
Cross Currency Interest rate swap	6	0	10,809	-	June 27, 2022 to June 20, 2028	9,089	16,419	Borrowings
Overnight Index Swaps	0	2	-	282	October 23, 2022 to March 20, 2024	(282)	-	Borrowings
Forward contracts	1	3	7,844	16,674	June 27, 2022 to June 20, 2028	1,045	1,453	Borrowings

	Change in the value of Hedging Instrument recognised in Other Comprehensive Income (₹ in lakhs)	Hedge Effectiveness recognised in profit and loss (₹ in lakhs)	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss (₹ in lakhs)	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign exchange risk and Interest rate risk	16,197	-	-	NA

As at March 31, 2021

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in lakhs)		Maturity Date	Changes in Fair value of Hedging Instrument (₹ in lakhs)	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness (₹ in lakhs)	Line item in Balance sheet
	Asset	Liability	Asset	Liability				
Cross Currency Interest rate swap	6	1	2,634	914	March 18, 2022 to June 03, 2024	7,872	(11,025)	Borrowings
Forward contracts	0	26	1,953	11,828	March 21, 2022 to June 03, 2024	9,875	5,041	Borrowings

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 42 CAPITAL MANAGEMENT (Contd.)

As at March 31, 2021

	Change in the value of Hedging Instrument recognised in Other Comprehensive Income (₹ in lakhs)	Hedge Effectiveness recognised in profit and loss (₹ in lakhs)	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss (₹ in lakhs)	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign exchange risk and Interest rate risk	(4,521)	-	-	NA

Note : 43 EVENTS AFTER REPORTING DATE

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

Note : 44

44.1 - Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company 's financial instruments that are not carried at fair value in the balance sheet. This table does not include the fair values of non–financial assets and non–financial liabilities.

₹ in lakhs

	March 31, 2022		March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash and Cash Equivalents	2,65,788	2,65,788	1,44,785	1,44,785
Bank balances Other than Cash and Cash Equivalents	1,56,220	1,56,220	3,78,403	3,78,403
Receivables				
i) Trade Receivables	3,247	3,247	2,031	2,031
ii) Other Receivables	9,554	9,554	4,612	4,612
Loans	74,14,921	75,16,903	65,83,934	68,38,189
Investments in Government Securities	1,54,348	1,42,665	1,54,590	1,46,905
Other Financial Assets	32,088	32,088	53,637	53,637
Total Financial Assets	**80,36,166**	**81,26,465**	**73,21,992**	**75,68,562**
Financial Liabilities				
Payables				
i) Trade Payables - Due to MSME	306	306	-	-
ii) Trade Payables - Other than MSME	7,984	7,984	5,267	5,267
iii) Other Payables	71,990	71,990	54,239	54,239
Debt Securities	13,32,110	13,32,560	12,35,767	12,36,407
Borrowings(Other than Debt Securities)	52,00,452	52,48,454	47,18,226	47,15,550
Subordinated Liabilities	3,84,788	3,86,858	4,19,006	4,20,811
Other Financial Liabilities	33,343	33,343	33,804	33,804
Total Financial Liabilities	**70,30,973**	**70,81,495**	**64,66,309**	**64,66,078**

The Management assessed that cash and cash equivalents, bank balance other than Cash and cash equivalents, receivable, other financial assets, payables and other financial liabilities approximates their carrying amount largely due to short term maturities of these instruments.

Note 44.2 - Fair value hierarchy

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of financial assets or liabilities disclosed under level 2 category.

i) The fair value of loans have estimated by discounting expected future cash flows using discount rate equal to the rate near to the reporting date of the comparable product.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 44 Fair value hierarchy (Contd.)

ii) The fair value of debt securities, borrowings other than debt securities and subordinated liabilities have estimated by discounting expected future cash flows discounting rate

iii) Derivatives are fair valued using observable inputs / rates

iv) The fair value of investment in Government securities are derived from rate equal to the rate near to the reporting date of the comparable product.

The following table provides the fair value measurement hierarchy of the Company's financial assets and financial liabilities

Quantitative disclosure fair value measurement hierarchy of assets as at March 31, 2022 ₹ in lakhs

	Fair value measurement using			
	Carrying Value	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVOCI Equity Instruments	-	-	-	-
Derivative financial instruments	18,653	-	18,653	-
Assets for which fair values are disclosed				
Loans	74,14,921	-		75,16,903
Investments in Government securities	1,54,348	-	1,42,665	-
Investment Properties *	13	-	-	309

There have been no transfers between different levels during the period.

* Fair value of investment property is calculated based on valuation given by external independent valuer.

Quantitative disclosure fair value measurement hierarchy of liabilities as at March 31, 2022 ₹ in lakhs

	Fair value measurement using			
	Carrying Value	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair value				
Derivative financial instruments	16,956	-	16,956	-
Liabilities for which fair values are disclosed				
Debt Securities	13,32,110	-	13,32,560	-
Borrowings(Other than Debt Securities)	52,00,452	-	52,48,454	-
Subordinated Liabilities	3,84,788	-	3,86,858	-

There have been no transfers between the level 1 and level 2 during the period.

Quantitative disclosure fair value measurement hierarchy of assets as at March 31, 2021 ₹ in lakhs

	Fair value measurement using			
	Carrying Value	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVOCI Equity Instruments	-	-	-	-
Derivative financial instruments	4,587	-	4,587	-
Assets for which fair values are disclosed				
Loans	65,83,934	-		68,38,189
Investment in Government securities	1,54,590	-	1,46,905	-
Investment Properties *	14	-	-	304

There have been no transfers between different levels during the period.

* Fair value of investment property is calculated based on valuation given by external independent valuer.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 44.2 - Fair value hierarchy (Contd.)

Quantitative disclosure fair value measurement hierarchy of liabilities as at March 31, 2021

	Fair value measurement using			
	Carrying Value	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair value				
Derivative financial instruments	12,742	-	12,742	-
Liabilities for which fair values are disclosed				
Debt Securities	12,35,767	-	12,36,407	-
Borrowings (Other than Debt Securities)	47,18,226	-	47,15,550	-
Subordinated Liabilities	4,19,006	-	4,20,811	-

There have been no transfers between different levels during the period.

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

₹ in lakhs

Particulars	March 31, 2022	March 31, 2021
Financial Assets		
Cash and Cash Equivalents	2,65,788	1,44,785
Bank balances other than Cash and Cash Equivalents	1,56,220	3,78,403
Loans	74,14,921	65,83,934
Other Financial Assets	32,088	53,637
Investments in Government Securities	1,54,348	1,54,590
Financial Liabilities		
Debt Securities	13,32,110	12,35,767
Borrowings(Other than Debt Securities)	52,00,452	47,18,226
Subordinated Liabilities	3,84,788	4,19,006
Other Financial liabilities	33,343	33,804

44.4 Refer Note 13 for sensitivity analysis for investment property, whose fair value is disclosed under the level 3 category.

Note : 45 MATURITY ANALYSIS

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

₹ in lakhs

	Amount	Maturity	
		Within 12 months	After 12 months
As on March 31, 2022			
Financial Assets			
Cash and Cash Equivalents	2,65,788	2,65,788	-
Bank balances Other than Cash and Cash Equivalents	1,56,220	1,40,478	15,742
Derivative financial instruments	18,653	7,554	11,099
Receivables			-
i) Trade Receivables	3,247	3,247	-
ii) Other Receivables	9,554	9,554	-
Loans	74,14,921	21,12,758	53,02,163
Investments	2,07,616	909	2,06,707
Other Financial Assets	32,088	7,557	24,531
Total Financial Assets	**81,08,087**	**25,47,845**	**55,60,242**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 45 MATURITY ANALYSIS (Contd.)

₹ in lakhs

	Amount	Maturity Within 12 months	Maturity After 12 months
Non- Financial Assets			
Current tax assets (Net)	25,071	-	25,071
Deferred tax assets (Net)	67,143	-	67,143
Investment Property	13	-	13
Property, Plant and Equipment	23,989	-	23,989
Capital Work in Progress	2,303	-	2,303
Intangible assets under development	1,395	-	1,395
Other Intangible assets	1,455	-	1,455
Other Non-Financial Assets	6,879	993	5,886
Total Non- Financial Assets	**1,28,248**	**993**	**1,27,255**
Financial Liabilities			
Derivative financial instruments	16,956	2,165	14,791
Payables			
i) Trade Payables - Due to MSME	306	306	-
ii) Trade Payables - Other than MSME	7,984	7,984	-
iii) Other Payables	71,990	71,990	-
Debt Securities	13,32,110	5,98,192	7,33,918
Borrowings (Other than Debt Securities)	52,00,452	18,51,620	33,48,832
Subordinated Liabilities	3,84,788	50,604	3,34,184
Other Financial Liabilities	33,343	20,774	12,569
Total Financial Liabilities	**70,47,929**	**26,03,635**	**44,44,294**
Non-Financial Liabilities			
Current tax liabilities	-	-	-
Provisions	11,827	-	11,827
Other Non-Financial Liabilities	5,811	4,563	1,248
Total Non-Financial Liabilities	**17,638**	**4,563**	**13,075**

₹ in lakhs

	Amount	Maturity Within 12 months	Maturity After 12 months
As on March 31, 2021			
Financial Assets			
Cash and Cash Equivalents	1,44,785	1,44,785	-
Bank balances Other than Cash and Cash Equivalents	3,78,403	3,78,403	-
Derivative financial instruments	4,587	-	4,587
Receivables			-
i) Trade Receivables	2,031	2,031	-
ii) Other Receivables	4,612	4,612	-
Loans	65,83,934	19,71,863	46,12,071
Investments	1,61,882	9,714	1,52,168
Other Financial Assets	53,637	26,982	26,655
Total Financial Assets	**73,33,871**	**25,38,390**	**47,95,481**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 45 MATURITY ANALYSIS (Contd.)

₹ in lakhs

	Amount	Maturity Within 12 months	Maturity After 12 months
Non- Financial Assets			
Current tax assets (Net)	14,615	-	14,615
Deferred tax assets (Net)	76,380	-	76,380
Investment Property	13	-	13
Property, Plant and Equipment	20,302	-	20,302
Capital Work in Progress	-	-	-
Intangible assets under development	982	-	982
Intangible assets	1,645	-	1,645
Other Non-Financial Assets	7,034	1,816	5,218
Total Non- Financial Assets	**1,20,971**	**1,816**	**1,19,155**
Financial Liabilities			
Derivative financial instruments	12,742	-	12,742
Payables			
i) Trade Payables - Due to MSME	-	-	-
ii) Trade Payables - Other than MSME	5,267	5,267	-
ii) Other Payables	54,239	54,239	-
Debt Securities	12,35,767	6,04,785	6,30,982
Borrowings(Other than Debt Securities)	47,18,226	16,91,807	30,26,419
Subordinated Liabilities	4,19,006	1,01,959	3,17,047
Other Financial Liabilities	33,804	29,229	4,575
Total Financial Liabilities	**64,79,051**	**24,87,286**	**39,91,765**
Non-Financial Liabilities			
Current tax liabilities	4,225	4,225	-
Provisions	10,958	10,958	-
Other Non-Financial Liabilities	4,577	3,303	1,274
Total Non-Financial Liabilities	**19,760**	**18,486**	**1,274**

Note : 46 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

₹ in lakhs

Particulars	April 01, 2021	Cash flows	Exchange Difference	Others	March 31, 2022
Debt Securities	12,35,767	1,06,714	-	(10,371)	13,32,110
Borrowings other than debt securities	47,18,226	4,60,663	11,888	9,675	52,00,452
Subordinated liabilities	4,19,006	(32,770)	-	(1,448)	3,84,788
Total	63,72,999	5,34,607	11,888	(2,144)	69,17,350

₹ in lakhs

Particulars	April 01, 2020	Cash flows	Exchange Difference	Others	March 31, 2021
Debt Securities	7,32,683	5,00,898	-	2,186	12,35,767
Borrowings other than debt securities	43,27,308	4,04,659	(13,268)	(473)	47,18,226
Subordinated liabilities	4,40,552	(20,150)	-	(1,396)	4,19,006
Total	55,00,543	8,85,407	(13,268)	317	63,72,999

(i) Others column represents the effect of interest accrued but not paid on borrowing, amortisation of processing fees etc

(ii) Liabilities represents of Debt securities, Borrowings (other than debt securities) and Subordinated Liabilities

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 47 ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY REMAINING CONTRACTUAL MATURITIES

As at March 31, 2022 ₹ in lakhs

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial Assets								
Cash and Cash Equivalents	2,65,788	-	-	-	-	-	-	**2,65,788**
Bank Balances other than Cash and Cash Equivalents	1,15,518	776	1,604	6,146	19,048	11,188	6,913	**1,61,193**
Derivative financial instruments	-	7,512	42	-	3,297	-	7,802	**18,653**
Receivables								
i) Trade Receivables	3,247	-	-	-	-	-	-	**3,247**
ii) Other Receivables	9,554	-	-	-	-	-	-	**9,554**
Loans	5,05,483	6,05,792	7,51,804	14,11,269	38,93,382	15,27,171	22,97,827	**1,09,92,728**
Investments	-	1,136	3,722	4,857	19,428	19,428	1,59,045	**2,07,616**
Other Financial Assets	1,453	2,270	2,853	5,016	12,719	6,527	7,384	**38,222**
Total Undiscounted financial assets	**9,01,043**	**6,17,486**	**7,60,025**	**14,27,288**	**39,47,874**	**15,64,314**	**24,78,971**	**1,16,97,001**
Financial Liabilities								
Derivative financial instruments	-	481	593	1,093	5,541	5,862	3,387	**16,957**
Payables								
(I) Trade Payables								
i) Total outstanding dues of micro and small enterprises	306							**306**
ii) Total outstanding dues of creditors other than micro and small enterprises	7,984	-	-	-	-	-	-	**7,984**
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises	71,990	-	-	-	-	-	-	**71,990**
Debt Securities	83,327	1,35,620	1,48,533	2,74,480	6,85,141	1,18,828	-	**14,45,929**
Borrowings (Other than Debt Securities)	1,62,833	4,28,648	6,07,371	8,85,678	26,25,680	9,79,335	70,401	**57,59,946**
Subordinated Liabilities	274	6,788	24,079	44,604	1,37,511	67,562	14,37,012	**17,17,830**
Other Financial Liabilities	22,834	954	1,256	2,294	6,212	1,456	-	**35,006**
Total Undiscounted financial liabilities	**3,49,548**	**5,72,491**	**7,81,832**	**12,08,149**	**34,60,085**	**11,73,043**	**15,10,800**	**90,55,948**
Total net Undiscounted financial assets/(liabilities)	**5,51,495**	**44,995**	**(21,807)**	**2,19,139**	**4,87,789**	**3,91,271**	**9,68,171**	**26,41,053**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 47 ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY REMAINING CONTRACTUAL MATURITIES (Contd.)

As at March 31, 2021 ₹ in lakhs

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial Assets								
Cash and Cash Equivalents	1,55,370	-	-	-	-	-	-	**1,55,370**
Bank Balances other than Cash and Cash Equivalents	96,303	1,02,196	1,36,657	3,577	13,043	10,571	11,444	**3,73,791**
Derivative financial instruments	-	-	-	-	-	-	4,587	**4,587**
Receivables								
ii) Other Receivables	4,612	-	-	-	-	-	-	**4,612**
Loans	5,02,874	5,38,796	7,04,685	13,47,385	37,59,707	13,26,678	19,71,659	**1,01,51,784**
Investments	-	1,135	3,722	4,857	19,428	19,428	1,13,312	**1,61,882**
Other Financial Assets	1,641	12,851	4,368	7,475	18,298	10,630	10,672	**65,935**
Total Undiscounted financial assets	**7,60,800**	**6,54,978**	**8,49,432**	**13,63,294**	**38,10,476**	**13,67,307**	**21,11,674**	**1,09,17,961**
Financial Liabilities								
Derivative financial instruments	-	-	-	-	-	-	12,742	**12,742**
Payables								
(I) Trade Payables								
i) Total outstanding dues of micro and small enterprises	-							-
ii) Total outstanding dues of creditors other than micro and small enterprises	5,267	-	-	-	-	-	-	**5,267**
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises	54,239	-	-	-	-	-	-	**54,239**
Debt Securities	1,13,137	2,70,683	1,08,618	1,48,066	5,52,907	1,60,428	2,712	**13,56,551**
Borrowings (Other than Debt Securities)	1,59,219	3,08,806	7,48,826	7,09,140	25,22,320	6,94,544	1,10,157	**52,53,012**
Subordinated Liabilities	273	37,967	12,769	78,271	1,66,250	76,319	15,33,381	**19,05,230**
Other Financial Liabilities	40,771	884	1,159	1,994	9,838	583	-	**55,229**
Total Undiscounted financial liabilities	**3,72,906**	**6,18,340**	**8,71,372**	**9,37,471**	**32,51,315**	**9,31,874**	**16,58,992**	**86,42,270**
Total net Undiscounted financial assets/(liabilities)	**3,87,894**	**36,638**	**(21,940)**	**4,25,823**	**5,59,161**	**4,35,433**	**4,52,682**	**22,75,691**

Note : 48 DISCLOSURES IN CONNECTION WITH IND AS 116 - LEASES

The Company has taken office premises on lease for its operations.

The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases of machinery with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities included under financial liabilities and right to use asset included in Property, Plant and Equipment and the movements during the period:

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 48 DISCLOSURES IN CONNECTION WITH IND AS 116 - LEASES (Contd.)

OTHER DISCLOSURES

(i) Movement in the carrying value of the Right to Use Asset

₹ in lakhs

Particulars - Buildings	As on March 31, 2022	As on March 31, 2021
Opening Balance	7,610	10,670
Depreciation charge for the Period	(4,426)	(4,542)
Additions during the Period	7,041	1,504
Adjustment/Deletion	(291)	(22)
Closing Balance	**9,934**	**7,610**

(ii) Classification of current and non current liabilities of the lease liabilities

₹ in lakhs

Particulars	As on March 31, 2022	As on March 31, 2021
Current liabilities	4,690	4,330
Non Current Liabilities	6,308	4,575
Total Lease liabilities	**10,998**	**8,905**

(iii) Movement in the carrying value of the Lease Liability

₹ in lakhs

Particulars	As on March 31, 2022	As on March 31, 2021
Opening Balance	8,905	12,042
Interest Expense	870	924
Lease Payments [Total Cash Outflow]	(5,411)	(4,914)
Short term rent concession	(112)	(630)
Additions during the year	7,041	1,504
Adjustment/Deletion	(295)	(21)
Closing Balance	**10,998**	**8,905**

(iv) Contractual Maturities of Lease liability outstanding

₹ in lakhs

Particulars	As on March 31, 2022	As on March 31, 2021
Less than one year	4,993	4,497
One to five Years	7,668	5,497
More than Five years	-	-
Total	**12,661**	**9,994**

(v) The following are the amount recognised in the Profit or Loss statement

₹ in lakhs

Particulars	For the year ended As on March 31, 2022	 As on March 31, 2021
Depreciation expense of right-of-use assets	4,426	4,542
Interest expense on lease liabilities	870	924
Expense relating to short-term leases (included in other expenses)	112	109
Expense relating to leases of low-value assets (included in other expenses)	-	-
Variable lease payments (included in other expenses)	-	-
Total amount recognised in profit or loss	**5,408**	**5,575**

Lease expenses relating to short term leases aggregated to ₹ 112 lakhs (₹ 109 lakhs - March 31, 2021) during the year ended March 31, 2022.

Lease liabilities are recognised at weighted average incremental borrowing rate ranging from 8% to 12%.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to the lease liabilities as and when they fall due.

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

The company has not defaulted in its lease obligations

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 49 DISCLOSURES TO BE MADE IN NOTES TO ACCOUNTS BY ORIGINATORS PURSUANT TO RBI DIRECTIONS,2021 DATED SEPTEMBER 24, 2021

₹ in lakhs

Sl. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1.	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	27	30
2.	Total amount of securitised assets as per books of the SPEs	3,67,247	4,63,916
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	32,096	31,857
	• Others (Second loss)	1,711	-
	• Others (PTC Investment)	24,169	29,996
4.	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations	-	-
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
5.	Sale consideration received for the securitised assets	8,66,123	9,64,026
	Gain/loss on sale on account of securitisation	Nil	Nil
6.	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	Nil	Nil
	First Loss Credit Facility – Bank Fixed Deposit	32,096	31,857
	Second Loss Credit Facility – Bank Fixed Deposit	1,711	-
7.	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	First Loss Credit Facility – Bank Fixed Deposit		
	(a) Amount paid (utilised)	6,523 (20.3%)	8,443 (23.9%)
	(b) Repayment received (replenishment)	6,506 (20.3%)	5,019 (14.2%)
	(c) Outstanding amount	17 (0.05%)	3,424 (9.7%)
8.	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	Vehicle loans - 1.4% Loan against Property - 0.6%	Vehicle loans - 1.4% Loan against Property - 0.7%
9.	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc		
	Vehicle Loans		
	No. of Additional / Top up loan	4,468	7,351
	Amount of Loan	8,824	12,146
	Loan Against Property		
	No. of Additional / Top up loan	1,054	1,313
	Amount of Loan	27,518	37,777
10.	Investor complaints		
	(a) Directly/Indirectly received and;	Nil	Nil
	(b) Complaints outstanding	Nil	Nil

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 50 A - ADDITIONAL DISCLOSURES UNDER SCHEDULE III DIVISION III

Part 1 - Ageing Analysis

A. Trade Receivables ageing schedule as on March 31, 2022

₹ in lakhs

Particulars	Outstanding for following periods from due date of transaction					
	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	3,193	53	-	-	-	3,246
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**3,193**	**53**	**-**	**-**	**-**	**3,246**

B. Trade Receivables ageing schedule as on March 31, 2021

₹ in lakhs

Particulars	Outstanding for following periods from due date of transaction					
	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	1,762	248	21	-	-	2,031
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**1,762**	**248**	**21**	**-**	**-**	**2,031**

C. Capital work in progress aging schedule for the year ended March 31, 2022

₹ in lakhs

Capital -work -in progress	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Projects in Progress	2,303	-	-	-	2,303
Projects Temporarily Suspended	-	-	-	-	-

Note:

The above amount pertains to one project which is expected to be completed by December 2022

D. Intangible assets under development aging schedule as on March 31, 2022

₹ in lakhs

Intangible assets under development	Amount in Intangible assets under development for a period of				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Projects in Progress	979	284	85	46	1,394
Projects Temporarily Suspended	-	-	-	-	-

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 50 A - ADDITIONAL DISCLOSURES UNDER SCHEDULE III DIVISION III (Contd.)

₹ in lakhs

Name of the Project	To be completed in			
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years
New Loan Origination system -VF -Gallop	926	-	-	-
Loan Origination system -Enhancements -Leap	73	-	-	-
Dealer Portal -Dealer plus	57	-	-	-
Dedupe system upgrade -Prime360	52	-	-	-
Procure to Pay System- BAZ	38	-	-	-
Analytical Tool for Business Decision Making -Analytics BDM	34	-	-	-
Other Projects	214	-	-	-
Total	**1,394**	-	-	-

E. Intangible assets under development aging schedule as on March 31, 2021

₹ in lakhs

Intangible assets under development	Amount in Intangible assets under development for a period of				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Projects in Progress	474	335	138	34	981
Projects Temporarily Suspended	-	-	-	-	-

₹ in lakhs

Name of the Project	To be completed in			
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years
New Loan Origination system -VF -Gallop	-	193	-	-
Loan Origination system -Enhancements -Leap	469	-	-	-
Dealer Portal -Dealer plus	-	57	-	-
Loan Management System - Finnone	-	159	-	-
Analytical Tool for Business Decision Making -Analytics BDM	-	30	-	-
Other Projects	73	-	-	-
Total	**542**	**439**	**-**	**-**

F. Trade Payables ageing schedule as on March 31, 2022

₹ in lakhs

Particulars	Outstanding for following periods from due date of Transaction				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	306	-	-	-	306
(ii) Others	7,964	20	-	-	7,984
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**8,270**	**20**	**-**	**-**	**8,290**

G. Trade Payables ageing schedule as on March 31, 2021

₹ in lakhs

Particulars	Outstanding for following periods from due date of Transaction				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	5,127	5	18	-	5,150
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	117	-	-	117
Total	**5,127**	**122**	**18**	**-**	**5,267**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 50 A - ADDITIONAL DISCLOSURES UNDER SCHEDULE III DIVISION III (Contd.)

Part - II - Other Disclosures
No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.
As per the inforamation available with the company, Company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period.
The Company being an non-banking finance company, as part of its normal business, grants loans and advances to its customers, other entities and persons ensuring adherence to all regulatory requirements. Further, the company has also borrowed funds from banks, financial institutions in compliance with regulatory requirements in the ordinary course of business
Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2022

Note : 50 - B DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007:

₹ in lakhs

Sl. No.	Particulars	Amount Outstanding As at March 31, 2022	Amount Overdue
	Liabilities:		
(1)	**Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:**		
(a)	Debentures		
	- Secured	10,52,995	-
	- Unsecured (other than falling within the meaning of public deposits)	2,54,389	-
	- Perpetual Debt Instrument	1,32,899	-
(b)	Deferred Credits		-
(c)	Term Loans	50,84,977	-
(d)	Inter-Corporate Loans and Borrowings	-	-
(e)	Commercial Paper	2,76,615	-
	Other Loans (Represents Working Capital Demand Loans and Cash Credit from Banks along with Interest Accrued but Not Due on above)	1,15,475	-

₹ in lakhs

Sl. No.	Particulars	Amount Outstanding As at March 31, 2021	Amount Overdue
	Liabilities:		
(1)	**Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:**		
(a)	Debentures		
	- Secured	9,34,263	-
	- Unsecured (other than falling within the meaning of public deposits)	2,70,086	-
	- Perpetual Debt Instrument	1,48,920	-
(b)	Deferred Credits		-
(c)	Term Loans	45,52,555	-
(d)	Inter-Corporate Loans and Borrowings	-	-
(e)	Commercial Paper	3,01,504	-
	Other Loans (Represents Working Capital Demand Loans & Cash Credit from Banks along with Interest Accrued but Not Due on above)	1,65,671	-

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 50 - B DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007: (Contd.)

₹ in lakhs

Sl. No.	Particulars	Amount Outstanding As at March 31, 2022	Amount Outstanding As at March 31, 2021
(2)	**Break-up of Loans and Advances including Bills Receivables [other than those included in (3) below]:**		
	(including interest accrued)		
(a)	Secured	21,04,825	16,80,011
(b)	Unsecured	1,32,005	37,084
(3)	**Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities**		
(i)	Lease Assets including Lease Rentals Accrued and Due:	-	-
(ii)	Stock on Hire including Hire Charges under Sundry Debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed assets	-	-
(iii)	Other Loans counting towards AFC Activities		
	(a) Loans where assets have been repossessed(Net)	-	-
	(b) Loans other than (a) above	51,78,092	48,66,838
(4)	**Break-up of Investments (net of provision for diminution in value):**		
	Current Investments:		
	I Quoted:		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities (Net of amortisation)	-	-
(v)	Others	-	-
II	**Unquoted:**		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities	-	-
	Long-term Investments:		
I	**Quoted:**		
(i)	Shares: (a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities (Net of amortisation)	-	-
(v)	Others	-	-
II	**Unquoted:**		
(i)	Shares:		
	(a) Equity (Net of Provision for Diminution in Value of Investment)	53,268	7,292
	(b) Preference		-
(ii)	Debentures and Bonds		-
(iii)	Units of Mutual Funds		-
(iv)	Government Securities	1,54,348	1,54,590
(v)	Others		
	- Investment in Pass Through Certificates		-
	- Investment property	13	13

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 50 - B DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007: (Contd.)

(5) Borrower Group-wise Classification of Assets Financed as in (2) and (3) above

₹ in lakhs

	Category	Amount (Net of provision for Non-performing assets)		
		Secured	Unsecured	Total
	As at March 31, 2022			
1.	Related Parties *			
	(a) Subsidiaries	-	450	450
	(b) Companies in the same Group	-	300	300
	(c) Other Related Parties	-	-	-
2.	Other than Related Parties	72,82,917	1,31,255	74,14,172
	Total	**72,82,917**	**1,32,005**	**74,14,922**
	As at March 31, 2021			
1.	Related Parties *			
	(a) Subsidiaries	-	340	340
	(b) Companies in the same Group	-	-	-
	(c) Other Related Parties	-	-	-
2.	Other than Related Parties	65,46,850	36,744	65,83,594
	Total	**65,46,850**	**37,084**	**65,83,934**

* Related Parties are as identified in Note 37 above.

(6) Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted) :

₹ in lakhs

	Category	Market value / Break - up Value or Fair Value or Net Asset Value	Book Value (Net of Provisioning)
	As at March 31, 2022		
1.	Related Parties *		
(a)	Subsidiaries	6,490	6,490
(b)	Joint Ventures	45,001	45,001
(c)	Companies in the Same Group		
(d)	Other Related Parties	1,775	1,775
2.	Other than Related Parties	1,42,667	1,54,350
	Total	**1,95,933**	**2,07,616**
	As at March 31, 2021		
1.	Related Parties *		
(a)	Subsidiaries	6,490	6,490
(b)	Companies in the Same Group	-	-
(c)	Other Related Parties	800	800
2.	Other than Related Parties	1,54,592	1,54,592
	Total	**1,61,882**	**1,61,882**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 50 - B DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007: (Contd.)

₹ in lakhs

(7) Other Information	Amount Outstanding as at March 31, 2022	March 31, 2021
(i) Gross Non-Performing Assets		
a) With Related Parties *	-	-
b) With Others	5,21,203	2,70,501
(ii) Net Non-Performing Assets		
a) With Related Parties *	-	-
b) With Others	3,62,979	1,50,752
(iii) Assets Acquired in Satisfaction of Debt		
a) With Related Parties *	-	-
b) With Others	-	-

* Related Parties are as identified in Note 37 above.

Note : 51. A. Disclosure Pursuant to Reserve Bank of India Notification RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014:

i. Capital Adequacy Ratio

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Tier I Capital	11,79,865	9,39,023
Tier II Capital	2,23,680	2,44,044
Total Capital	**14,03,545**	**11,83,067**
Total Risk Weighted Assets	71,53,663	61,93,249
Capital Ratios		
Tier I Capital as a Percentage of Total Risk Weighted Assets (%)	16.49%	15.16%
Tier II Capital as a Percentage of Total Risk Weighted Assets (%)	3.13%	3.94%
Total (%)	**19.62%**	**19.10%**
Amount of Subordinated Debt raised as Tier – II capital during the year	**35,000**	**-**
Amount raised by issue of Perpetual Debt instruments during the year	**19,500**	**14,500**

ii. Investments

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(1) **Value of Investments**		
(i) Gross Value of Investments		
(a) In India	2,07,744	1,62,024
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	(129)	(129)
(b) Outside India,	-	-
(iii) Net Value of Investments		
(a) In India	2,07,615	1,61,895
(b) Outside India.	-	-
(2) Movement of provisions held towards depreciation on investments.		
(i) Opening balance	129	129
(ii) Add: Provisions made during the year	-	-
(iii) Less: Reversal of provision during the year	-	-
(iv) Closing balance	129	129

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 51. A. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION RBI/2014-15/299 DNBR (PD) CC.NO.002/03.10.001/2014-15 DATED NOVEMBER 10, 2014:

iii. Asset Liability Management

Maturity pattern of certain items of assets and liabilities

As at March 31, 2022

₹ in lakhs

Particulars	1-7 days	8-14 days	15-30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 Years	Total
Liabilities											
Borrowing from Banks	(1,03,189)	(6,299)	(34,500)	(87,586)	(2,91,893)	(5,40,555)	(7,75,246)	(23,69,375)	(9,15,937)	(58,001)	**(51,82,581)**
Market Borrowings	(19)	(1,254)	(81,961)	(5,967)	(1,22,684)	(1,61,539)	(2,75,374)	(6,88,744)	(1,13,827)	(2,65,530)	**(17,16,899)**
Total	**(1,03,208)**	**(7,553)**	**(1,16,461)**	**(93,553)**	**(4,14,577)**	**(7,02,094)**	**(10,50,620)**	**(30,58,119)**	**(10,29,764)**	**(3,23,531)**	**(68,99,480)**
Assets											
Advances (Net of Provision for Non Performing Assets)	47,841	22,399	1,06,922	1,74,498	1,59,201	6,27,624	9,74,274	26,98,005	12,21,309	13,82,848	**74,14,921**
Investment (Net of Provision for Diminution in Value of Investments)	-				600	310				2,06,706	**2,07,616**
Total	**47,841**	**22,399**	**1,06,922**	**1,74,498**	**1,59,801**	**6,27,934**	**9,74,274**	**26,98,005**	**12,21,309**	**15,89,554**	**76,22,537**

As at March 31, 2021

₹ in lakhs

Particulars	1-7 days	8-14 days	15-30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 Years	Total
Liabilities											
Borrowing from Banks	49,041	6,295	81,993	90,975	1,83,820	6,78,690	5,98,952	22,75,340	6,52,340	94,795	**47,12,241**
Market Borrowings	-	62,676	50,363	1,37,029	1,65,477	1,09,063	1,82,136	5,85,067	1,49,388	2,13,575	**16,54,774**
Total	**49,041**	**68,971**	**1,32,356**	**2,28,004**	**3,49,297**	**7,87,753**	**7,81,088**	**28,60,407**	**8,01,728**	**3,08,370**	**63,67,015**
Assets											
Advances (Net of Provision for Non Performing Assets)	37,947	36,598	89,998	1,10,950	1,21,854	6,09,041	9,65,475	26,34,376	9,18,458	10,59,237	**65,83,934**
Investment (Net of Provision for Diminution in Value of Investments)	-	-	-	-	1,135	3,722	4,857	19,428	19,428	1,13,312	**1,61,882**
Total	**37,947**	**36,598**	**89,998**	**1,10,950**	**1,22,989**	**6,12,763**	**9,70,332**	**26,53,804**	**9,37,886**	**11,72,549**	**67,45,816**

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 51. A. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION RBI/2014-15/299 DNBR (PD) CC.NO.002/ 03.10.001/2014-15 DATED NOVEMBER 10, 2014: (Contd.)

iv. Exposure to the Real Estate Sector, both Direct and Indirect

₹ in lakhs

	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	**Direct Exposure** (Net of Advances from Customers)		
	(i) Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:		
	- individual housing loans upto ₹ 15 lakhs	5,06,860	3,11,572
	- individual housing loans more than ₹ 15 lakhs	13,74,527	12,96,770
	(ii) Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retails space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.).		
	- Fund Based	2,70,788	1,57,662
	- Non Fund based		
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
(b)	**Indirect Exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		
	Total Exposure	**21,52,175**	**17,66,004**

Note: The above summary is prepared based on the information available with the Company.

v. Exposure to the Capital Market

₹ in lakhs

	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	7,098	3,052
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds /convertible debentures / units of equity oriented mutual funds' does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stock brokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows/issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Pending Disbursements	1,151	4,802
	Total Exposure	**8,249**	**7,854**

vi. Other Regulator Registration

S. No.	Regulator	Registration no.
1	Ministry of Corporate Affairs	CIN: L65993TN1978PLC007576
2	Reserve Bank of India	Certificate of Registration dt. 09/06/2011 No. 07-00306

vii. Penalties levied by the above Regulators - Nil

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 51. A. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION RBI/2014-15/299 DNBR (PD) CC.NO.002/03.10.001 /2014-15 DATED NOVEMBER 10, 2014: (Contd.)

viii. Ratings assigned by Credit Rating Agencies

Particulars	As at March 31, 2022	As at March 31, 2021
Commercial paper & Non- convertible Debentures – Short Term	ICRA A1+,CRISIL A1+	ICRA A1+,CRISIL A1+
Working Capital Demand Loans	ICRA A1+	ICRA A1+
Cash Credit	ICRA AA+	ICRA AA+
Bank Term Loans	ICRA AA+	ICRA AA+
Non-Convertible Debentures – Long term	ICRA AA+, IND AA+	ICRA AA+, IND AA+
Subordinated Debt	ICRA AA+, CARE AA+, CRISIL AA+, IND AA+	ICRA AA+, CARE AA+, CRISIL AA+, IND AA+
Perpetual Debt	ICRA AA, CARE AA, IND AA	ICRA AA, CARE AA, IND AA

ix. Concentration of Advances

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Advances to twenty largest borrowers	35,883	37,166
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.47%	0.54%

x. Concentration of Exposures

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers/customers	35,906	37,802
Percentage of Exposures to twenty largest borrowers /Customers to Total Exposure of the NBFC on borrowers/customers.	0.47%	0.54%

xi. Concentration of NPAs

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top four NPA accounts	3,351	3,625

xii. Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector as on March 31, 2022	Percentage of NPAs to Total Advances in that sector as on March 31, 2021
1.	Agriculture & allied activities	-	-
2.	MSME	-	-
3.	Corporate borrowers	-	-
4.	Services	-	-
5.	Unsecured personal loans	0.12%	-
6.	Auto loans	6.65%	3.08%
7.	Other loans	7.39%	6.51%

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 51. A. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION RBI/2014-15/299 DNBR (PD) CC.NO.002/03.10.001/ 2014-15 DATED NOVEMBER 10, 2014: (Contd.)

xiii. Movement of NPAs

₹ in lakhs

	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Net NPAs to Net Advances(%)	4.85%	2.25%
(ii)	Movement of Gross NPA		
	(a) Opening balance	2,70,501	2,16,331
	(b) Additions during the year	4,33,575	1,49,369
	(c) Reductions during the year	1,82,873	95,199
	(d) Closing balance	5,21,203	2,70,501
(iii)	Movement of Net NPA		
	(a) Opening balance	1,50,752	1,26,501
	(b) Additions during the year	3,33,582	85,237
	(c) Reductions during the year	1,21,355	60,986
	(d) Closing balance	3,62,979	1,50,752
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1,19,749	89,829
	(b) Provisions made during the year	99,993	64,133
	(c) Write-off / write-back of excess provisions	61,519	34,213
	(d) Closing balance	1,58,224	1,19,749

xiv. Disclosure on Restructured Accounts

₹ in lakhs

Type of Restructuring	Asset classification details	Standard Advances	Sub-standard Advances	Doubtful Advances	Loss Advances
Restructured loans as on April 1, 2021	Number of borrowers	13,702	641	-	-
	Amount Outstanding	1,32,153	7,052	-	-
	Provision thereon	18,700	1,999	-	-
Fresh Restructured during the year	Number of borrowers	37,135	16,297	-	-
	Amount Outstanding	2,94,029	1,04,776	-	-
	Provision thereon	31,459	12,794	-	-
Upgradations to restructured category	Number of borrowers	10,477	-	-	-
	Amount Outstanding	55,363	-	-	-
	Provision thereon	5,534	-	-	-
Restructured loans ceases to attract higher provision or additional risk weight at the end of year	Number of borrowers	-	-	-	-
	Amount Outstanding	-	-	-	-
	Provision thereon	-	-	-	-
Downgrade of restructured accounts during the year	Number of borrowers	-	8,500	47	-
	Amount Outstanding	-	68,522	916	-
	Provision thereon	-	16,306	319	-
Write-off of restructured accounts during the year	Number of borrowers	3,647	1,442	-	-
	Amount Outstanding	29,568	9,455	-	-
	Provision thereon	3,866	1,360	-	-
Restructured loans as on March 31, 2022	Number of borrowers	38,912	13,388	19	-
	Amount Outstanding	2,84,343	98,224	240	-
	Provision thereon	29,230	23,727	114	-

Note: Includes accounts restructured under Covid resolution framework 1.0 and 2.0

xv. Customer Complaints

No. of Complaints

Particulars	March 31, 2022	March 31, 2021
(a) Pending as at beginning of the year	0	8
(b) Received during the year	812	1,169
(c) Redressed during the year	812	1,177
(d) Pending as at end of the year	0	0

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 52 DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR ENDED MARCH 31, 2021 VIDE DNBS. PD. CC NO. 256/ 03.10.042/ 2011-12 DATED MARCH 02, 2012

There were 107 cases (March 31, 2021 - 66 cases) of frauds amounting to₹ 780 lakhs (March 31, 2021 - ₹731 lakhs) reported during the year. The Company has recovered an amount of ₹112 lakhs (March 31, 2021 - ₹ 45 lakhs). The un-recovered amounts are either pending settlement with the insurance companies or have been fully provided/ written off.

Note : 53. DISCLOSURE OF COMPARISON OF PROVISION AS PER IRAC NORMS AND ECL PURSUANT TO RBI CIRCULAR, VIDE DNBS.PD.CC. NO.109/22.10.106/2019-20 DATED MARCH 13, 2020 FOR THE YEAR ENDED MARCH 31, 2022.

₹ in lakhs

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind As (2)	Loss allowance (provision) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	67,05,869	32,981	66,72,888	25,550	7,430
Substandard	Stage 1	25,830	1,307	24,523	2,358	(1,051)
Doubtful - upto 1 year	Stage 1	62	3	59	12	(8)
Standard	Stage 2	4,20,718	41,663	3,79,055	35,311	6,352
Substandard	Stage 2	1,60,404	24,226	1,36,178	14,949	9,277
Doubtful - upto 1 year	Stage 2	546	67	479	91	(24)
1 - 3 years	Stage 2	79	6	73	23	(17)
Non Performing Assets (NPA)						
Substandard	Stage 3	1,81,434	61,941	1,19,493	17,688	44,253
Doubtful - upto 1 year	Stage 3	71,542	30,037	41,505	12,839	17,198
1 - 3 years	Stage 3	54,274	23,462	30,812	13,117	10,345
More than 3 years	Stage 3	25,936	16,281	9,654	10,673	5,608
Loss	Stage 3	1,097	894	202	721	174
Subtotal for NPA		**3,34,282**	**1,32,615**	**2,01,666**	**55,038**	**77,578**
Other items such as guarantees, loan commitment etc., which are in the scope of Ind AS 109 but not covered under Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,48,588	120	1,48,469	-	120
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**1,48,588**	**120**	**1,48,469**	**-**	**120**
Total	Stage 1	68,80,349	34,410	68,45,939	27,920	6,491
	Stage 2	5,81,747	65,962	5,15,785	50,374	15,588
	Stage 3	3,34,282	1,32,615	2,01,667	55,038	77,577
	Total	**77,96,378**	**2,32,987**	**75,63,391**	**1,33,332**	**99,656**

1) As required by the RBI Notification dated March 13, 2020, the Company has complied with the requirements of Ind AS and the Guidelines and Policies approved by the Board in recognition of impairment of financial instruments. The overall impairment provision made under Ind AS is higher than the prudential floor (including the provision requirement specified in the notification referred to in Note 9) prescribed by RBI
2) Gross carrying amount as per Ind AS represents gross exposures inclusive of securitisation balances transferred by the Company but will not qualify for de-recognition and interest income on Stage III assets which will not form part of Provisions required as per IRACP norms

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 54. DISCLOSURE ON MORATORIUM – COVID 19 REGULATORY PACKAGE – ASSET CLASSIFICATION AND PROVISIONING FOR THE YEAR ENDED MARCH 31, 2022 IN PURSUANT TO THE NOTIFICATION VIDE: DOR.NO.BP.BC.63/21.04.048/2019-20 DATED APRIL 17, 2020.

₹ in lakhs

Particulars	March 31, 2022	March 31, 2021
Amount in SMA/overdue categories as of February 29, 2020	Nil	13,20,164
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 (as of February 29, 2020)	Nil	11,67,712
Respective amount where asset classification benefits is extended (net of accounts which have moved out of SMA/overdue category during the moratorium period)*	Nil	Nil
Provisions made during the period (As per para 4, Applicable to NBFC's covered under Ind AS)**	Nil	Nil
Provisions adjusted against slippages in terms of paragraph 6 of the circular	Nil	Nil
Residual provision	Nil	Nil

*there are nil accounts where asset classification benefit has been extended as on March 31, 2021. Post the moratorium period, the movement of aging has been at actuals.

** The above provision does not include management overlay provision of Rs 1,967 lakhs as of March 31, 2020.

Note : 55. DISCLOSURES PURSUANT TO RBI NOTIFICATION - RBL/2020-21116 DOR NO.BP.13C/3121 .C4,048/2020-21 DATED 6 AUGUST 2020 AND NOTIFICATION RBI/2021-2022/31 DATED MAY 5, 2021

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at March 31,2021 (A)	Of (A) aggregate debt that slipped during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at March 31,2022
Personal Loans	33,962	3,381	63	668	29,850
Corporate persons #	-	-	-	-	-
Of which MSME	-	-	-	-	-
Others*	4,43,096	71,664	10,449	1,10,439	2,50,544
Total	**4,77,058**	**75,045**	**10,512**	**1,11,107**	**2,80,394**

As defined in Section 3(7) of the Insolvency and Bankruptcy Code. 2016

* Others consists of Vehicle finance and loan against property

56.1 Liquidity Risk

Public disclosure on liquidity risk -March 31, 2022

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	No. of Significant Counterparties	Amount (₹ In Lakhs)	% of Total Deposits	% of Total Liabilities
1	15	47,94,629	NA	67.9%

(ii) Top 20 large deposits (% of total deposits)

Not Applicable

(iii) Top 10 borrowings (% of total borrowings)

Amount (₹ In Lakhs)	% of Total Borrowings
19,14,814	27.8%

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 56.1 LIQUIDITY RISK (Contd.)

(iv) Funding concentration based on significant instrument / product

Sr. No.	Name of the instrument / product	Amount (₹ In Lakhs)	%of Total Liabilities
1	Rupee Term Loans	44,55,020	63.0%
2	NCDs (including PDI & Sub Debt)	13,58,600	19.2%
3	CPs	2,80,000	4.0%
4	ECB Loans	3,40,956	4.8%
5	Securitisation	3,43,078	4.9%
6	FCNR (B) Loans	61,528	0.9%
7	Rupee Denominated Bonds	40,000	0.6%
	TOTAL	**68,79,182**	**97.4%**

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities and total assets :

Commercial Papers as a % of total public funds	4.1%
Commercial Papers as a % of total liabilities	4.0%
Commercial Papers as a % of total assets	3.4%

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets – **Not Applicable.** Non-convertible debentures of original maturity of less than one year have not been issued

(c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets :

Other Short-term liabilities as a % of total public funds	1.6%
Other Short-term liabilities as a % of total liabilities	1.5%
Other Short-term liabilities as a % of total assets	1.3%

(vi) Institutional set-up for liquidity risk management:

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required. The Company also has lines of credit that it can access to meet liquidity needs. These are reviewed by the Asset Liability Committee (ALCO) on a monthly basis. The ALCO provides strategic direction and guidance on liquidity risk management. A sub-committee of the ALCO, comprising members from the Treasury and Risk functions, monitor liquidity risks on a weekly basis and decisions are taken on the funding plan and levels of investible surplus, from the ALM perspective. This sets the boundaries for daily cash flow management.

Notes:

1) A "Significant Counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of total liabilities.
2) A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the total liabilities.
3) Total Borrowing has been computed as Gross Total Debt basis extant regulatory ALM guidelines.
4) Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.
5) Commercial Paper for stock ratio is the Gross outstanding (i.e. Maturity amount).
6) Other Short-term Liabilities represents liabilities other than borrowings which are payable within one year ,basis extant regulatory ALM guidelines.
7) Public Funds = Total Borrowings as computed above.

Refer Note No 47 for the summary of maturity profile of undiscounted cash flows of the Company's financial assets and financial liabilities as at reporting period.

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 56.2 LIQUIDITY COVERAGE RATIO

The Liquidity Coverage Ratio (LCR) is a key compliance requirement for a resilient and stable financial sector. Its objective is the promotion of short-term resilience of the liquidity risk profile of financial institutions by ensuring that it has sufficient High Quality Liquid Assets (HQLA) to survive a significant stress scenario lasting for one month. The Liquidity Coverage Ratio is expected to improve the financial sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spill over from the financial sector to the real economy.

Liquidity Management of the company is supervised by the Asset Liability Committee. The management is of the view that the company has in place robust processes to monitor and manage liquidity risks and sufficient liquidity cover to meet its likely future short-term requirements.

The company has a diversified mix of borrowings with respect to the source, type of instrument, tenor and nature of security. The Asset Liability Committee constantly reviews and monitors the funding mix and ensures the optimum mix of funds based on the cash flow requirements, market conditions and keeping the interest rate view in consideration. Additionally, the Company has lines of credit that it can access to meet liquidity needs.

These are reviewed by the Asset Liability Committee (ALCO) on a monthly basis. The Asset Liability Committee provides strategic direction and guidance on liquidity risk management. A sub-committee of the Asset Liability Committee, comprising members from the Treasury and Risk functions, monitor liquidity risks on a weekly basis and decisions are taken on the funding plan and levels of investible surplus, from the Asset Liability Management perspective. This sets the boundaries for daily cash flow management.

In line with RBI regulations, the cash outflows and inflows have been stressed by 115% and 75% of their respective original values for computing LCR. The key drivers on the inflow side are the expected collections from the performing assets of the company and on the outflow side the scheduled maturities. The High Quality Liquid Assets are entirely held in Government Securities which are classified as Level 1 assets with no haircut.

₹ in lakhs

Particulars	Q1 FY22-Avg	Q2 FY22-Avg	Q3 FY22-Avg	Q4 FY22-Avg
High Quality Liquid Assets	1,46,465	1,47,406	1,45,562	1,42,665
Cash Outflows:				
Deposits			-	-
Un-Secured wholesale funding	93,790	1,221	53,438	1,08,735
Secured wholesale funding	1,81,549	3,06,198	1,33,495	1,22,450
Additional Requirements, of which			-	-
(i) Outflows related to derivatives exposures and other collateral requirements.	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-
(iii) Credit and Liquidity facilities	-	-	-	-
Other Contractual funding obligations	1,95,986	1,79,867	2,19,233	2,46,561
Other Contingent funding obligations	12,731	13,231	13,773	14,685
Total Cash Outflows	**4,84,056**	**5,00,517**	**4,19,938**	**4,92,431**
Cash Inflows				
Secured Lending	-	-	-	-
Inflows from fully performing exposures	1,82,800	2,13,400	2,38,416	2,60,459
Other cash inflows	3,80,183	3,66,954	1,94,297	2,48,912
Total Cash Inflows	**5,62,983**	**5,80,354**	**4,32,713**	**5,09,371**
TOTAL HIGH QUALITY LIQUID ASSETS	1,46,465	1,47,406	1,45,562	1,42,665
TOTAL NET CASH FLOWS	1,21,014	1,25,129	1,04,985	1,23,108
LIQUIDITY COVERAGE RATIO (%)	**121%**	**118%**	**139%**	**116%**

The LCR has been consistently maintained above 100% through the year which is well over the regulatory threshold of 60%. The company has internal risk thresholds for LCR approved by the Risk Managing Committee which is higher than the regulatory requirement. The High Quality Liquid Assets (HQLA) as on March 31,2022 is held in the form of Government Securities to meet the LCR requirements

Notes forming part of the Standalone Financial Statements (Contd.)

For the year ended March 31, 2022

The company has maintained LCR well above the regulatory threshold of 60% throughout the financial year. All foreign currency borrowings are fully hedged at the time of drawn of each loan. Hence there is no risk to the company on account of derivatives or collateral calls thereof or mismatch in currency.

For **Price Waterhouse LLP**
Chartered Accountants
ICAI Firm Regn No.**301112E/ E300264**

A.J. Shaikh
Partner
Membership No. : 203637

For **Sundaram and Srinivasan**
Chartered Accountants
ICAI Firm Regn No. : **004207S**

S. Usha
Partner
Membership No. : 211785

Date : May 5, 2022
Place : Chennai

For and on behalf of the Board of directors

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Independent Auditor's Report

To the Members of Cholamandalam Investment and Finance Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Cholamandalam Investment and Finance Company Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint venture (refer Note 3A to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key Audit are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (Refer Note 11 of the consolidated financial statements) The loan balances towards vehicle finance, home loans, loans against property, and other loans aggregating to INR 76,47,339 lakhs and the associated impairment allowances aggregating to INR 2,32,868 lakhs are significant to the consolidated financial statements and involves judgement around the determination of the impairment allowance in line with the requirements of the Ind AS 109 "Financial Instruments". Impairment allowances represent management's estimate of the losses incurred within the loan portfolios at the balance sheet date and are inherently judgmental. Impairment, based on ECL model, is calculated using main variables, viz. 'Staging', 'Exposure At Default', 'Probability of Default' and 'Loss Given Default' as specified under Ind AS 109. Quantitative factors like days past due, behaviour of the portfolio, historical losses incurred on defaults and macro-economic data points identified by the Management's expert and qualitative factors like nature of the underlying loan, deterioration in credit quality, correlation of macro-economic variables to determine expected losses, uncertainty over realisability of security, judgement in relation to management overlays and related Reserve Bank of India (RBI) guidelines, to the extent applicable, etc. have been taken into account in the ECL computation.	The audit procedures performed by us to assess appropriateness of the impairment allowance based on ECL on loans included the following: • We understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the management over: i. the assumptions used in the calculation of ECL and its various aspects such as determination of Probability of Default, Loss Given Default, Exposure At Default, Staging of Loans, etc.; ii. the completeness and accuracy of source data used by the Management in the ECL computation; and iii. ECL computations for their reasonableness. • We, along with the assistance of the auditor's our expert, verified the appropriateness of methodology and models used by the Company and reasonableness of the assumptions used within the computation process to estimate the impairment provision. • We test-checked the completeness and accuracy of source data used. • We recomputed the impairment provision for a sample of loans across the loan portfolio to verify the arithmetical accuracy and compliance with the requirements of Ind AS 109.

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
Given the inherent judgmental nature and the complexity of model involved, we determined this to be a key audit matter.	• We evaluated the reasonableness of the judgement involved in management overlays that form part of the impairment provision, and the related approvals. We evaluated the adequacy of Presentation and disclosure in relation to impairment loss allowance in the consolidated financial statements.
Assessment of Direct tax and Indirect tax litigations and related disclosure of contingent liabilities (Refer to Note 40 of the consolidated Financial statements) As at March 31, 2022, the Company has exposure towards litigations relating to various tax matters as set out in the aforesaid Notes. Significant management judgement is required to assess matters relating to direct tax and indirect tax litigations, to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.	Our audit procedures included the following: • We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to direct and indirect tax laws and regulations ; • We inquired with management the recent developments and the status of the material litigations which were reviewed and noted by the Audit Committee; • We performed our assessment on a test check basis on the underlying calculations supporting the contingent liabilities related to litigations disclosed in the Consolidated Financial Statements; • We used auditor's expert to gain an understanding and to evaluate the disputed tax matters; • We considered external legal opinions, where relevant, obtained by management and examined by the auditor's expert; • We obtained the listings from the management and got it reconfirmed from management's consultants; • We evaluated the adequacy of presentation and disclosures in relation to litigations in the Consolidated Financial Statements.
Audit in an Information Technology (IT) enabled environment - including considerations on exceptions identified in IT Environment The IT environment of the entity involves a few independent and inter-dependent IT systems used in the operations of the entity for processing and recording of the business transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the entity. Appropriate IT general controls and IT application controls are required to ensure that such IT systems can process the data as required, completely, accurately, and consistently for reliable financial reporting.	Our audit procedures with respect to this matter included the following: In assessing the controls over the IT systems, we have involved our Technology Assurance specialists to obtain an understanding of the IT environment, IT infrastructure and IT systems. With respect to the "In-scope IT systems" identified as relevant to the audit of the financial statements and financial reporting process of the entity, we have evaluated and tested relevant IT general controls or relied upon service auditor's report, where applicable.
We have identified certain key IT applications and the related IT infrastructure (herein after referred to as "In-scope IT systems"), which have an impact on the financial reporting process and the related controls as a key audit matter because of the increased level of automation; a few systems being used by the entity for processing financial transactions; and the complexity of the IT architecture; and its impact on the financial records and financial reporting process of the entity.	On such "In-scope IT systems", we have covered the key IT general controls with respect to the following domains: • Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured. • User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privileged access to applications, operating system and databases in the production environment were granted only to authorized personnel. • Other areas that were assessed under IT control environment included backup management, business continuity and disaster recovery, incident management, batch processing and monitoring.

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
	We have also evaluated the design and tested the operating effectiveness of key IT application controls within key business process, which included testing automated calculations, automated accounting procedures, system interfaces, system reconciliation controls and key system generated reports, as applicable. Where control deficiencies have been identified, we have tested compensating controls or performed alternative audit procedures, where necessary.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report (Financial Highlights, Board's report, Management Discussion and Analysis and Report on Corporate Governance), but does not include the Consolidated financial statements and our auditor's report thereon.

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

   In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

   Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and jointly controlled entities/ joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

Independent Auditor's Report (Contd.)

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

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

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

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

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

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities/ joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities/ joint ventures to cease to continue as a going concern.

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

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities/ joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report (Contd.)

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

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. The consolidated financial statements of the Company for the year ended March 31, 2021, were audited by another firm of chartered accountants under the Act who, vide their report dated May 7 2021, expressed an unmodified opinion on those consolidated financial statements.

15. We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs 18,074.01 Lakhs as at March 31 2022, total revenue of ₹ 9,638.53 lakhs, profit after tax of ₹ 1,228.05 lakhs total comprehensive income (comprising of profit and other comprehensive income) of Rs 2,732 lakhs and net cash inflows amounting to Rs 838.54 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub- section (3) of Section 143 of the Act including report on Other Information insofar as it relates to these subsidiaries, is based solely on the reports of the other auditors.

16. The consolidated financial statements also include the Group's share of loss of ₹ 538 lakhs and total comprehensive income of ₹ (538) lakhs for the year ended March 31 2022 as considered in the consolidated financial statements, in respect of 3 associates and 1 joint venture respectively, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these joint venture and associates and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associates and joint venture, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

17. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

Independent Auditor’s Report (Contd.)

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

g) The managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act. (Section 197(16) is only with respect to remuneration paid to directors to its directors, not for the group as a whole)

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 Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associates and joint venture– Refer Note 40 to the consolidated financial statements.

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31 2022– Refer Note 9 and 11 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint venture

   iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Group, associates and joint venture incorporated in India during the year.

   iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds which are material either individually or in the aggregate have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 51 (Part II) to consolidated Financial statements)

   (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds which are material either individually or in the aggregate have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend

Independent Auditor's Report (Contd.)

or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 51 (Part II) to consolidated Financial statements)

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company, is in compliance with Section 123 of the Act.

19. The Group have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Sundaram and Srinivasan
Chartered Accountants
Firm Registration No. : 004207S

S. Usha
Partner
Membership No. : 211785
UDIN : 22211785AILFWS3979

Place : Chennai
Date : May 5, 2022

For Price Waterhouse LLP
Chartered Accountants
Firm Registration No. : 301112E /E300264

A. J. Shaikh
Partner
Membership No. : 203637
UDIN : 22203637AIKXXN7433

Place : Chennai
Date : May 5, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 18f of the Independent Auditor's Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the consolidated financial statements as at year ended March 31, 2022

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of Cholamandalam Investment and Finance Company Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and joint venture, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to 3 associates and joint venture incorporated in India namely Paytail commerce Private limited,Vishvakarma Payments Private Limited and White Data System India Private Limited (Associates) and Payswiff Technologies Private Limited (Joint venture) pursuant to MCA notification GSR 583(E) dated 13 June 2017

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated financial statements

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

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject

Annexure A to Independent Auditor's Report (Contd.)

Referred to in paragraph 18f of the Independent Auditor's Report of even date to the members of Cholamandalam Investment and Finance Company Limited on the consolidated financial statements as at year ended March 31, 2022

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to Consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Sundaram and Srinivasan
Chartered Accountants
Firm Registration No. : 004207S

S. Usha
Partner
Membership No. : 211785
UDIN : 22211785AILFWS3979

Place : Chennai
Date : May 5, 2022

For Price Waterhouse LLP
Chartered Accountants
Firm Registration No. : 301112E /E300264

A. J. Shaikh
Partner
Membership No. : 203637
UDIN : 22203637AIKXXN7433

Place : Chennai
Date : May 5, 2022

Consolidated Balance Sheet

As at March 31, 2022

₹ in lakhs

	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
Cash and cash equivalents	7	2,69,884	1,48,036
Bank balances other than cash and cash equivalents	8	1,60,300	3,79,941
Derivative financial instruments	9	18,653	4,587
Receivables	10		
i) Trade receivables		7,131	5,660
ii) Other receivables		8,964	4,211
Loans	11	74,14,471	65,83,934
Investments	12		
i) Associate		3,303	2,424
ii) Others		1,57,643	1,55,925
iii) Joint Venture	46	44,559	-
Other financial assets	13	33,522	56,804
		81,18,430	**73,41,522**
Non- Financial Assets			
Current tax assets		25,200	14,767
Deferred tax assets (Net)	14	67,491	76,897
Investment property	15	13	13
Property, plant and equipment	16	24,215	20,826
Capital Work in Progress		2,303	-
Intangible assets under development		1,432	991
Other intangible assets	17	1,632	1,920
Other non-financial assets	18	7,152	7,480
		1,29,438	**1,22,894**
TOTAL ASSETS		**82,47,868**	**74,64,416**
LIABILITIES AND EQUITY			
Financial Liabilities			
Derivative financial instruments	9	16,956	12,742
Payables			
(I) Trade payables			
i) Total outstanding dues of micro and small enterprises	36 & 51	306	-
ii) Total outstanding dues of creditors other than micro and small enterprises		12,453	9,859
(II) Other payables			
i) Total outstanding dues of micro and small enterprises		-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		72,000	54,278
Debt securities	19	13,32,110	12,35,767
Borrowings(Other than Debt securities)	20	52,00,452	47,18,226
Subordinated liabilities	21	3,84,788	4,19,006
Other financial liabilities	22	33,952	34,592
		70,53,017	**64,84,470**
Non-Financial Liabilities			
Current tax Liabilities		-	4,225
Deferred tax Liabilities (Net)		65	-
Provisions	23	11,968	11,045
Other non-financial liabilities	24	5,918	4,696
		17,951	**19,966**
Equity			
Equity share capital	25	16,428	16,407
Other equity	26	11,60,472	9,43,573
Total Equity		**11,76,900**	**9,59,980**
TOTAL LIABILITIES AND EQUITY		**82,47,868**	**74,64,416**

The accompanying notes are integral part of the Consolidated financial statements

This is the Consolidated Balance Sheet referred to in our report of even date

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Regn No. : 301112E/ E300264

A.J. Shaikh
Partner
Membership No. : 203637

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. : 004207S

S. Usha
Partner
Membership No. : 211785

For and on behalf of the Board of Directors

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Date : May 5, 2022
Place : Chennai

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

₹ in lakhs

	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Operations			
- Interest income	27A	9,56,735	9,22,477
- Fee & commission income	27B	47,254	26,939
- Net gain on fair value change on financial Instrument	27C	1,611	487
- Sale of services	27D	8,475	8,037
Total Revenue from operations (I)		**10,14,075**	**9,57,940**
Other income (II)	28	9,106	6,032
Total Income (III) = (I) + (II)		**10,23,181**	**9,63,972**
Expenses			
- Finance costs	29	4,29,766	4,57,554
- Impairment of financial instruments	30	88,034	1,37,805
- Employee benefits expense	31	95,720	79,101
- Depreciation and amortisation expense	15, 16 & 17	10,063	10,230
- Other expenses	32	1,08,838	74,492
Total Expenses (IV)		**7,32,421**	**7,59,182**
Profit before tax (V) = (III) - (IV)		**2,90,760**	**2,04,790**
Tax expense/(benefit)			
- Current tax			
- Pertaining to profit for the current period		69,452	75,320
- Adjustment of tax relating to earlier periods		68	392
- Deferred tax	14	5,351	(23,061)
Net tax expense (VI)		74,871	52,651
Profit for the period - A = (V) - (VI)		**2,15,889**	**1,52,139**
Share of loss from Associates (net of tax)		(96)	(53)
Share of loss from Joint Venture (net of tax)		(442)	-
Profit for the period		**2,15,351**	**1,52,086**
Other Comprehensive income:			
i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit obligations (net)		3	(133)
Income tax impact		(1)	33
Net (Loss) / gain on equity instruments designated at FVOCI for the year		1,647	558
Income tax impact		(141)	-
ii) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Cashflow Hedge Reserve		16,196	(4,521)
Income tax impact		(4,077)	1,138
Other comprehensive income/(loss) net of tax for the period (B)		**13,627**	**(2,925)**
Total Comprehensive Income net of tax (A) + (B)		**2,28,978**	**1,49,161**
Profit for the period attributable to :			
Equity holders of the Parent Company		2,15,351	1,52,086
Non-Controlling Interest		-	-
Other Comprehensive Income (net of tax) for the period attributable to :			
Equity holders of the Parent Company		13,627	(2,925)
Non-Controlling Interest		-	
Total Comprehensive Income for the period attributable to :			
Equity holders of the Parent Company		2,28,978	1,49,161
Non-Controlling Interest		-	
Earnings per equity share of ₹ 2 each	33		
Basic (₹)		26.24	18.55
Diluted (₹)		26.19	18.52

The accompanying notes are integral part of the Consolidated financial statements

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Regn No. : 301112E/ E300264

A.J. Shaikh
Partner
Membership No. : 203637

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. : 004207S

S. Usha
Partner
Membership No. : 211785

For and on behalf of the Board of Directors

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Date : May 5, 2022
Place : Chennai

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

₹ in lakhs

A) Equity Share Capital

Balance as on March 31, 2021	Changes in Equity Share capital due to prior period errors	Restated Balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance as on March 31, 2022
16,407	-	**16,407**	**21**	**16,428**

B) Other Equity

₹ in lakhs

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserve and Surplus											Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Money received against share warrants	Total
			Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained earnings	Statutory Reserve	Share Based Payments reserve	Debt instruments through Other Comprehensive Income	Equity instruments through other comprehensive income	Effective portion of cashflow hedge	Revaluation Surplus				
Balance as on March 31, 2021	-	-	**4**	**2,86,605**	**3,300**	**3,76,103**	**1,25,138**	**1,59,046**	**3,444**	-	**495**	**(10,562)**	-	-	-	-	**9,43,573**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the current reporting period	-	-	4	2,86,605	3,300	3,76,103	1,25,138	1,59,046	3,444	-	495	(10,562)	-	-	-	-	9,43,573
Remeasurement of defined benefit plans	-	-	-	-	-	-	2		-		-	-	-	-	-	-	2
Total comprehensive income for the period, net of income tax	-		-	-	-	-			-		1,506	12,119	-	-	-	-	13,625
Dividend including tax	-		-	-	-	-	(16,414)		-		-	-	-	-	-	-	(16,414)
Transfer to retained earnings							2,15,351						-	-	-	-	2,15,351
Changes during the period	-		-	2,287	-	-	-		2,048		-	-	-	-	-	-	4,335
Trasfer to Reserves from retained earnings during the period	-	-	-	-	-	1,00,000	(1,43,000)	43,000	-	-	-	-	-	-	-	-	-
Balance as on March 31, 2022	-	-	**4**	**2,88,892**	**3,300**	**4,76,103**	**1,81,077**	**2,02,046**	**5,492**	-	**2,001**	**1,557**	-	-	-	-	**11,60,472**

Consolidated Statement of Changes in Equity for the year ended March 31, 2022 (Contd.)

Previous reporting period

A) Equity Share Capital

₹ in lakhs

Balance as on March 31, 2020	Changes in Equity Share capital due to prior period errors	Restated Balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance as on March 31, 2021
16,398	0	**16,398**	**9**	**16,407**

B) Other Equity

₹ in lakhs

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserve and Surplus										Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Money received against share warrants	Total
			Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained earnings	Statutory Reserve	Share Based Payments reserve	Debt instruments through Other Comprehensive Income	Equity instruments through other comprehensive income	Effective portion of cashflow hedge					
Balance as on March 31, 2020	**10**	**-**	**4**	**2,85,678**	**3,300**	**3,00,967**	**89,808**	**1,28,046**	**3,017**	**-**	**(63)**	**(7,179)**	**-**	**-**	**-**	**-**	**8,03,588**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the current reporting period	10	-	4	2,85,678	3,300	3,00,967	89,808	1,28,046	3,017	-	(63)	(7,179)	-	-	-	-	8,03,588
Remeasurement of defined benefit plans	-	-	-	-	-	-	(100)		-		-	-	-	-	-	-	(100)
Total comprehensive income for the period, net of income tax	-		-	-	-	-	-		-		558	(3,383)	-	-	-	-	(2,825)
Dividend including tax	-		-	-	-	-	(10,656)		-		-	-	-	-	-	-	(10,656)
Transfer to retained earnings							1,52,086						-	-	-	-	1,52,086
Changes during the period	(10)		-	927	-	136	-		427		-	-	-	-	-	-	1,480
Transfer to Reserves from retained earnings during the period						75,000	(1,06,000)	31,000									
Balance as on March 31, 2021	**-**	**-**	**4**	**2,86,605**	**3,300**	**3,76,103**	**1,25,138**	**1,59,046**	**3,444**	**-**	**495**	**(10,562)**	**-**	**-**	**-**	**-**	**9,43,573**

This is the Consolidated Statement of Changes in Equity referred to in our report of even date

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Regn No. : 301112E/ E300264

A.J. Shaikh
Partner
Membership No. : 203637

Date : May 5, 2022
Place : Chennai

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. : 004207S

S. Usha
Partner
Membership No. : 211785

For and on behalf of the Board of Directors

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended March 31, 2022

₹ in lakhs

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
Cash Flow from Operating Activities				
Profit Before Tax		**2,90,760**		**2,04,790**
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortisation expense	10,063		10,230	
Impairment of financial instruments	87,994		1,32,211	
Finance Costs	4,29,766		4,57,554	
Loss on Sale of Property plant and equipment (Net)	7		54	
Net gain on fair value change in financial instruments	(1,611)		(487)	
Interest Income on bank deposits and other investments	(24,232)		(34,756)	
Dividend on Investments	(17)		(13)	
Income tax refund	(663)		(378)	
Short Term Rent Concessions	(112)		(630)	
Share based payment expense	2,048		564	
		5,03,243		5,64,349
Operating Profit Before Working Capital Changes		**7,94,003**		**7,69,139**
Adjustments for :-				
(Increase)/Decrease in operating Assets				
Loans	(9,18,531)		(11,76,572)	
Trade Receivables	(6,224)		(3,316)	
Other Financial Assets	23,282		(15,532)	
Other Non Financial Assets	328	(9,01,145)	(1,877)	(11,97,297)
Increase/(Decrease) in operating liabilities & Provisions				
Payables	20,625		16,332	
Other Financial liabilities	(2,424)		13,954	
Provisions	923		1,894	
Other NonFinancial liabilities	1,242	20,366	19	32,199
Cash Flow used in Operations		**(86,776)**		**(3,95,959)**
Finance Costs paid	(4,11,750)		(4,54,493)	
Dividend received	17		13	
Interest Received on Bank Deposits and Other Investments	26,085		35,543	
		(3,85,648)		(4,18,937)
		(4,72,424)		(8,14,896)
Income tax paid (Net of refunds)		(84,709)		(69,929)
Net Cash Used in Operating Activities (A)		**(5,57,133)**		**(8,84,825)**

Consolidated Cash Flow Statement (Contd.)

for the year ended March 31, 2022

₹ in lakhs

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment and Intangible Assets	(7,288)		(3,289)	
Capital Work in Progress	(2,303)		-	
Proceeds from Sale of Property, Plant and Equipment	192		150	
Investment in Bank Fixed Deposits (Net of withdrawals)	2,17,788		(17,388)	
Purchase of Mutual Funds Units	(42,11,289)		(17,68,421)	
Redemption of Mutual Funds Units	42,12,589		17,68,884	
Investment in Joint Venture and Associate	(45,976)		-	
Increase in investments (net)	241		(1,54,552)	
Net Cash Used in Investing Activities (B)		**1,63,954**		**(1,74,616)**
Cash Flow from Financing Activities				
Proceeds from issue of Share Capital (Including Securities Premium)		2,308		936
Payment of Lease liabilities		(5,470)		(5,026)
Proceeds from issue of debt securities	9,50,140		18,76,079	
Redemption of Debt securities	(8,43,426)		(13,75,181)	
Borrowing - Other than debt securities	25,20,631		48,33,850	
Repayment of borrowing - Other than debt securities	(20,59,969)		(44,29,191)	
Proceeds from issue of subordinated liabilities	54,500		14,500	
Repayment of subordinated liabilities	(87,270)		(34,650)	
		5,34,606		8,85,407
Dividends Paid		(16,417)		(10,655)
Net Cash Flow From Financing Activities (C)		**5,15,027**		**8,70,662**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		**1,21,848**		**(1,88,779)**
Cash and Cash Equivalents at the Beginning of the Year (Refer Note below)		1,48,036		3,36,815
Cash and Cash Equivalents at the End of the period (Refer Note Below)		2,69,884		1,48,036
Components of Cash and Cash Equivalents:				
Cash on hand		1,603		3,180
Balances with banks				
- In Current Accounts		11,700		1,38,985
- In Deposit Accounts - Original maturity 3 months or less		2,53,936		2,901
Cheques, drafts on hand		2,645		2,970
Total		**2,69,884**		**1,48,036**

This is the consolidated cash flow statement referred to in our report of even date

For Price Waterhouse LLP
Chartered Accountants
ICAI Firm Regn No. : 301112E/ E300264

A.J. Shaikh
Partner
Membership No. : 203637

Date : May 5, 2022
Place : Chennai

For Sundaram and Srinivasan
Chartered Accountants
ICAI Firm Regn No. : 004207S

S. Usha
Partner
Membership No. : 211785

For and on behalf of the Board of Directors

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Notes forming part of the Consolidated Financial Statements

For the year ended March 31, 2022

1. Corporate Information

Cholamandalam Investment and Finance Company Limited ("the Company") (CIN L65993TN1978PLC007576) is a public limited Company domiciled in India and the equity shares of the Company is listed on Bombay Stock Exchange and National Stock Exchange. The Company and its subsidiaries viz. Cholamandalam Securities Limited and Cholamandalam Home Finance Limited (together hereinafter referred to as "Group"). The Group is one of the premier diversified financial services companies in India, engaged in providing vehicle finance, home loans and Loan against property, business of broking and distribution of financial products.

The Consolidated financial statements are presented in INR which is also functional currency of the Group.

2.1 Basis of Consolidation

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The Consolidated financial statements have been prepared in accordance with Ind AS. The Consolidated financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, fair value through profit and loss (FVTPL) instruments, derivative financial instruments and certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments).

The Consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except when otherwise indicated.

The Consolidated financial statements comprise the financial statements of the Company, its subsidiaries (being the entity that it controls) and its Associates and Joint Venture as at March 31, 2022. Control is evidenced when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the Consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the Consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

3A Particulars of consolidation

The financial statements of the following subsidiaries/associates/joint venture (all incorporated in India) have been considered for consolidation:

Name of the Company	Percentage of Voting Power as on March 31, 2022	March 31, 2021
Cholamandalam Securities Limited (CSEC)	100.00%	100.00%
Cholamandalam Home Finance Limited (CHFL)	100.00%	100.00%
White Data Systems India Private Limited	30.87%	30.87%
Vishvakarma Payments Private Limited	21.00%	21.00%
Paytail Commerce Private Limited	16.29%	-
Payswiff Technologies Private Limited*	73.82%	-

* Even though, the Group holds 73.82% of the paid up equity capital of Payswiff Technologies Private Limited(Payswiff), however, in view of founder reserved matters and dispute resolution mechanism envisaged in the shareholder agreement executed between the group and founders of Payswiff, the group is considered to have joint control over the entity as per Ind AS 28 read with IND AS 110. Hence it is classified as investment in Joint venture

3B Investment in Associates/Joint Venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

A Joint venture is a joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group's investments in its associates & joint ventures are accounted for using the equity method. Under the equity method, the investment in associates & joint ventures is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associates & joint ventures since the acquisition date. Goodwill relating to the associates & joint ventures is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associates & joint ventures. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associates & joint ventures, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates & joint ventures.

If an entity's share of losses of an associates & joint ventures equal or exceeds its interest in the associates & joint ventures (which includes any long-term interest that, in substance, form part of the Group's net investment in the associates), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates. If the associates & joint ventures subsequently reports profits, the entity resumes recognising its share of those

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profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of associates & joint ventures is shown on the face of the statement of profit and loss.

The financial statements of the associates & joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates & joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates & joint ventures and its carrying value, and then recognises the impairment loss with respect to the Group's investment in associates & joint ventures.

Upon loss of significant influence over the associates, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associates upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

4. Presentation of financial statements

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

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

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

5. Significant accounting policies

5.1 Financial instruments – initial recognition

5.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, and borrowings are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Loans are recognised when fund transfers are initiated to the customers' account or cheques for disbursement have been prepared by the Group (as per the terms of the agreement with the borrowers). The Group recognises debt securities and borrowings when funds reach the Group.

5.1.2 Initial measurement of financial instruments

All financial instruments are recognised initially at fair value, including transaction costs that are attributable to the acquisition of financial instrument, except in the case of financial instruments which are FVTPL (Fair value through profit and loss), where the transaction costs are charged to the statement of profit and loss.

5.1.3 Measurement categories of financial assets and liabilities

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

- Amortised cost
- FVTPL
- FVOCI

5.1.4 Financial assets and liabilities

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

The Group measures financial assets at amortised cost if both of the following conditions are met:

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

The details of these conditions are outlined below.

5.1.4.1.1 Business model assessment

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

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The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

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

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

5.1.4.1.2 The SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial instruments to identify whether they meet the SPPI test.

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

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

5.1.5 Investment in Mutual funds

The Company recognises the investment on trade date and is classified and measured, at fair value through profit or loss. Any gain/losses on disposal or subsequent re-measurement is recognised in the statement of Profit and Loss.

5.1.6 Equity instruments

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

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

5.1.7 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Interest rate (EIR).

5.1.8 Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these commitments together with the corresponding ECLs are disclosed in notes.

5.1.9 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never

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reclassified. The Group did not reclassify any of its financial assets or liabilities during the reporting period.

5.2 Derecognition of financial assets and liabilities

5.2.1 Derecognition of financial asset

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty

If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

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

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset

  Or

- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset

  Or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on de-recognition of such financial asset previously carried under amortisation cost category. The resulting interest only strip initially is recognised at FVTPL.

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5.2.2 Financial liabilities

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

5.3 Impairment of financial assets

5.3.1 Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in these notes.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instrument.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans that has been credit-impaired are based on the following, for which it records an allowance for the LTECLs.

a) Contractual payments of either principal or interest are past due for more than 90 days;

b) The loan is considered to be in default by the management.

The calculation of ECLs

The Group calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The key elements of the ECL are summarised below:

PD:

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD:

The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

LGD:

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.

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These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitment:

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provision.

5.3.2 Forward looking information

The Group considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, unemployment rates etc., as considered relevant so as to determine the impact of macro-economic factors on the Group's ECL estimates.

The inputs and models used for calculating ECLs are recalibrated periodically through the use of available incremental and recent information. Further, internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

5.4 Collateral repossessed

In connection with recovery of outstanding dues from borrowers, the Group from time to time and in the normal course of business, resorts to regular repossession of collateral provided against vehicle loans and in certain cases, also exercises its right over property through legal procedures which include seizure of property (wherever applicable). Such assets repossessed are not used for the internal operations. As per the Group's accounting policy, repossessed assets are not recorded in the balance sheet, and instead their estimated realisable value is considered in determining the ECL allowance for the related Stage 3 financial assets.

5.5 Write-offs

Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument in the Consolidated statement of profit and loss.

5.6 Restructured, rescheduled and modified loans

The Group sometimes makes concessions or modifications to the original terms of loans such as changing the instalment value or changing the tenor of the loan, as a response to the borrower's request. The Group considers the modification of the loan only before the loans gets credit impaired.

When the loan has been renegotiated or modified but not derecognised, the Group also reassesses whether there has been a significant increase in credit risk. The Group also considers whether the assets should be classified as Stage 3. Once an asset has been classified as restructured, it will remain restructured for a period of year from the date on which it has been restructured.

Loans which have been renegotiated or modified in accordance with RBI Notifications - RBI/2020-21/16 DOR. No.BP.BC/3/21.04.048/2020-21- Resolution Framework for COVID-19 related Stress and RBI/2020-21/17 DOR. No.BP.BC/4/21.04.048/2020-21- Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances have been classified as Stage 2 due to significant increase in credit risk.

5.7 Derivative and Hedge accounting

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in profit or loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

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The Group makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve).

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the profit and loss statement.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time re-mains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

5.8 Recognition of interest income

5.8.1 The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost. The EIR is the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Interest Income

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account the fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the life of the loan. For credit-impaired financial assets interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

5.9 Taxes

5.9.1 Current Tax

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

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

5.9.2 Deferred Tax

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

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

5.9.3 Minimum Alternative Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

5.10 Investment Property

Investment property represents property held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on building classified as investment property has been provided on the straight-line method over a period of 60 years based on the Group's estimate of their useful lives taking into consideration technical factors, which is the same as the period prescribed in Sch II to the Companies Act 2013.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

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5.11 Property, plant and equipment

Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is similar to those provided under Schedule II. Land is not depreciated.

Useful life of assets which is same as those prescribed as per Schedule II of the Companies Act, 2013:

Asset Description	Estimated Useful Life
Buildings	60 years
Computer Equipment	3 years
Other Equipment	5 years
Leasehold improvements	Lease Period or 5 years, whichever is lower

Useful life of assets based on Management's estimation and which are different from those specified in schedule II:

Asset Description	Estimated Useful Life
Furniture and Fixtures*	5 years
Vehicles*	5 years
Membership card of stock exchanges	10 years

*The Group, based on technical assessment made by technical expert and management estimate, depreciates Furniture & Fixtures and vehicles over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets individually costing less than or equal to ₹ 5,000 are fully depreciated in the year of acquisition.

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

5.12 Intangible assets

The Group's other intangible assets mainly include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group. Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight line basis over a 3 year period or the license period whichever is lower. The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

5.13 Impairment of non–financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

5.14 Employee benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as employee benefit obligations in the balance sheet.

ii) Post-employment obligation.

The company operates the following post-employment schemes:

(a) defined contribution plans such as provident fund

(b) defined benefit plans such as gratuity, pension, post-employment medical plans

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

Employees' State Insurance: The Group contributes to Employees State Insurance Scheme and recognizes such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

Superannuation: The Group contributes a sum equivalent to 15% of eligible employees' salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India ("LIC"). The Group has no liability for future Superannuation Fund benefits other than its contribution and recognizes such contributions as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

The Group makes contribution to a Gratuity Fund administered by trustees and managed by LIC. The Group accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year by an independent actuary using the Projected Unit Credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability

Notes forming part of the Consolidated Financial Statements (Contd.)

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and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

5.15 Share Based Payments

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Group are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Group and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or Credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

5.16 Provisions

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

5.16.1 Provision for Claw Back of Commission Income

The estimated liability for claw back of commission income is recorded in the period in which the underlying revenue is recognised. These estimates are established using historical information on the nature, frequency and expected average cost of claw back and management estimates regarding possible future incidence. The estimates used for accounting of claw back claims are reviewed periodically and revisions are made as required.

5.17 Dividends on ordinary shares

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013 in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

5.18 Determination of Fair value

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

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

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

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments –** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments –** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.
- **Level 3 financial instruments –** Those that include one or more unobservable input that is significant to the measurement as whole.

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

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

5.19 Recognition of Income

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

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

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

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

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

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

5.19.1 Interest on overdue balances and Other Charges

Overdue interest in respect of loans is recognised upon realisation.

5.19.2 Fee Income & Sale of Services

a) Fee income from loans are recognised upon satisfaction of following:

   i) Completion of service

   ii) and realisation of the fee income.

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For the year ended March 31, 2022

b) Servicing and collections fees on assignment are recognised upon completion of service.

c) Advertising income is recognised over the contract period as and when related services are rendered.

d) Revenue from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed). These include brokerage fees which is charged per transaction executed.

5.19.3 Contract Balances

Contract assets

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

Contract liabilities

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

5.20 Dividend Income

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

5.21 Input Tax credit (Goods and Service Tax)

Input Tax Credit is accounted for in the books in the period when the underlying service / supply received is accounted to the extent permitted as per the applicable regulatory laws and when there is no uncertainty in availing / utilising the same. The ineligible input credit is charged off to the respective expense or capitalised as part of asset cost as applicable.

5.22 Foreign Currency transaction

The Group's financial statements are presented in Indian Rupees (INR) which is also the Group's functional currency.

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

5.23 Earnings Per Share

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

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

5.24 Segment Information

The accounting policies adopted for Segment reporting are in line with the accounting policies of the Group with the following additional policies:

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the Segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

Assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Assets and liabilities, which relate to the

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enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Un-allocable".

5.25 Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

5.26 Cash Flow Statement

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

For the purpose of the Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts as they are considered an integral part of cash management of the Group.

5.27 Leases

The Group's lease asset consists of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-Use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term. Right to use assets are evaluated for recoverability whenever events or changes in the circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right to use asset if the Group changes its assessment if the whether it will exercise an extension or a termination option.

ROU asset has been presented under Property, plant and equipment while lease liability is presented under Other Financial Liabilities in the Balance Sheet. Lease payments made by the Group are classified as financing cash flows.

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

5.28 Trade receivable

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

6A. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and

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estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future period.

In the process of applying the Group's accounting policies, management has made the following judgements/ estimates, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

i) De-recognition of Financial instruments

The Group enters into securitisation transactions where financial assets are transferred to a structured entity for a consideration. The financial assets transferred qualify for derecognition only when substantial risk and rewards are transferred.

This assessment includes judgements reflecting all relevant evidence including the past performance of the assets transferred and credit risk that the Group has been exposed to. Based on this assessment, the Group believes that the credit enhancement provided pursuant to the transfer of financial assets under securitisation are higher than the loss incurred on the similar portfolios of the Group hence it has been concluded that securitisation transactions entered by the Group does not qualify de-recognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

ii) Fair value of financial instruments

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

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting estimates include:

- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of temporary adjustments as qualitative adjustment or overlays based on broad range of forward looking information as economic inputs

The Group has considered the impact of COVID-19 pandemic and the moratorium given to borrowers pursuant to the COVID-19 regulatory package announced by Reserve Bank of India, in determination of impairment allowance for the year. Also refer note 2.3.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

iv) Leases

a. Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

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b. Estimating the incremental borrowing rate

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

v) Provisions and other contingent liabilities

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

vi) Business Model Assessment

The Group from time to time enters into direct bilateral assignment deals, which qualify for de-recognition under Ind AS 109. Accordingly, the assessment of the business model for managing its financial assets its financial assets becomes a critical judgement.

Further, the Group also made an investment in the Government securities in order to comply the liquidity ratio compliance as required by RBI pursuant to its master directions. The Group intends to hold these assets till maturity expects that any sale if any necessitated by requirements are likely to be infrequent and immaterial. Accordingly the related assessment becomes a critical judgement to determine the business model for such financial assets under Ind AS.

Refer Note 5.1.4.1.1 for related details.

6B. Amendments to Ind AS 116: COVID-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no significant impact on the Consolidated financial statements of the Group.

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For the year ended March 31, 2022

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 7 CASH AND CASH EQUIVALENTS		
Cash on hand	1,603	3,180
Balances with banks		
- In Current Accounts	11,700	1,38,985
- In Deposit Accounts - Original maturity 3 months or less	2,53,936	2,901
Cheques, drafts on hand	2,645	2,970
Total	**2,69,884**	**1,48,036**

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 8 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
- In Deposit Accounts - Original maturity more than 3 months	1,08,302	2,78,758
- Non current bank balances	4,080	1,538
- In earmarked accounts		
- Margin account for borrowings	13,913	10,585
- In Unpaid Dividend Accounts	71	74
- Deposits with Banks as collateral towards securitisation loan	33,907	31,978
- Deposits with Banks as collateral towards Overdraft facility (Refer Note 20)	-	57,000
- Escrow account on unclaimed debentures	19	-
- Other deposit Account on amalgamation of Cholamandalam Factoring Limited	8	8
Total	**1,60,300**	**3,79,941**

₹ in lakhs

Particulars	As at 31st March 2022			As at 31st March 2021		
	Notional amounts	Fair Value -Assets	Fair Value -Liabilites	Notional amounts	Fair Value -Assets	Fair Value -Liabilites
Note : 9 DERIVATIVE FINANCIAL INSTRUMENTS						
Part I						
(i) Other derivatives - Cross Currency Interest Rate Swap	1,89,723	10,809	-	2,34,373	2,634	914
(ii) Overnight Index Swaps	-	-	282	-	-	-
(iii) Forward Contracts	1,94,890	7,844	16,674	1,40,286	1,953	11,828
Total Derivative financial Instruments	**3,84,613**	**18,653**	**16,956**	**3,74,659**	**4,587**	**12,742**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Cash flow hedging:						
Others - Cross currency interest rate swap	1,89,723	10,809	-	2,34,373	2,634	914
(ii) Overnight Index Swaps	-	-	282	-	-	-
(iii) Forward Contracts	1,94,890	7,844	16,674	1,40,286	1,953	11,828
Total Derivative financial Instruments	**3,84,613**	**18,653**	**16,956**	**3,74,659**	**4,587**	**12,742**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 9 DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

The Group has a Board approved policy for entering into derivative transactions. Derivative transaction represents Currency, Interest Rate Swaps and forward contracts . The Group undertakes such transactions for hedging interest/foreign exchange risk on borrowings. The Asset Liability Management Committee and Business Committee periodically monitors and reviews the risks involved.

The notional amount for interest rate swap represents the foreign currency borrowing on which Company has entered to hedge the variable interest rate.

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 10 RECEIVABLES		
(i) Trade Receivables		
Secured - Considered good*	3,189	3,033
Unsecured - Considered good	3,944	2,628
	7,133	5,661
Provision for Impairment on receivables	(2)	(1)
	7,131	**5,660**
Trade Receivables credit impaired	48	44
Provision for Impairment on receivables	(48)	(44)
Total Trade receivables		
Considered good	7,133	5,661
Trade Receivables credit impaired	48	44
Total	**7,181**	**5,705**
Provision for Impairment on receivables	(50)	(45)
Subtotal (i)	**7,131**	**5,660**
(ii) Other Receivables		
Considered Good*	8,964	4,211
Subtotal (ii)	**8,964**	**4,211**
Total (i)+(ii)	**16,095**	**9,871**

*Includes dues from related parties (Refer Note 39) and Refer Note 51 – Part 1 for ageing

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 11 LOANS (At amortised cost)		
(A)		
(i) Bills Discounted	37,099	13,417
(ii) Term loans	76,10,240	68,14,958
Total (A) - Gross	**76,47,339**	**68,28,375**
Less: Impairment Allowance for (i) & (ii)	(2,32,868)	(2,44,441)
Total (A) - Net	**74,14,471**	**65,83,934**
(B)		
(i) Secured	75,08,101	67,85,357
(ii) Unsecured	1,39,238	43,018
Total (B) - Gross	**76,47,339**	**68,28,375**
Less: Impairment Allowance	(2,32,868)	(2,44,441)
Total (B) - Net	**74,14,471**	**65,83,934**

All loans are in India and have been granted to individuals or entities other than public sector.

The Company has not granted loans and advances in the nature of loans to Promoters, Directors , Key Managerial Personnel or related parties u/s2 (76) either repayable on demand or without specifying terms/period. Refer related party disclosure (Note 39)

Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and / or pledge of securities and / or equitable mortgage of property and / or advances generated out of loans and / or equipments and including undertaking to create a security.

Term loans includes unsecured short term loan to an associate. The loans have been classified under Stage 1 Category at the various reporting periods and related impairment provision as per the Group's accounting policy has been created. The details of the same are disclosed below:

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 11 LOANS (At amortised cost) (Contd.)

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Loan - Oustanding Value		
White Data System India Private Limited - Associate	300	340
Impairment Provision		
White Data System India Private Limited - Associate*	0	0

* Represents amount less than ₹ 50,000

Note : 11.1 LOANS

An analysis of changes in the gross carrying amount and corresponding ECL allowances in relations to loans

₹ in lakhs

	Gross Carrying amount				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Bills discounted								
Opening as on April 1, 2021	9,678	-	3,739	13,417	57	-	3,434	3,491
New assets originated	33,290	39	-	33,329	270	4	-	274
Exposure de-recognised /Matured/Repaid	(9,332)	-	(315)	(9,647)	(75)	-	(221)	(296)
Transfer to Stage 1	71	-	(71)	-	21	-	(21)	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	(416)	-	416	-	(2)	-	2	-
Impact on account of exposures transferred during the period between stages	-	-	-	-	-	-	118	118
Impact of changes on items within the same stage	-	-	-	-	-	-	166	166
Closing as on March 31, 2022	**33,291**	**39**	**3,769**	**37,099**	**271**	**4**	**3,478**	**3,753**
Term loans								
Opening as on April 1, 2021	61,25,086	4,23,110	2,66,762	68,14,958	53,673	70,963	1,16,315	2,40,951
New assets originated	32,21,107	13,708	8,464	32,43,729	16,917	1,359	1,182	19,458
Exposure de-recognised / matured / repaid	(20,99,167)	(2,16,387)	(78,580)	(23,94,134)	(36,643)	(26,255)	(15,211)	(78,109)
Transfer to Stage 1	50,781	(39,278)	(11,503)	-	10,106	(6,801)	(3,305)	-
Transfer to Stage 2	(4,77,609)	4,83,290	(5,681)	-	(7,437)	9,024	(1,587)	-
Transfer to Stage 3	(1,11,057)	(70,302)	1,81,359	-	(2,181)	(12,310)	14,491	-
Impact on account of exposures transferred during the period between stages	117	4,888	7,706	12,711	-	38,427	44,058	82,485
Impact of changes on items within the same stage	19,839	3,205	9,930	32,974	1,311	218	11,617	13,146
Write off*	(31,077)	(20,526)	(47,945)	(99,548)	(1,726)	(8,667)	(38,423)	(48,816)
Closing as on March 31, 2022	**66,98,020**	**5,81,708**	**3,30,512**	**76,10,240**	**34,020**	**65,958**	**1,29,137**	**2,29,115**
Bills Discounted								
Opening as on April 1, 2020	5,142	42	3,414	8,598	31	4	3,173	3,208
New assets originated	9,678	-	430	10,108	57	-	125	182
Exposure de-recongnised / Recovery from Active Loans	(5,142)	-	(147)	(5,289)	(31)	-	(103)	(134)
Recovery from Matured Loans		-		-		-		-
Transfer to Stage 3	-	(42)	42	-	-	(4)	4	-
Impact on account of exposures transferred during the year between stages (net)	-	-	-	-	-	-	38	38
Impact of changes on items within the same stage (net)	-	-	-	-	-	-	197	197
Closing as on March 31, 2021	**9,678**	**-**	**3,739**	**13,417**	**57**	**-**	**3,434**	**3,491**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 11.1 LOANS (Contd.)

₹ in lakhs

	Gross Carrying amount				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Term loans								
Opening as on April 1, 2020	52,69,032	2,02,024	2,12,916	56,83,972	39,091	23,342	86,656	1,49,089
New assets originated	24,24,901	15,298	7,604	24,47,803	37,558	6,175	2,704	46,437
Exposure de-recongnised / Recovery from Active Loans	(11,85,960)	(58,822)	(47,464)	(12,92,246)	(20,161)	(4,487)	(8,028)	(32,676)
Recovery from Matured Loans				-				-
Transfer to Stage 1	65,509	(56,814)	(8,695)	-	8,889	(6,055)	(2,834)	-
Transfer to Stage 2	(3,52,885)	3,59,980	(7,095)	-	(8,308)	10,745	(2,437)	-
Transfer to Stage 3	(81,332)	(43,717)	1,25,049	-	(2,120)	(5,357)	7,477	-
Impact on account of exposures transferred during the year between stages	139	10,451	7,862	18,452	112	48,112	34,511	82,735
Impact of changes on items within the same stage	-	-	8,382	8,382	-	-	19,077	19,077
Write off	(14,318)	(5,290)	(31,797)	(51,405)	(1,388)	(1,512)	(20,811)	(23,711)
Closing as on March 31, 2021	**61,25,086**	**4,23,110**	**2,66,762**	**68,14,958**	**53,673**	**70,963**	**1,16,315**	**2,40,951**

ECL across stages have been computed on collective basis.
The Group uses Days past due of the customer to determine the credit quality of loans
*Total write off includes Loss on disposal of repossessed vehicles - ₹ 60,124 Lakhs for the year ended March 31, 2022 (₹ 27,211 lakhs - March 31, 2021)

Note : 11.2 Overdue greater than 90 days as on March 31, 2022

No. of cases	Principal outstanding as at March 31, 2022	Overdue Instalments*
87,914	2,03,229	1,44,889

*Overdue instalments includes principal amount overdue and interest overdue

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 12 INVESTMENTS		
Investment in Equity Instruments*		
**a) Unquoted - FVOCI ** **		
Amaravathi Sri Venkatesa Paper Mills Limited 2,93,272 Equity shares of ₹ 10 each fully paid up#	-	-
Saraswat Co-operative Bank Limited 1,000 Equity shares of ₹ 10 each fully paid up#	-	-
The Shamrao Vithal Co-operative Bank Limited 1,000 Equity shares of ₹ 25 each fully paid up#	-	-
Chennai Willingdon Corporate Foundation 5 shares of ₹ 10 each: cost ₹ 50 only#	-	-
Chola Insurance Services Private Ltd. 19,133 Equity shares of ₹10 each fully paid up	2	2
Madras Enterprises Private Limited 30,286 equity shares of ₹10 each fully paid up March 31, 2021 - Nil Shares	5	-
MSE Financial Ltd 4,10,400 Equity shares of ₹ 1 each fully paid up March 31, 2021 - 2,85,000 Equity Shares#	4	-

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 12 INVESTMENTS (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
b) Quoted - FVOCI		
Bombay Stock Exchange Limited 1,95,000 Equity shares of ₹ 2 each fully paid up March31, 2021- 65000 Equity Shares	1,841	371
Coromandel Engineering Co. Ltd 25,00,100 Equity shares of ₹ 10 each fully paid up	843	675
c) Unquoted - FVTPL		
Faering Capital India Evolving Fund 21,662 units of ₹10 each fully paid up	600	288
d) Investment in Government Securities - amortised cost (Issued by Government of India)	1,54,348	1,54,589
Total	**1,57,643**	**1,55,925**

*Investments are made in India

** The Group has designated certain unquoted investments as FVOCI on the basis that these are not held for trading.

represents amount less than ₹ 1 lakh.

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 13 OTHER FINANCIAL ASSET		
At amortised cost		
Unsecured - considered good (unless otherwise stated)		
Security deposits	3,864	5,397
Interest only strip receivable	28,937	41,406
COVID Ex-gratia Claim Receivable	-	9,647
Other advances	721	354
Total	**33,522**	**56,804**

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 14 DEFERRED TAX		
Deferred Tax Assets		
Impairment allowance for financial instruments	57,501	61,471
Provision for Contingencies and undrawn commitments	1,025	1,132
Provision for Compensated Absences and Gratuity	2,144	1,812
Impact of Effective interest rate adjustment on Financial Assets	4,583	6,281
Difference in depreciation as per Books of Accounts and Income Tax Act, 1961	1,626	1,604
Carry forward of tax losses	65	-
MAT credit entitlement	310	26
Items recognised in OCI		3,933
Others	706	899
(A)	**67,960**	**77,158**
Deferred Tax Liability		
Impact of Effective interest rate adjustment on Financial Liabilities	163	261
Fair Valuation of Investment	224	-
Items recognised in OCI	147	-
(B)	**534**	**261**
Net Deferred Tax Assets (A) - (B)	**67,426**	**76,897**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 14 DEFERRED TAX (Contd.)

₹ in lakhs

Particulars	Year ended March 31, 2022 Income Statement	Year ended March 31, 2022 OCI	Year ended March 31, 2021 Income Statement	Year ended March 31, 2021 OCI
Deferred Tax Assets				
Impairment allowance for financial instruments	3,970	-	(23,730)	-
Provision for Contingencies and undrawn commitments	107	-	(128)	-
Provision for Claw back	-	-	1	-
Provision for Compensated Absences and Gratuity	(332)	-	(499)	-
Impact of Effective interest rate adjustment on Financial Assets	1,698	-	1,534	-
Contract liability as per IND AS 115	-	-	-	-
Difference in depreciation as per Books of Accounts and Income Tax Act, 1961	(22)	-	(636)	-
Carry forward of tax losses and MAT entitlement credit	(389)	-	439	-
Others	193	-	121	-
(A)	**5,225**	**-**	**(22,898)**	**-**
Deferred Tax Liability				
Impact of Effective interest rate adjustment on Financial Liabilities	98	-	163	-
Fair Valuation of Investment	(224)	-	-	-
Re-measurement gains / (losses) on defined benefit plans (Net)	-	(1)	-	33
Cashflow Hedge Reserve	-	(4,077)	-	1,138
(B)	**(126)**	**(4,219)**	**163**	**1,171**
Net deferred tax charge / (reversal) (A) - (B)	**5,351**	**4,219**	**(23,061)**	**(1,171)**

₹ in lakhs

Particulars	Total
Note : 15 INVESTMENT PROPERTIES	
Gross carrying amount as at April 1, 2020	**14**
Additions	-
Disposals	-
Gross carrying amount as at March 31, 2021	**14**
Additions	-
Disposals	-
Gross carrying amount as at March 31, 2022	**14**
Accumulated depreciation and impairment	
Balance as at April 1, 2021	**-**
Depreciation for the year	1
Depreciation on disposals	
Balance as at March 31, 2021**	**1**
Depreciation for the period	-
Depreciation on disposals	-
Balance as at March 31, 2022**	**1**
Net Carrying amount	
As at March 31, 2021	**13**
As at March 31, 2022	**13**
Useful Life of the asset (In Years)	**60**
Method of depreciation	Straight line method

The Group's investment property consists of 4 properties and has let out one property as at March 31, 2022

** represents amount less than ₹ 1,00,000

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 15 INVESTMENT PROPERTIES (Contd.)

i) Income earned and expense incurred in connection with Investment Property

₹ in lakhs

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Rental Income	5	4
Direct Operating expense from property that generated rental income	1	1
Direct Operating expense from property that did not generated rental income	-	-

ii) Contractual obligations

There are no contractual obligations to purchase, construct or develop investment property.

iii) Leasing Arrangements

Certain investment properties are leased out to tenants under cancellable operating lease.

iv) Fair Value

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Investment Property	309	304

v) Sensitivity analysis

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted avg)	Sensitivity of the input to fair value	Fair value (₹ in lakhs)	Sensitivity (₹ in lakhs)
Investment property As at March 31 2022	Professional valuer	Price per Sq. feet	₹7,000 - ₹13,000 per Sq. feet	5%	309	15
Investment property As at March 31 2021	Professional valuer	Price per Sq. feet	₹7,000 - ₹13,000 per Sq. feet	5%	304	15

vi) The Title Deeds of the Immovable Properties mentioned above are in the name of the company

₹ in lakhs

Note : 16 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Computer Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicles	Buildings (Refer Note below) Own Assets	Buildings (Refer Note below) Right of Use Asset	Total
Gross carrying amount as at April 1, 2020	**3,956**	**8,391**	**2,848**	**2,463**	**5,041**	**1,986**	**2,305**	**15,289**	**42,279**
Additions	-	1,447	169	81	142	218	-	1,563	3,620
Disposals	-	25	24	6	14	408	-	37	514
Gross carrying amount as at March 31, 2021	**3,956**	**9,813**	**2,993**	**2,538**	**5,169**	**1,796**	**2,305**	**16,815**	**45,385**
Additions	-	3,846	264	208	348	1,017	-	7,041	12,724
Disposals	-	552	39	10	16	560	-	693	1,870
Gross carrying amount as at March 31, 2022	**3,956**	**13,107**	**3,218**	**2,736**	**5,501**	**2,253**	**2,305**	**23,163**	**56,239**
Accumulated depreciation / amortisation and impairment									
Balance as at April 1, 2020	**-**	**5,330**	**1,456**	**1,724**	**2,479**	**672**	**123**	**4,259**	**16,043**
Depreciation for the year	-	1,975	539	296	911	390	43	4,645	8,799
Depreciation on disposals	-	17	13	6	12	224	-	11	283
Balance as at March 31, 2021	**-**	**7,288**	**1,982**	**2,014**	**3,378**	**838**	**166**	**8,893**	**24,559**
Depreciation for the year	-	2,027	487	338	851	395	41	4,470	8,609
Depreciation on disposals	-	535	25	10	14	394	-	166	1,144
Balance as at March 31, 2022	**-**	**8,780**	**2,444**	**2,342**	**4,215**	**839**	**207**	**13,197**	**32,024**
Net Carrying amount									
As at March 31, 2021	**3,956**	**2,525**	**1,011**	**524**	**1,791**	**958**	**2,139**	**7,922**	**20,826**
As at March 31, 2022	**3,956**	**4,327**	**774**	**394**	**1,286**	**1,414**	**2,098**	**9,966**	**24,215**
Useful Life of the asset (In Years)		3	5		5	5	60	upto 5	
Method of depreciation				Straight-line method					

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 16 PROPERTY, PLANT AND EQUIPMEN (Contd.)

Note

1. Details of Immovable properties of land and buildings, whose title deeds have been pledged in favour of Trustees for the benefit of debenture holders as security, has been explained in Note 19.1
2. The Group has elected to include ROU assets pertaining to lease of buildings as part of the Property, plant and equipment as permitted under paragraph 47 of Ind AS 116.
3. The Title Deeds of the Immovable Properties mentioned above are in the name of the Group
4. Company has not carried out any revaluation of property, plant and equipment during the year ended March 31, 2022

₹ in lakhs

Particulars	
Note : 17 INTANGIBLE ASSETS	
Gross carrying amount as at March 31, 2020	**6,760**
Additions	1,284
Disposals	-
Gross carrying amount as at March 31, 2021	**8,044**
Additions	1,164
Disposals	-
Gross carrying amount as at March 31, 2022	**9,208**
Accumulated Amortization and impairment	
Balance as at April 1, 2020	**4,693**
Amortization for the year	1,431
Amortization on disposals	-
Balance as at March 31, 2021	**6,124**
Amortization for the period	1,452
Amortization on disposals	-
Balance as at March 31, 2022	**7,576**
Net Carrying amount	
As at March 31, 2021	**1,920**
As at March 31, 2022	**1,632**
Useful Life of the asset (In Years)	3
Method of depreciation	Straight line method

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 18 OTHER NON FINANCIAL ASSETS		
Unsecured - considered good		
Prepaid expenses	2,495	1,563
Capital advances	144	1,012
Other assets	3,327	2,722
GST Input Credit	1,186	2,183
Total	**7,152**	**7,480**

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 19 DEBT SECURITIES (at amortised cost)		
Redeemable Non-Convertible Debentures		
Medium - Term - Secured	10,52,995	9,34,263
Medium - Term - Unsecured	2,500	-
Commercial Papers - Unsecured	2,76,615	3,01,504
Total	**13,32,110**	**12,35,767**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 19 DEBT SECURITIES (at amortised cost) (Contd.)

All debt securities have been contracted in India

19.1 Security

(i) Redeemable Non-Convertible Debentures - Medium-term is secured by way of specific charge on assets under hypothecation relating to Vehicle Finance, Loan against property, Bills discounted and other loans and pari passu charge on immovable property situated at Chennai.

(ii) The Group has not defaulted in the repayment of dues to its lenders.

19.2 Details of Debentures - Contractual principal repayment value

(i) Secured Redeemable Non-Convertible Debentures - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Rate of interest %
		March 31, 2022 ₹ in lakhs	March 31, 2021 ₹ in lakhs		
2,700	10,00,000	27,000		Mar-27	7.30
250	10,00,000	2,500	2,500	Nov-26	8.55
5,000	10,00,000	50,000	50,000	Jul-25	7.92
4,974	10,00,000	49,740		Mar-25	7.08
2,000	10,00,000	20,000		Feb-25	5.85
8,600	10,00,000	86,000		Dec-24	5.57 to 6.30
1,500	10,00,000	15,000	15,000	Oct-24	6.80
4,000	10,00,000	40,000		Aug-24	5.53 to 5.58
6,000	10,00,000	60,000	30,000	Jul-24	5.46 to 7.38
1,500	10,00,000	15,000	15,000	Apr-24	8.6179
6,850	10,00,000	68,500	58,500	Feb-24	6.25 to 6.45
5,500	10,00,000	55,000	55,000	Dec-23	6.10
6,023	10,00,000	60,230	35,230	Sep-23	5.58 to 8.80
1,990	10,00,000	19,900		Aug-23	9.06
9,000	10,00,000	90,000	15,000	May-23	5.70 to 7.50
3,250	10,00,000	32,500	32,500	Apr-23	6.26
8,000	10,00,000	80,000	80,000	Mar-23	5.85 to 5.68
3,350	10,00,000	33,500	33,500	Feb-23	5.70 to 7.41
5,900	10,00,000	59,000	59,000	Dec-22	5.48 to 7.98
6,150	10,00,000	61,500	61,500	Nov-22	5.45 to 8.00
3,523	10,00,000	35,230	35,230	Sep-22	8.70
2,000	10,00,000	20,000	20,000	Jun-22	7.20
1,050	10,00,000		10,500	Mar-22	8.35 to 9.06
2,000	10,00,000		20,000	Dec-21	6.93
3,523	10,00,000		35,230	Sep-21	8.45
3,250	10,00,000		32,500	Aug-21	6.74 to 8
2,550	10,00,000		25,500	Jul-21	8.9765
4,010	10,00,000		40,100	Jun-21	8.49 to 8.52
4,100	10,00,000		41,000	May-21	6.90
4,770	1,000,000		47,700	Apr-21	8.0874
		9,80,600	**8,50,490**		

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 19 DEBT SECURITIES (at amortised cost) (Contd.)

(ii) Secured Redeemable Non-Convertible Debentures - Redeemable at premium - No put call option

₹ in lakhs

No. of Debentures	Face Value ₹	Balance as at March 31, 2022 ₹ in lakhs	Balance as at March 31, 2021 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
1000	10,00,000	10,000	-	Mar-27	14,22,599	4,22,599
1250	10,00,000	12,500	12,500	Jul-25	14,61,481	4,61,481
850	10,00,000	8,500	8,500	Jul-25	13,53,045	3,53,045
500	10,00,000	5,000	5,000	Jan-23	12,54,470	2,54,470
250	10,00,000	2,500	2,500	Dec-24	12,93,960	2,93,960
350	10,00,000	3,500	3,500	Oct-24	13,01,025	3,01,025
1100	10,00,000	-	11,000	May-21	12,94,211	2,94,211
		42,000	**43,000**			

(iii) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Put option

No. of Debentures	Face Value ₹	Balance as at March 31, 2022 ₹ in lakhs	Balance as at March 31, 2021 ₹ in lakhs	Due date of redemption	Put option date	Rate of interest %
10	10,00,000	100	100	Aug-23	Jul-21	9.06
		100	**100**			

(iv) UnSecured Redeemable Non-Convertible Debentures - Redeemable at par - No Put Call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2022 ₹ in lakhs	Balance as at March 31, 2021 ₹ in lakhs	Due date of redemption	Put option date	Rate of interest %
10	10,00,000	2500	-	Jul-23		9.06
		2500	**-**			

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 20 BORROWINGS (Other than Debt Securities) at amortised cost		
A) Term Loans		
(i) (a) From Banks - Secured		
- Rupee Loans	41,87,373	35,68,218
- Foreign currency Loans	61,577	-
- External Commercial Borrowings	1,94,543	2,39,869
(b) From Banks - Unsecured		
- Short term loans	-	20,000
ii) From Other Parties - Secured		
(a) Financial Institutions - Rupee Loans	1,53,894	1,72,786
(b) External Commercial Borrowings	1,44,285	1,37,230
(c) Securitisation - Rupee Loans	3,43,306	4,34,452
B) Loan repayable on demand - Secured from Banks - Rupee Loans (Refer Note 8 and 20.1(vi))	1,15,474	1,45,671
Total	**52,00,452**	**47,18,226**
Borrowings within India	48,61,624	43,41,127
Borrowings Outside India	3,38,828	3,77,099

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 20 BORROWINGS (Contd.)

20.1 Security

(i) Secured term loans from banks and financial institution are secured by way of specific /pari passu charge on assets under hypothecation relating to automobile financing and loans against immovable property.

(ii) Loan repayable on demand is in the nature of Cash Credit from banks and is secured by way of floating charge on assets under hypothecation and other assets.

(iii) The Group has not defaulted in the repayment of dues to its lenders.

(iv) Securitisation borrowing represents the net outstanding value (Net of Investment in Pass-through Certificates) of the proceeds received by the Group from securitisation trust in respect of loan assets transferred by the Group pursuant to Deed of Assignment. The Group has provided Credit enhancement to the trust by way of cash collateral and Bank guarantee and also refer note 8

(v) The Group has utilised the borrowings for the purpose for which it was obtained

(vi) The quarterly statements or returns of current assets filed by the company with banks are in agreement with books of accounts

20.2 Details of term loans - Contractual principal repayment value

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding March 31, 2022	Amount outstanding March 31, 2021
Base Rate / MCLR	< 1year	1	1,40,000	86,250
		2	1,98,750	1,25,016
		3	-	30,000
		4	87,756	1,78,750
		8	50,000	60,395
		12	-	20,000
	1 - 2 years	1	60,000	1,40,000
		2	1,10,000	1,92,917
		3	-	-
		4	81,506	1,92,949
		8	50,000	60,395
		12	-	20,000
	2 - 3 years	1	5,000	33,333
		2	80,000	1,22,500
		3	7,796	-
		4	51,111	1,61,699
		8	-	60,395
		12	-	20,000
	3 - 4 years	1	5,000	10,000
		2	-	80,000
		3	4,500	-
		4	25,111	1,41,699
		6	-	7,796
		12	-	20,000
	4 - 5 years	1	-	5,000
		2	-	-
		3	-	57,441
		4	-	25,111
		7	-	-
		9	-	15,000
Base Rate/ MCLR + spread (0.10)	< 1year	1	60,000	3,85,000
		2	25,000	-
		3	-	50,000
		4	-	-
	1 - 2 years	1	60,000	35,000
		2	25,000	30,000

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

20.2 Details of term loans - Contractual principal repayment value (Contd.)

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding March 31, 2022	March 31, 2021
		3	-	50,000
		4	-	-
		5	-	-
		6	-	-
	2 - 3 years	1	-	70,000
		2	-	30,000
		3	-	50,000
Rate based on T Bill + Spread	< 1 year	1	1,71,550	48,200
		2	22,500	15,000
		3	6,000	-
		4	1,41,352	41,667
		12	20,000	-
	1 - 2 years	1	1,46,000	41,050
		2	-	12,500
		3	12,500	-
		4	2,13,726	66,667
		12	20,000	-
	2 - 3 years	1	1,08,000	25,000
		3	43,500	12,500
		4	1,05,726	50,000
		12	20,000	-
	3 - 4 years	1	88,000	-
		2	28,571	-
		4	28,583	-
		9	15,000	-
	4 - 5 years	1	92,375	-
		4	11,083	-
Fixed Rate	< 1year	1	20,000	51,000
		2	10,000	16,000
		4	53,040	40,400
	1 - 2 years	1	33,300	20,000
		2	10,000	10,000
		4	38,040	39,400
	2 - 3 years	1	1,51,633	-
		2	22,100	43,300
		3	10,220	-
		4	-	24,400
	3 - 4 years	1	1,51,733	-
		2	10,000	55,400
	4 - 5 years	1	1,18,333	-
	2	-		43,400
Repo	< 1year	1	23,333	42,500
		2	82,940	15,000
		3	24,333	3,333
		4	1,13,286	82,976
		8	36,000	36,000
		12	83,333	83,333

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

20.2 Details of term loans - Contractual principal repayment value (Contd.)

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding* March 31, 2022	Amount outstanding* March 31, 2021
	1 - 2 years	1	23,333	8,333
		2	30,000	15,000
		3	3,333	3,333
		4	2,51,666	49,643
		6	41,667	-
		8	-	36,000
		12	-	83,333
	2 - 3 years	1	60,119	8,333
		2	15,000	15,000
		3	25,179	3,334
		4	2,12,451	49,643
		6	-	41,667
	3 - 4 years	1	-	10,119
		2	15,000	-
		3	1,875	3,750
		4	1,43,880	37,500
	4 - 5 years	1	3,500	-
		2	1,000	-
		3	79,420	-
		4	22,000	-
	> 5 Years	1	5,000	
Total			**43,47,043**	**38,50,660**
3M MIBOR + Spread	< 1year	1	7,500	-
	1-2 years	1	-	7,500
USD 3M LIBOR + Spread	< 1year	4	21,570	5,202
	1-2 years	4	21,570	20,807
	2-3 years	4	21,570	20,807
	3-4 years	4	21,570	20,807
	4 - 5 years	4	21,570	20,807
	>5 Years	5	26,963	46,815
USD 6M LIBOR + Spread	< 1year	1	1,36,418	36,553
	1-2 years	1	-	1,31,589
	2-3 years	1	69,725	-
	3-4 years	1	-	67,257
USD 12M LIBOR + Spread	< 1year	1	61,528	-
Total			**4,09,984**	**3,78,144**

The Group has raised funds in the form of Foreign Currency Loans/ External Commercial Borrowings whose interest payments are benchmarked to LIBOR rates.

The maturity of some of those contracts are beyond June 2023 (IBOR Transition date). Based on the assessment performed by the Group, no significant impact is assessed on those contracts upon this transition

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

20.2 Details of term loans - Contractual principal repayment value (Contd.)

Details of Securitised loan

₹ in lakhs

Rate of Interest	Maturity	Amount outstanding* March 31, 2022	March 31, 2021
	Less than 1 year	1,42,619	1,75,343
Fixed	1-2 year	83,830	1,09,355
(4.9% to 8%)	2-3 year	38,337	45,570
	3-4 year	13,014	12,428
	4-5 year	3,094	4,451
	more than 5 years	8,055	12,990
Total		**2,88,949**	**3,60,137**
	Less than 1 year	6,779	6,501
Floating	1-2 year	5,804	6,925
Base Rate/ MCLR - spread	2-3 year	6,095	7,459
(0.75% to 2.65%)	3-4 year	6,088	7,866
	4-5 year	5,630	7,832
	more than 5 years	23,734	37,198
Total		**54,130**	**73,781**

* Represents amounts to be paid to the securitisation trust as per the securitisation cash flows net of amounts to be received against Investment in PTC.

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 21 SUBORDINATED LIABILITIES (at amortised cost)		
Perpetual Debt - Unsecured	1,32,899	1,48,920
Subordinated Debt - Unsecured		
a) Rupee Denominated Bonds	40,736	40,684
b) Other Subordinated Debts	2,11,153	2,29,402
Total	**3,84,788**	**4,19,006**

(i) All Subordinated liabilities have been contracted in India except for Rupee denominated bonds.

(ii) The Group has not defaulted in the repayment of dues to its lenders.

21.1 Details of Subordinated Liabilities - Contractual principal repayment value

(i) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2022 ₹ in lakhs	Balance as at March 31, 2021 ₹ in lakhs	Due date of redemption	Rate of interest %
150	1,00,00,000	15,000		Feb-32	8.10
200	1,00,00,000	20,000		Oct-31	7.90
400	1,00,00,000	40,000	40,000	Jan-30	9.25
3000	10,00,000	30,000	30,000	Aug-28	9.75
5300	10,00,000	53,000	53,000	Mar-28	9.05
1500	10,00,000	15,000	15,000	Aug-27	8.53
2500	10,00,000	25,000	25,000	Jun-27	8.78 to 8.80
100	10,00,000	1,000	1,000	Nov-26	9.20
150	10,00,000	1,500	1,500	Jun-24	11.00
50	10,00,000	500	500	May-24	11.00
250	10,00,000	2,500	2,500	Apr-24	11.00
250	10,00,000	2,500	2,500	Mar-24	11.00
200	10,00,000	2,000	2,000	Feb-24	11.00
250	10,00,000	2,500	2,500	Jan-24	11.00
2000	10,00,000	20,000	20,000	Nov-23	9.08 to 9.20
500	10,00,000	5,000	5,000	Oct-23	9.08
150	10,00,000	1,500	1,500	Sep-23	11.00
600	10,00,000	6,000	6,000	Dec-22	11.05 to 11.25
3,150	10,00,000	-	31,500	Nov-21	10.02
1000	10,00,000	-	10,000	Jun-21	11.30
1000	10,00,000	-	10,000	May-21	11.30
		2,43,000	**2,59,500**		

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

21.1 Details of Subordinated Liabilities - Contractual principal repayment value (Contd.)

(ii) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt -Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at March 31, 2022 ₹ in lakhs	Balance as at March 31, 2021 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
150	10,00,000	1,500	1,500	Nov-23	17,57,947	7,57,947
		1,500	**1,500**			

(iii) Unsecured Redeemable Non-Convertible Debentures - Perpetual debt

No. of Debentures	Face Value ₹	Balance as at March 31, 2022 ₹ in lakhs	Balance as at March 31, 2021 ₹ in lakhs	Maturity Date - Perpetual #	Rate of interest % (increase by 100 bps if call option is not exercised on the due date)
25	1,00,00,000	2,500		Mar-32	9.10
30	1,00,00,000	3,000		Sep-31	8.98
40	1,00,00,000	4,000		Jul-31	9.05
100	1,00,00,000	10,000		May-31	9.2
2000	5,00,000	10,000	10,000	Mar-31	9.25
900	5,00,000	4,500	4,500	Nov-30	9.30
1000	5,00,000	5,000	5,000	Dec-29	10.75
1120	5,00,000	5,600	5,600	Mar-29	10.83
5000	5,00,000	25,000	25,000	Feb-29	10.88
500	5,00,000	2,500	2,500	Aug-24	12.80
174	10,00,000	1,740	1,740	Jul-24	12.90
500	5,00,000	2,500	2,500	Jun-24	12.90
500	5,00,000	2,500	2,500	Feb-24	12.90
50	10,00,000	500	500	Jan-24	12.60
1,031	10,00,000	10,310	10,310	Dec-23	12.50 to 12.60
245	10,00,000	2,450	2,450	Oct-23	12.60
1,000	5,00,000	5,000	5,000	Oct-23	12.90
300	10,00,000	3,000	3,000	Feb-23	12.80
1450	10,00,000	14,500	14,500	Dec-22	12.70 to 12.80
860	5,00,000	4,300	4,300	Sep-22	12.75
2000	5,00,000	10,000	10,000	Aug-22	12.90
200	5,00,000		1,000	Mar-22	12.50
700	5,00,000		3,500	Jan-22	12.50
3,500	5,00,000		17,500	Dec-21	12.50 to 12.95
320	5,00,000		1,600	Aug-21	12.50
413	5,00,000		2,065	Jul-21	12.50
2,021	5,00,000		10,105	Jun-21	12.50
		1,28,900	**1,45,170**		

Group can redeem using Call option on the maturity date with prior approval of RBI.

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 22 OTHER FINANCIAL LIABILITIES		
Unpaid dividend	71	74
Advance from customers	3,323	5,529
Security deposits received	343	80
Collections towards derecognised assets pending remittance	17,837	18,928
Lease liability (Refer Note 49)	11,036	9,253
Other liabilities	1,342	728
Total	**33,952**	**34,592**

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2022

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 23 PROVISIONS		
Provision for Employee Benefits		
Compensated absences (Refer Note 37)	7,895	6,594
	7,895	**6,594**
Other Provisions		
Provision for contingencies and service tax claims (Refer Note 41)	3,953	4,347
Provision for expected credit loss towards undrawn commitments (Refer note 41)	120	104
	4,073	**4,451**
Total	**11,968**	**11,045**

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 24 OTHER NON FINANCIAL LIABILITIES		
Income received in advance	607	1,150
Statutory liabilities	4,670	2,687
Others	641	859
Total	**5,918**	**4,696**

₹ in lakhs

Particulars	As at March 31, 2022 Nos.	As at March 31, 2022 Amount	As at March 31, 2021 Nos.	As at March 31, 2021 Amount
Note : 25 EQUITY SHARE CAPITAL				
AUTHORISED				
Equity Shares of ₹ 2 each with voting rights	1,20,00,00,000	24,000	1,20,00,00,000	24,000
Preference Shares of ₹ 100 each	5,00,00,000	50,000	5,00,00,000	50,000
		74,000		**74,000**
ISSUED				
Equity Shares of ₹ 2 each with voting rights	82,17,55,591	16,435	82,02,61,529	16,405
		16,435		**16,405**
SUBSCRIBED AND FULLY PAID UP				
Equity Shares of ₹ 2 each with voting rights	82,10,71,821	16,421	82,00,35,129	16,400
Add : Forfeited Shares	6,54,500	7	6,54,500	7
		16,428		**16,407**

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year/period: ₹ in lakhs

Particulars	As at March 31, 2022 Nos.	As at March 31, 2022 Amount	As at March 31, 2021 Nos.	As at March 31, 2021 Amount
Equity Shares				
At the beginning of the year	82,00,35,129	16,400	81,95,77,759	16,391
Additional shares pursuant to share split during the period				-
Issued during the year				
a) Employees Stock Option (ESOP) Scheme	10,36,692	21	4,57,370	9
Outstanding at the end of the period/ year	**82,10,71,821**	**16,421**	**82,00,35,129**	**16,400**
Forfeited shares				
Equity Shares - Amount originally paid up	**6,54,500**	**7**	**6,54,500**	**7**

Terms/rights attached to Equity shares

The Company has only one class of equity shares having a par value of ₹2 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend.

Repayment of capital will be in proportion to the number of equity shares held.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 25 EQUITY SHARE CAPITAL (Contd.)

b) Equity Shares held by Holding Company

Particulars	As at March 31, 2022	As at March 31, 2021
Cholamandalam Financial Holdings Limited	37,28,85,889	37,28,85,889

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

₹ in lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity Shares				
Cholamandalam Financial Holdings Limited - Holding Company	37,28,85,889	45.41	37,28,85,889	45.47

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d) Shares held by Promoters as on March 31,2022 - Please refer Annexure A

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 26 OTHER EQUITY		
Statutory Reserve (Refer Note a)		
Balance at the beginning of the year	1,59,046	1,28,046
Add: Amount transferred from retained earnings	43,000	31,000
Closing balance at the end of the year	**2,02,046**	**1,59,046**
Capital Reserve (Refer Note b)		
Balance at the beginning of the year	4	4
Add: Changes during the year	-	-
Closing balance at the end of the year	**4**	**4**
Capital Redemption Reserve (Refer Note c)		
Balance at the beginning of the year	3,300	3,300
Add: Changes during the year	-	-
Closing balance at the end of the year	**3,300**	**3,300**
Securities Premium Account (Refer Note d)		
Balance at the beginning of the year	2,86,605	2,85,678
Add: Premium on ESOPs exercised	2,287	927
Closing balance at the end of the year	**2,88,892**	**2,86,605**
General Reserve (Refer Note e)		
Balance at the beginning of the year	3,76,103	3,00,967
Add: Amount transferred from retained earnings	1,00,000	75,000
Add: Amount transferred from Share Based Payment Reserve	-	136
Closing balance at the end of the year	**4,76,103**	**3,76,103**
Share Based Payments Reserve (Refer Note f)		
Balance at the beginning of the year	3,444	3,017
Addition during the year	2,048	563
Transfer to General reserve	-	(136)
Closing balance at the end of the year	**5,492**	**3,444**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 26 OTHER EQUITY (Contd.)

Particulars	As at March 31,2022	As at March 31,2021
Retained Earnings (Refer Note g)		
Balance at the beginning of the year	1,25,138	89,808
Profit for the year	2,15,351	1,52,086
Less:		
Dividend		
Equity	(16,414)	(10,656)
Transfer to Statutory Reserve	(43,000)	(31,000)
Transfer to General Reserve	(1,00,000)	(75,000)
Re-measurement Gain / (Loss) on Defined Benefit Obligation (Not) transferred to Retained Earnings	2	(100)
Closing balance at the end of the year	**1,81,077**	**1,25,138**
Cashflow hedge reserve (Refer Note h)		
Balance at the beginning of the year	(10,562)	(7,179)
Addition	12,119	(3,383)
Closing balance at the end of the year	**1,557**	**(10,562)**
FVOCI Reserve (Refer Note i)		
Balance at the beginning of the year	495	(63)
Addition	1,506	558
Closing balance at the end of the year	**2,001**	**495**
Total Other Equity	**11,60,472**	**9,43,573**

a) Statutory reserve represents the reserve created as per Section 45IC of the RBI Act, 1934, pursuant to which a Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss account, before any dividend is declared.

b) Capital reserve represents the reserve created on account of amalgamation of Chola Factoring Limited in the year 2013-14.

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

d) Securities premium reserve is used to record the premium on issue of shares. The premium received during the period represents the premium received towards allotment of equity shares issued under ESOP scheme. The reserve can be utilized only for limited purposes such as issuance of bonus shares, buy back of its own shares and securities in accordance with the Section 52 of the Companies Act, 2013

e) The general reserve is a free reserve, retained from Group's profits and can be utilized upon fulfilling certain conditions in accordance with specific requirement of Companies Act, 2013.

f) Under IND AS 102, fair value of the options granted is required to be accounted as expense over the life of the vesting year as employee compensation costs, reflecting the year of receipt of service.

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

h) Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Group accounting policies.

i) FVOCI Reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income.

Proposed Dividend

The Board of Directors of the Company have recommended a final dividend of 35% being ₹ 0.70 per share on the equity shares of the Company, for the year ended March 31, 2022 (₹0.70 per share - March 31, 2021) which is subject to approval of shareholders. Consequently the proposed dividend has not been recorded in the books in accordance with IND AS 10.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Annexure A

Details of Shareholding of promoters and promoter Group as on March 31,2022

Promoters Name	No. of shares as on March 31, 2021	% to shares	No. of shares as on March 31, 2022	% to shares	% Change during the year
Valli Annamalai	12,500	-	12,500	-	-
M Vellachi	1,94,660	0.02	11,60,427	0.14	0.12
M A M Arunachalam	65,000	0.01	65,000	0.01	-
Arun Alagappan	9,50,000	0.12	9,50,000	0.12	-
M.A.Alagappan	24,88,760	0.30	24,88,760	0.30	-
Lakshmi Chockalingam	6,685	-	6,685	-	-
A Vellayan	1,35,785	0.02	1,35,785	0.02	-
Lalitha Vellayan	1,39,630	0.02	1,39,630	0.02	-
Meyyammai Venkatachalam	50,255	0.01	50,255	0.01	-
M V Valli Murugappan	21,56,350	0.26	-	-	(0.26)
M M Murugappan	21,035	-	21,035	-	-
A M Meyyammai	2,51,880	0.03	2,51,880	0.03	-
M V Subbiah HUF (M V Subbiah holds shares in the capacity of Karta)	10,000	-	10,000	-	-
Meenakshi Murugappan	245	-	245	-	-
Valli Alagappan	5,000	-	5,000	-	-
A Venkatachalam	2,09,605	0.03	2,09,605	0.03	-
V Narayanan	2,54,000	0.03	2,54,000	0.03	-
V Arunachalam	2,42,515	0.03	2,42,515	0.03	-
Arun Venkatachalam	4,03,750	0.05	4,03,750	0.05	-
Solachi Ramanathan	20,000	-	20,000	-	-
Vedika Meyyammai Arunachalam	1,08,280	0.01	1,08,280	0.01	-
A V Nagalakshmi	15,960	-	15,960	-	-
M V AR Meenakshi	8,53,155	0.10	8,53,155	0.10	-
A. Keertika Unnamalai	2,47,440	0.03	2,27,440	0.03	-
Sigapi Arunachalam	74,255	0.01	74,255	0.01	-
Uma Ramanathan	23,500	-	23,500	-	-
V Vasantha	1,250	-	1,250	-	-
Dhruv M Arunachalam	50,000	0.01	50,000	0.01	-
Kanika Subbiah	67,000	0.01	67,000	0.01	-
Pranav Alagappan	3,11,440	0.04	3,11,440	0.04	-
Valli Arunachalam	-	-	11,90,583	0.15	0.15
A Venkatachalam HUF (A Venkatachalam hols shares in the capacity of Karta)	7,000	-	7,000	-	-
A A Alagammai	2,894	-	2,894	-	-
Umayal R	49,455	0.01	49,455	0.01	-
Valliammai Murugappan	12,890	-	12,890	-	-
Ambadi Enterprises Ltd	2,91,380	0.04	2,91,380	0.04	-
A M M Vellayan Sons P Ltd	26,575	-	26,575	-	-
Carborundum Universal Limited	500	-	500	-	-
E.I.D. Parry (India) Ltd.	1,965	-	1,965	-	-
M.M.Muthiah Research Foundation	1,41,750	0.02	1,41,750	0.02	-
Ambadi Investments Limited (formerly Ambadi Investments Private Limited)	3,37,21,870	4.11	3,37,21,870	4.11	-
Parry Enterprises India Ltd	1,965	-	1,965	-	-
Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Ltd)	37,28,85,889	45.47	37,28,85,889	45.41	(0.06)

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Annexure A

Details of Shareholding of promoters and promoter Group as on March 31,2022

Promoters Name	No. of shares as on March 31, 2021	% to shares	No. of shares as on March 31, 2022	% to shares	% Change during the year
AR Lakshmi Achi Trust	4,77,145	0.06	4,77,145	0.06	-
M A Alagappan Holdings Private Limited	1,70,700	0.02	1,70,700	0.02	-
Murugappa Educational and Medical Foundation	1,965	-	1,965	-	-
MA Murugappan Holdings LLP (M A Murugappan Holdings Private Ltd was converted its status to LLP)	75,000	0.01	75,000	0.01	-
Lakshmi Ramaswamy Family Trust (A A Alagammai & Lakshmi Ramaswamy Trustees holds shares for Trust)	5,85,630	0.07	5,85,630	0.07	-
Murugappan Arunachalam Children Trust (Sigappi Arunachalam, MAM Arunachalam, AM Meyammai are Trustees)	74,405	0.01	74,405	0.01	-
Valli Subbiah Benefit Trust (S Vellayan & A Vellayan, Trustees holds shares for Trust)	2,33,375	0.03	1,93,375	0.02	(0.01)
V S Bhairavi Trust (M V Subbiah & Kanika Subbiah, Trustees holds shares for Trust)	1,88,875	0.02	1,88,875	0.02	-
Arun Murugappan Children Trust (MAM Arunachalam & Sigappi Arunachalam Trustees holds shares for Trust)	1,41,160	0.02	1,41,160	0.02	-
MA.Alagappan Grand Children Trust (Arun Alagappan and AA Alagammai, Trustees holds shares for Trust)	1,57,250	0.02	1,57,250	0.02	-
K S Shambhavi Trust (M V Subbiah & S Vellayan, Trustees holds shares for Trust)	1,55,955	0.02	1,55,955	0.02	-
M V Seetha Subbiah Benefit Trust (S Vellayan & A Vellayan, Trustees holds shares for Trust)	2,64,000	0.03	2,64,000	0.03	-
Kadamane Estates - Firm- M.A.Alagappan holds shares in the capacity of Partner	3,55,850	0.04	3,55,850	0.04	-
M M Muthiah Family Trust (M M Murugappan, M M Muthiah, Trustees holds shares for Trust)	46,620	0.01	46,620	0.01	-
M M Veerappan Family Trust (M M Murugappan & Meenakshi Murugappan, Trustees holds shares for Trust)	46,055	0.01	46,055	0.01	-
M V Muthiah Family Trust (M M Venkatachalam & M V Muthiah, Trustees holds shares for Trust)	4,74,130	0.06	4,74,130	0.06	-
M V Subramanian Family Trust (M M Venkatachalam & M V Subramanian, Trustees holds shares for Trust)	4,74,130	0.06	4,74,130	0.06	-
M M Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan Trustees holds shares forTrust)	3,33,000	0.04	3,33,000	0.04	-
Meenakshi Murugappan Family Trust (M M Murugappan & Meenakshi Murugappan, Trustees for Trust)	25,000	-	25,000	-	-
M M Venkatachalam Family Trust (M M Venkatachalam Lakshmi Venkatachalam, Trustees for Trust)	1,22,550	0.01	1,22,550	0.01	-
Saraswathi Trust (M V Subbiah, S Vellayan & M V Seetha Subbiah, Trustees holds shares for Trust)	7,79,785	0.10	7,79,785	0.09	-
Shambho Trust (M V Subbiah,S Vellayan, Trustees holds shares for Trust)	16,01,300	0.20	16,01,300	0.20	-
	42,32,97,948	**51.62**	**42,32,37,948**	**51.55**	

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

₹ in lakhs

Particulars	Period ended March 31, 2022	Period ended March 31, 2021
REVENUE FROM OPERATIONS		
Note : 27A - Interest income		
(i) Interest - on financial assets measured at amortised cost		
(a) Loans		
- Bills Discounting	1,751	766
- Term Loans	9,30,752	8,86,955
(b) Bank Deposits		
- under lien	1,544	2,147
- free of lien	11,817	27,009
(c) Other Deposits		
- Deposits with Financial Institutions	1,359	2,299
- Investment in Government Securities	9,512	3,301
Total (A)	**9,56,735**	**9,22,477**
Note: 27B-Fee & Commission income		
(i) Fee & Commission income *		
- Term loans	38,374	20,685
- Others	8,880	6,254
Total (B)	**47,254**	**26,939**
*Services are transferred at a point in time		
Note: 27C-Net gain on fair value change on financial instrument		
Net gain on fair value changes on assets measured at FVTPL		
- Income from mutual funds	1,611	487
Total (C)	**1,611**	**487**
Note: 27D-Sale of Services		
(i) Sale of Services (Refer note below)		
(a) Servicing and Collection fee on Assignment	504	691
(b) Other Service Income	7,971	7,346
Total (D)	**8,475**	**8,037**
Note: Timing of revenue recognition		
Services transferred at a point in time	7,875	7,437
Services transferred over a time	600	600
Total	**8,475**	**8,037**

₹ in lakhs

Particulars	Period ended March 31, 2022	Period ended March 31, 2021
Note : 28 OTHER INCOME		
Recovery of Bad debts	8,335	5,594
Interest income on Income tax refund	663	378
Dividend Income	17	13
Rent	51	25
Profit on sale of Property, Plant & Equipment (Net)	-	2
Miscellaneous Income	40	20
Total	**9,106**	**6,032**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

₹ in lakhs

Particulars	Period ended March 31, 2022	Period ended March 31, 2021
Note : 29 FINANCE COSTS		
Interest on financial liabilities measured at amortised cost		
- Debt Securities	78,886	74,325
- Borrowings Other than Debt securities	3,07,243	3,37,890
- Subordinated Liabilities	39,662	42,835
Others		
- Bank charges	1,902	1,546
- Interest on lease liability	883	958
- Interest on income tax	1,190	-
Total	**4,29,766**	**4,57,554**

₹ in lakhs

Particulars	Period ended March 31, 2022	Period ended March 31, 2021
Note : 30 IMPAIRMENT ON FINANCIAL INSTRUMENTS		
Impairment provision		
- Loans - measured at amortised cost	87,994	1,37,805
Loss on sale of Investment	40	-
Total	**88,034**	**1,37,805**

₹ in lakhs

Particulars	Period ended March 31, 2022	Period ended March 31, 2021
Note : 31 EMPLOYEE BENEFITS EXPENSE		
Salaries, Bonus and Commission	87,184	73,399
Contribution to Provident and Other Funds		
-Employees' Provident Fund	3,546	3,006
-Superannuation Fund	412	344
Share based employee payments	2,048	564
Gratuity Expense (Refer note 37)	1,297	1,136
Staff Welfare Expenses	1,233	652
Total	**95,720**	**79,101**

₹ in lakhs

Particulars	Period ended March 31, 2022	Period ended March 31, 2021
Note : 32 OTHER EXPENSES		
Rent and facility charges	1,142	625
Rates and Taxes	5,229	2,098
Energy cost	1,107	1,011
Repairs and Maintenance	553	360
Communication Costs	3,172	2,814
Business development expense	4	34
Brokerage	524	290
Printing and Stationery	1,817	1,233
Advertisement and publicity Expenses	1,298	1,267
Directors Fees, allowances and expenses	149	110
Auditors' Remuneration	114	99
Legal and Professional Charges	12,024	4,277
Insurance	2,854	1,647
Travelling and Conveyance	4,858	2,677

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 32 OTHER EXPENSES (Contd.)

₹ in lakhs

Particulars	Period ended March 31, 2022	Period ended March 31, 2021
Information Technology Expenses	4,993	3,309
Loss on Sale of Property, Plant and Equipment (Net)	7	54
Recovery Charges	42,425	26,657
Corporate Social Responsibility Expenditure	3,654	3,207
Outsource cost	22,651	22,469
Miscellaneous Expenses	343	293
	1,08,918	74,531
Less : Expenses Recovered	(80)	(39)
Total	**1,08,838**	**74,492**

Note : 33 EARNINGS PER SHARE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit After Tax Attributable to Equity Shareholders (₹ in lakhs)	**2,15,351**	**1,52,086**
Weighted Average Number of Equity Shares (Basic)	82,05,81,106	81,96,69,366
Add: Dilutive effect relating to ESOP/CCPS	15,91,805	14,30,020
Weighted Average Number of Equity Shares (Diluted)	82,21,72,911	82,10,99,386
Earnings per Share - Basic (₹)	**26.24**	**18.55**
Earnings per Share - Diluted (₹)	**26.19**	**18.52**
Face Value Per Share (₹)	2.00	2.00

Note: Earnings per Share calculations are done in accordance with Ind AS 33 "Earnings per Share".

Note : 34 INCOME TAX RECONCILIATION

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2022 and March 31, 2021, is as follows:

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax from continuing operations	2,90,760	2,04,790
Income tax rate of 25.17% (March 31, 2021: 25.17%)	73,178	51,546
Effects of:		
Impact of difference in tax base for Donations & CSR expense	918	813
Share based payment expense – No deduction claimed under tax	508	141
Impact of Deduction u/s 80JJA	(28)	(28)
Other adjustments	295	179
Income tax expense reported in Consolidated statement of Profit and Loss	74,871	52,651

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 35 TRANSFER OF FINANCIAL ASSETS

35.1 Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

A) Securitisation

The Group has Securitised certain loans, however the Group has not transferred substantially all risks and rewards, hence these assets have not been de-recognised.

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Securitisations		
Carrying amount of transferred assets measured at amortised cost	3,75,013	4,75,242
Carrying amount of associated liabilities (Borrowings other than Debt securities - measured at amortised cost)	3,67,247	4,63,916
Fair value of assets	3,80,513	4,76,131
Fair value of associated liabilities	3,42,767	4,37,374
Net position at Fair Value	37,746	38,757

B) Direct bilateral assignment

The Group has transferred certain loans (measured at amortised cost) by way of direct bilateral assignment, as a source of finance.

As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Group's balance sheet.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Assignment		
Carrying amount of de-recognised financial asset	2,76,499	4,16,042
Carrying amount of Retained Assets at amortised cost	31,734	47,502

₹ in lakhs

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Assignment		
Gain on sale of the de-recognised financial asset	-	-

35.2 The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

Note : 36 MICRO, SMALL & MEDIUM ENTERPRISES

Based on and to the extent of the information received by the Group from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are furnished below:

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount due to suppliers under MSMED Act, as at the year end	306	-
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 37 RETIREMENT BENEFIT

A) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions and where there is no legal or constructive obligation to pay further contributions. During the period, the Group recognised ₹ 3,546 lakhs (Previous year - ₹ 3,006 lakhs) to Provident Fund under Defined Contribution Plan, ₹ 412 lakhs (Previous year - ₹ 344 lakhs) for Contributions to Superannuation Fund and ₹ 33 lakhs (Previous year - ₹ 50 lakhs) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

B) Gratuity

The Group's defined benefit gratuity plan requires contributions to be made to a separately administered fund. The gratuity plan is funded with Life Insurance Corporation of India (LIC). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Change in Defined Benefit Obligation and Fair Value of Plan assets:

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Defined Benefit Obligation at the beginning of the year	**7,451**	**6,118**
Current Service Cost	1,169	1,042
Interest Cost	465	395
Remeasurement Losses/(Gains)		
a. Effect of changes in financial assumptions	(238)	89
b. Effect of experience adjustments	230	37
Benefits Paid	(444)	(230)
Defined Benefit Obligation at the end of the year	**8,633**	**7,451**
Change in Fair value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Year	5,422	4,679
Expected Returns on Plan Assets	338	301
Employer's Contribution	2,098	677
Benefits Paid	(444)	(230)
Return on plan assets (excluding interest income)	(5)	(5)
Fair Value of Plan Assets at the end of the year	**7,409**	**5,422**
Amount Recognised in the Balance Sheet		
Fair Value of Plan Assets as at the End of the Year	7,409	5,422
Defined benefit obligation at the End of the Year	(8,633)	(7,451)
Amount Recognised in the Balance Sheet under Other Payables	**(1,224)**	**(2,029)**
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	1,169	1,042
Net interest Expense	465	395
Expected Return on Plan Assets	(338)	(301)
Net Cost recognized in the statement of Profit and Loss*	**1,296**	**1,136**
Remeasurement Losses/(Gains)		
a) Effect of changes in financial assumptions	(237)	89
b) Effect of experience adjustments	229	37
c) Changes in demographic assumptions		-
d) Return on plan assets (excluding interest income)	5	7
Net cost recognized in Other Comprehensive Income	**(3)**	**133**
Assumptions		
Discount Rate	6.70% p.a	6.25% p.a.
Future salary increase	7.50% p.a	7.50% p.a.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 37 RETIREMENT BENEFIT (Contd.)

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Attrition Rate		
- Senior management	13% p.a.	13% p.a.
- Middle management	13% p.a.	13% p.a.
- Others	13% p.a.	13% p.a.
Expected rate of return on Plan Assets	6.70% -7.50%p.a	6.25% -7.10%p.a
Mortality	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2012-14) Ultimate
Maturity profile of Defined Benefit Obligations		
Weighted average duration (Based on discounted cash flows)	6 Years	6 Years
Expected Cash flows over the next (valued on undiscounted basis)		
Within the next 12 months (next annual reporting period)	1,239	664
Between 2 and 5 years	4,274	3,008
Between 5 and 10 years	3,939	2,874
Beyond 10 Years	4,351	3,363
Total Expected Cash flows	**13,803**	**9,909**

*Recognised under Employee Benefit Expenses

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Sensitivity Analysis:				
Discount Rate (+/- 1%)	8,143	9,178	6,831	7,946
Salary Growth Rate (+/- 1%)	9,103	8,192	7,884	7,049
Attrition Rate (+/- 50% of attrition rates)	8,508	8,797	7,262	7,731
Mortality Rate (+/- 10% of mortality rates)	8,634	8,634	7,303	7,303

Notes:

1. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
2. The Group's best estimate of contribution during the next year is ₹ 2,460 lakhs
3. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
4. The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).
5. The above sensitivity analysis are based on change in an assumption which is holding all the other assumptions constant. In practice, this is unlikely to occur, and changes in some assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant actuarial assumptions the same method of present value of defined benefit obligations calculated with Projected unit cost method at the end of the reporting period has been applied while calculating defined benefit liability recognised in the balance sheet.
6. The method and type of assumptions used in preparing the sensitivity analysis does not change compared to the prior period

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 37 RETIREMENT BENEFIT (Contd.)

Description of Risk exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

(a) **Interest Rate risk:**The plan exposes the Group to the risk of fall in interest rates . A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

(b **Liquidity Risk:** This is the risk that the Group is not able to meet the short-term gratuity payouts .This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

(c) **Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(d) **Demographic Risk:** The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(e) **Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act,1972 (as amended from time to time).There is a risk of change in regulations requiring higher gratuity payouts (e.g.Increase in the maximum limit on gratuity of ₹ 20,00,000)

(f) **Asset Liability Mismatching or Market Risk:** The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

(g) **Investment Risk:**The probability or likelihood of occurrence of losses relative to the expected return on an particular investment.

C) Compensated Absences

Assumptions	March 31, 2022	March 31, 2021
Discount Rate	6.70% p.a.	6.25% p.a.
Future salary increase	7.50% p.a.	7.50% p.a.
Attrition Rate		
- Senior management	13% p.a.	13% p.a.
- Middle management	13% p.a.	13% p.a.
- Others	13% p.a.	13% p.a.
Mortality	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2012-14) Ultimate

Notes:

1. The Group has not funded its Compensated Absences liability and the same continues to remain as unfunded as at March 31, 2022.
2. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
3. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

Note : 38 SEGMENT INFORMATION

The Group is primarily engaged in the business of financing. All the activities of the Group revolve around the main business. Further, the Group does not have any separate geographic segments other than India

During year ended March 31, 2022, for management purposes, the Group has been organised into the following operating segments based on products and services, as follows

- Vehicle Finance Loans - Loans to customers against purchase of new/used vehicles, tractors, construction equipments and loan to automobile dealers.
- Loan against property - Loans to customer against immovable property
- Home Loans - loans given for acquisition of residential property
- Others -Loan against shares, and other unsecured loans & security broking and insurance agency business.

The Chief Operating Decision Maker (CODM) monitors the operating results of its business units separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements. However, income taxes are managed on an entity as whole basis and are not allocated to operating segments.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 38 SEGMENT REPORTING (Contd.)

₹ in lakhs

Particulars	Year ended March 31, 2022					
	Vehicle finance	Loan against property	Home Loans	Others	Unallocable	Total
Revenue from Operations						
Interest Income	7,08,861	1,55,970	59,453	8,250	24,201	**9,56,735**
Net gain on derecognition of financial instruments under amortised cost category						
Fee Income	32,994	4,706	464	9,070	20	**47,254**
Net gain on Fair value change on financial instrument				312	1,299	**1,611**
Sale of Services	7,961	389	125	-	-	**8,475**
Segment revenue from Operations (I)						
Other income (II)	8,021	284	1	86	714	**9,106**
Total Segment Income - (I) + (II)	**7,57,837**	**1,61,349**	**60,043**	**17,718**	**26,234**	**10,23,181**
Expenses						
Finance costs	3,20,214	90,709	26,237	3,820	(11,214)	4,29,766
Impairment of Financial Instruments	72,262	10,625	4,381	724	42	88,034
Employee benefits expense	68,601	11,180	5,899	9,759	281	95,720
Depreciation and amortisation expense	8,097	982	536	448	-	10,063
Other expenses	88,735	6,988	4,045	5,382	3,688	1,08,838
Segment Expenses	**5,57,909**	**1,20,484**	**41,098**	**20,133**	**(7,203)**	**7,32,421**
Segment Profit before taxation	**1,99,928**	**40,865**	**18,945**	**(2,415)**	**33,437**	**2,90,760**
Tax expense						**74,871**
Share of loss from associate and Joint Venture				(538)		**(538)**
Profit for the year						**2,15,351**

₹ in lakhs

Particulars	Year ended March 31, 2021					
	Vehicle finance	Loan against property	Home Loans	Others	Unallocable	Total
Revenue from Operations						
Interest Income	6,93,467	1,44,319	46,679	3,290	34,722	9,22,477
Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-	-	-
Fee Income	18,224	2,180	181	6,342	12	26,939
Net gain on Fair value change on financial instrument	-	-		-	487	487
Sale of Services	7,096	540	401	-	-	8,037
Segment revenue from Operations (I)				-		
Other income (II)	5,244	287	-	140	361	6,032
Total Segment Income (I) + (II)	**7,24,031**	**1,47,326**	**47,261**	**9,772**	**35,582**	**9,63,972**
Expenses						
Finance costs	3,50,978	84,871	20,670	2,456	(1,421)	4,57,554
Impairment of Financial Instruments	1,18,036	14,847	5,479	(554)	(3)	1,37,805
Employee benefits expense	61,327	7,692	4,971	4,943	168	79,101
Depreciation and amortisation expense	8,388	1,039	371	432	-	10,230
Other expenses	61,102	4,939	3,591	995	3,865	74,492
Segment Expenses	**5,99,831**	**1,13,388**	**35,082**	**8,272**	**2,609**	**7,59,182**
Segment Profit before taxation	**1,24,200**	**33,938**	**12,179**	**1,500**	**32,973**	**2,04,790**
Tax expense						**52,651**
Share of loss from associate				(53)		**(53)**
Profit for the year						**1,52,086**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 38 SEGMENT REPORTING (Contd.)

₹ in lakhs

Particulars	Vehicle finance	Loan against property	Home Loans	Others	Unallocable	Total
As on March 31, 2022						
Segment Assets	52,18,720	15,57,057	4,74,236	1,75,693		74,25,706
Unallocable Assets					8,22,162	8,22,162
Total Assets						**82,47,868**
Segment Liabilities	44,76,896	13,35,726	4,06,825	1,46,226		63,65,673
Unallocable Liabilities					7,05,295	7,05,295
Total Liabilities						**70,70,968**
As on March 31, 2021						
Segment Assets	48,93,657	12,71,552	3,72,558	55,402		65,93,169
Unallocable Assets					8,71,247	8,71,247
Total Assets						**74,64,416**
Segment Liabilities	42,66,080	11,08,484	3,24,780	45,576		57,44,920
Unallocable Liabilities					7,59,516	7,59,516
Total Liabilities						**65,04,436**

In computing the segment information, certain estimates and assumptions have been made by the management, which have not been relied upon.

As the asset are allocated to segment based on certain assumptions, hence additions to the Property, plant and equipment have not disclosed separately for each specific segment.

There are no revenue from transactions with a single external customer or counter party which amounted to 10% or more of the Group's total revenue in the Current year and Previous year.

Note : 39 RELATED PARTY DISCLOSURES

List of Related Parties

- **Holding Company:** Cholamandalam Financial holdings limited (formerly known as TI Financial Holdings Limited)
- **Entity having significant influence over holding Company:** Ambadi Investments Limited
- **Subsidiaries of the entity which has significant influence over holding Company:** Parry Enterprises India Limited and Parry Agro Limited.
- **Fellow Subsidiaries:** Cholamandalam MS General Insurance Company Limited
- **Joint Venture of Holding Company:** Cholamandalam MS Risk services Limited
- **Associates :** White Data Systems India Private Limited, Vishvakarma Payments Private Limited (from 30 March, 2021), Paytail Commerce Private Limited (from 15 September, 2021)
- **Joint Venture:** Payswiff Technologies Private Limited and its subsidiaries (from 8 February, 2022)
- **Key Managerial Personnel:**

  c. Mr. Arun Alagappan, Managing Director (upto February 14, 2021)

  d. Mr. D. Arulselvan, Chief Financial Officer

  e. Ms. P.Sujatha, Company Secretary

  f. Mr. Ravindra Kumar Kundu, Executive Director
- **Non-Executive Directors**

  a) Mr. Ashok Kumar Barat

  b) Mr. M M Murugappan (upto November 11, 2020)

  c) Mr. N Ramesh Rajan

  d) Mr. Rohan Verma

  e) Ms. Bhama Krishnamurthy

  f) Mr. Vellayan Subbiah (From November 11, 2020)

  g) Mr. M A M Arunachalam (From January 29, 2021)

  h) Mr. Anand Kumar (From March16, 2021)

  i) Mr. Bharath Vasudevan (From March16, 2021)

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 39 RELATED PARTY DISCLOSURES (Contd.)

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Note : 39 a) TRANSACTIONS DURING THE YEAR		
Dividend Payments (Equity Shares)		
a) Cholamandalam Financial Holdings Limited	7,458	4,848
b) Ambadi Investments Limited	674	438
c) Parry Enterprises India Limited	*	*
d) AR Lakshmi Archi Trust #	10	-
e) M A Murugappan Holdings LLP#	2	1
f) Kadamane Estates Co #	7	5
Amount received towards reimbursement of expenses		
a) Cholamandalam Financial Holdings Limited	118	104
b) Cholamandalam MS General Insurance Company Limited	6	5
c) Parry Enterprises India Limited	1	1
d) Cholamandalam MS Risk Services Limited	-	*
Services Received		
a) Cholamandalam MS General Insurance Company Limited	217	201
b) Parry Enterprises India Limited	194	74
c) White Data Systems India Private Limited	24	29
d) Cholamandalam MS Risk Services Limited	1	-
Expenses – Reimburse		
a) White Data Systems India Private Limited	3	-
b) Cherry Tin Online Private Limited#	8	-
c) Parry Enterprises India Limited	7	-
Services rendered		
a) Cholamandalam MS General Insurance Company Limited	5,891	4,008
b) Cholamandalam Financial Holdings Limited	*	*
c) Ambadi Investments Limited	-	*
d) Key Managerial Personnel	*	*
e) Parry Enterprises India Limited	*	-
Loans given		
a) White Data Systems India Private Limited	300	340
b) Payswiff Solutions Private Limited	300	-
Loans recovered		
a) White Data Systems India Private Limited	340	340
b) Payswiff Solutions Private Limited	300	-
Interest Expense		
a) Cholamandalam MS General Insurance Company Limited	1,313	1,603
Interest Income		
a) White Data Systems India Private Limited	21	26
b) Payswiff Solutions Private Limited	1	-
Subscriptions/Advertisement Expenses		
a) Finance Industry Development Council#	1	-
Commission and Sitting fees to non-executive Directors	137	102

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Note : 39 b) BALANCES OUTSTANDING AT THE YEAR END		
Loans - Receivable		
a) White Data Systems India Private Limited	300	340
b) Medall Healthcare Private Limited#	1,732	-
Debt Securities - Payable		
a) Cholamandalam MS General Insurance Company Limited	(14,793)	(18,527)

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 39 b) BALANCES OUTSTANDING AT THE YEAR END (Contd.)

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Other Receivable / (Payable)		
a) Cholamandalam Financial Holdings Limited	*	2
b) Paytail Commerce Private Limited	437	-
c) Cholamandalam MS General Insurance Company Limited	661	340
d) White Data Systems India Private Limited	(10)	(6)
e) Parry Enterprises India Limited	(45)	1
f) Cholamandalam MS Risk Services Limited	(1)	-
g) Ambadi Investments Limited	*	-

Represents entities included as per Companies Act

₹ in lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Note : 39 c) REMUNERATION TO KEY MANAGERIAL PERSONNEL		
Short- term employee benefits	557	794
Post- employment pension (defined Contribution)	84	92
Dividend Payments	8	17
Share based payments	271	27
Sale of Vehicle(s)	4	21
Sale of Asset	*	-
Relatives of KMP and Directors	11	7

* Represents amounts less than ₹ 1 lakh

Note : 40 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contested Claims not provided for:

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax and Interest on Tax issues where the Group has gone on appeal	29,977	22,465
Decided in the Group's favour by Appellate Authorities and for which the Department is on further appeal with respect to Income Tax	634	21,898
Sales Tax issues pending before Appellate Authorities in respect of which the Group is on appeal.	1,952	2,573
Decided in the Company's favour by Appellate Authorities and for which the Department is on further appeal with respect to Sales Tax	102	-
Service Tax & GST issues pending before Appellate Authorities in respect of which the Group is on appeal.	19,992	19,992
Disputed claims against the Group lodged by various parties under litigation (to the extent quantifiable)	14,458	10,801

i) The Group is of the opinion that the above demands based on management estimate no significant liabilities are expected to arise.

ii) It is not practicable for the Group to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.

iii) The Group does not expect any reimbursement in respect of the above contingent liabilities.

iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

(b) Commitments

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Capital commitments	4,021	3,678
Disbursements - Undrawn lines	1,48,588	1,24,190

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 40 CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)

(d) Bank Guarantee:

₹ in lakhs

Particulars	As at March 31,2022	As at March 31,2021
Outstanding bank guarantees given to stock exchanges/stock holding corporation of India limited to meet margin requirements	3,050	1,485

Note : 41 CHANGES IN PROVISIONS

₹ in lakhs

Particulars	As at March 31, 2021	Additional Provision	Utilisation/ Reversal	As at March 31, 2022
Provision for Contingencies and Service Tax claims	4,346	108	501	3,953
Provision for Expected credit loss allowance towards Undrawn commitments	104	16	-	120

₹ in lakhs

Particulars	As at March 31, 2020	Additional Provision	Utilisation/ Reversal	As at March 31, 2021
Provision for Contingencies and Service Tax claims	3,838	508	-	4,346
Provision for Expected credit loss allowance towards Undrawn commitments	131	89	116	104

Undrawn loan commitments are commitments under which the Group is required to provide a loan under pre-sanctioned terms to the customer.

The undrawn commitments provided by the Group are predominantly in the nature of limits provided for Automobile dealers based on the monthly loan conversions and partly disbursed loans for immovable properties. These undrawn limits are converted within a short period of time and do not generally remain undisbursed / undrawn beyond one year from the reporting date. The undrawn loan commitments amount outstanding as at March 31, 2022 is ₹ 1,48,588 lakhs (₹1,24,190 lakhs as at March 31, 2021).

The Group creates expected credit loss provision on the undrawn commitments outstanding as at the end of the reporting period and the related expected credit loss on these commitments as at March 31, 2022 is ₹120 lakhs (₹ 104 lakhs as at March 31, 2021).

Note : 42 ESOP DISCLOSURE

ESOP 2007

The Board at its meeting held on June 22, 2007, approved an issue of Stock Options up to a maximum of 5% of the issued Equity Capital of the Company (before Rights Issue) aggregating to 1,904,162 Equity Shares (prior to share split) in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines.

ESOP 2016

The Board at its meeting held on October 7, 2016, approved to create, and grant from time to time, in one or more tranches, not exceeding 1,56,25,510 Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the company including some of subsidiaries, managing director and whole time director, (other than promoter/promoter group of the company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company), as may be decided by the board, exercisable into not more than 1,56,25,510 equity shares of face value of ₹ 2/- each fully paid-up, on such terms and in such manner as the board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2016.

In this regard, the Group has recognised expense amounting to ₹ 2,048 lakhs for employees services received during the year, shown under Employee Benefit Expenses (Refer Note 31).

The movement in Stock Options during the current period are given below:

Employee Stock Option Plan 2007

		Options outstanding	During the Year				Options outstanding	Options vested but not exercised	Options unvested		
Particulars	Date of Grant	As at 31.03.2021	Addition in number of options on account of share split*	Options Granted	Options Forfeited / Expired	Options Exercised and allotted	As at 31.03.2022	As at 31.03.2022	As at 31.03.2022	Exercise Price	Weighted Average Remaining Contractual Life
GT25 Apr 2008	25-Apr-08	-	-	-	-	-	-	-	-	-	-
GT27 JAN 2011A	27-Jan-11	-	-	-	-	-	-	-	-	-	-
GT27 JAN 2011B	27 Jan 11	-	-	-	-	-	-	-	-	-	
GT30 APR 2011	30-Apr-11	10,240	-	-	-	10,240	-	-	-	33	-
GT27 OCT 2011	27-Oct-11	8,580	-	-	-	8,580	-	-	-	31	-
Total		**18,820**	**-**	**-**	**-**	**18,820**	**-**	**-**	**-**		

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 42 ESOP DISCLOSURE (Contd.)

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding As at 31.03.2021	During the Year: Addition in number of options on account of share split*	During the Year: Options Granted	During the Year: Options Forfeited / Expired	During the Year: Options Exercised and allotted	Options outstanding As at 31.03.2022	Options vested but not exercised As at 31.03.2022	Options unvested As at 31.03.2022	Exercise Price	Weighted Average Remaining Contractual Life
GT25 JAN 2017	25-Jan-17	16,64,690	-	-	-	6,01,040	10,63,650	10,63,650	-	202	-
GT30 JAN 2018	30-Jan-18	2,04,085	-	-	-	84,675	1,19,410	1,89,240	-	262	-
GT30 JAN2018A	30-Jan-18	87,300	-	-	-	-	87,300	17,470	-	262	-
GT23 APR 2018	23-Apr-18	26,940	-	-	-	-	26,940	13,470	13,470	312	0.06 years
GT26 JUL 2018	26-Jul-18	1,40,360	-	-	-	3,000	1,37,360	1,08,560	28,800	299	-
GT30 OCT 2018	30-Oct-18	2,97,400	-	-	-	70,100	2,27,300	1,30,580	96,720	254	0.58 years
GT19 MAR 2019	19-Mar-19	5,71,180	-	-	-	1,36,260	4,34,920	2,86,750	1,48,170	278	0.97 years
GT30 JUL 2019	30-Jul-19	26,772	-	-	-	26,772	-	-	-	248	-
GT05 NOV2019	5-Nov-19	2,50,040	-	-	-	51,740	1,98,300	32,940	1,65,360	316	1.10 years
GT23 JAN2020	23-Jan-20	42,400	-	-	10,600	-	31,800	-	31,800	318	1.32 years
GT03 JUNE2020	3-Jun-20	2,11,900	-	-	-	44,285	1,67,615	-	1,69,520	158	1.30 years
GT03 JUNE2020A	3-Jun-20	1,905	-	-	-	-	1,905	-	-	158	1.30 years
GT07 MAY2021	7-May-21	-	-	10,66,600	-	-	10,66,600	-	10,66,600	580	1.80 years
GT30 JULY2021	30-Jul-21	-	-	24,700	-	-	24,700	-	24,700	487	2.03 years
GT29 OCt2021	29-Oct-21	-	-	8,08,120	-	-	8,08,120	-	8,08,120	609	2.28 years
GT01 FEB2022	1-Feb-22	-	-	1,26,100	-	-	1,26,100	-	1,26,100	630	2.54 years
Total		**35,24,972**	**-**	**20,25,520**	**10,600**	**10,17,872**	**45,22,020**	**18,42,660**	**26,79,360**		

*Equity shares of face value of ₹ 10/- have been split into face value of ₹ 2 per share on June 18, 2019, pursuant to resolution passed through postal ballot on June 3, 2019

The movement in Stock Options during the previous year are given below:

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options outstanding As at 31.03.2020	During the Year 2020-21: Addition in number of options on account of share split*	During the Year 2020-21: Options Granted	During the Year 2020-21: Options Forfeited / Expired	During the Year 2020-21: Options Exercised and allotted	Options outstanding As at 31.03.2021	Options vested but not exercised As at 31.03.2021	Options unvested As at 31.03.2021	Exercise Price	Weighted Average Remaining Contractual Life
GT25 Apr 2008	25-Apr-08	-	-	-	-	-	-	-	-	-	-
GT27 JAN 2011A	27-Jan-11	23,120	-	-	-	23,120	-	-	-	38	-
GT27 JAN 2011B	27-Jan-11		-	-	-	-	-	-	-	-	-
GT30 APR 2011	30-Apr-11	25,240	-	-	-	15,000	10,240	10,240	-	33	-
GT27 OCT 2011	27-Oct-11	29,760	-	-	-	21,180	8,580	8,580	-	31	-
Total		**78,120**	**-**	**-**	**-**	**59,300**	**18,820**	**18,820**	**-**		

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 42 ESOP DISCLOSURE (Contd.)

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding As at 31.03.2020	During the Year 2020-21 Addition in number of options on account of share split*	During the Year 2020-21 Options Granted	During the Year 2020-21 Options Forfeited / Expired	During the Year 2020-21 Options Exercised and allotted	Options outstanding As at 31.03.2021	Options vested but not exercised As at 31.03.2021	Options unvested As at 31.03.2021	Exercise Price	Weighted Average Remaining Contractual Life
GT25 JAN2017	25 Jan 17	21,18,600	-	-	1,92,140	2,61,770	16,64,690	16,64,690	-	202	-
GT30 JAN2018	30 Jan 18	2,38,485	-	-	-	34,400	2,04,085	2,04,085	-	262	-
GT30 JAN2018A	30 Jan 18	89,800	-	-	-	2,500	87,300	60,360	26,940	262	0.84 years
GT23 APR2018	23 Apr 18	44,900	-	-	-	17,960	26,940	-	26,940	312	0.56 years
GT26 JUL2018	26 Jul 18	2,74,860	-	-	1,31,500	3,000	1,40,360	86,600	53,760	299	0.32 years
GT30 OCT2018	30 Oct 18	3,67,300	-	-	44,900	25,000	2,97,400	1,03,960	1,93,440	254	1.08 years
GT19 MAR2019	19 Mar 19	5,88,460	-	-	-	17,280	5,71,180	2,75,740	2,95,440	278	1.47 years
GT30 JUL2019	30 Jul 19	31,632	-		4,860	-	26,772	13,386	13,386	248	0.33 years
GT05 NOV2019	5 Nov 19	2,75,600	-		-	25,560	2,50,040	29,560	2,20,480	316	1.73 years
GT23 JAN2020	23 Jan 20	53,000	-		-	10,600	42,400	-	42,400	318	1.94 years
GT03 JUNE2020	3 Jun 20	-	-	2,11,900	-	-	2,11,900	-	2,11,900	158	1.88 years
GT03 JUNE2020A	3 Jun 20	-	-	1,905	-	-	1,905	-	1,905	158	0.18 years
Total		**40,82,637**	**-**	**2,13,805**	**3,73,400**	**3,98,070**	**35,24,972**	**24,38,381**	**10,86,591**		

*Equity shares of face value of ₹ 10/- have been split into face value of ₹ 2 per share on June 18, 2019, pursuant to resolution passed through postal ballot on June 3, 2019

The following tables list the inputs to the Black Scholes model used for the plans for the year ended March 31, 2021

ESOP 2007

Date of Grant	Variables: Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying Share in the Market at the time of the Option Grant (₹)	Fair Value of the Option (₹)
30-Jul-07	7.10% - 7.56%	3-6 years	40.64% -43.16%	5.65%	193.40	61.42
24-Oct-07	7.87% -7.98%	3-6 years	41.24% -43.84%	5.65%	149.90	44.25
25-Jan-08	6.14% -7.10%	3-6 years	44.58% -47.63%	5.65%	262.20	78.15
25-Apr-08	7.79% - 8.00%	2.5-5.5 years	45.78% - 53.39%	3.97%	191.80	76.74
30-Jul-08	9.14% - 9.27%	2.5-5.5 years	46.52% - 53.14%	3.97%	105.00	39.22
24-Oct-08	7.54% - 7.68%	2.5-5.5 years	48.2% - 55.48%	3.97%	37.70	14.01
27-Jan-11						
- Tranche I	8%	4 years	59.50%	10%	187.60	94.82
- Tranche II	8%	3.4 years	61.63%	10%	187.60	90.62
30-Apr-11	8%	4 years	59.40%	25%	162.55	73.07
28-Jul-11	8%	4 years	58.64%	25%	175.35	79.17
27-Oct-11	8%	4 years	57.52%	25%	154.55	67.26

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 42 ESOP DISCLOSURE (Contd.)

The shareholders of the Company, at the 34th Annual General Meeting held on July 30, 2012, authorised extension of exercise period from 3 years from the date of vesting to 6 years from the date of vesting. Accordingly, the Company has measured the fair value of the options using the Black Scholes model immediately before and after the date of modification to arrive at the incremental fair value arising due to the extension of the exercise period. The incremental fair value so calculated is recognised from the modification date over the vesting period in addition to the amount based on the grant date fair value of the stock options.

The incremental (benefit)/cost due to modification of the exercise period from 3 years to 6 years from the date of vesting for the year ended March 31, 2022 is ₹ Nil (March 31, 2021- ₹ Nil)

The fair value of the options has been calculated using the Black Scholes model on the date of modification.

The assumptions considered for the calculation of the fair value (on the date of modification) are as follows:

Variables	Post Modification
Risk Free Interest Rate	7.92%-8.12%
Expected Life	0.12 years- 6.25 years
Expected Volatility	28.28%-63.00%
Dividend Yield	1.18%
Price of the underlying share in market at the time of the option grant.(₹)	212.05

ESOP 2016

			Variables			
Date of Grant	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying Share in the Market at the time of the Option Grant (₹)	Fair Value of the Option (₹)
25-Jan-17	6.36% - 6.67%	3.5 - 6.51 years	33.39% - 34.47%	0.54%	1,010.00	401.29
30-Jan-18	7.11% - 7.45%	3.5 - 5.50 years	30.16% - 31.46%	0.42%	1,309.70	496.82
30-Jan-18	7.11% - 7.45%	3.5 - 5.50 years	30.16% - 31.46%	0.42%	1,309.70	531.84
23-Apr-18	7.45% - 7.81%	3.51 - 6.51 years	30.33% - 32.38%	0.42%	1,562.35	646.08
26-Jul-18	7.71% - 7.92%	3.51 - 5.51 years	30.56% - 31.83%	0.43%	1,497.30	586.32
30-Oct-18	7.61% - 7.85%	3.51 - 6.51 years	32.34% - 32.70%	0.51%	1,268.50	531.36
19-Mar-19	6.91% - 7.25%	3.51 - 6.51 years	32.19% - 32.59%	0.47%	1,390.05	564.13
30-Jul-19	6.15% - 6.27%	3.51 - 4.51 years	32.21% - 32.93%	0.52%	248.20	83.66*
5-Nov-19	6.15% - 6.27%	3.51 - 4.51 years	32.21% - 32.93%	0.52%	316.00	112.09*
23-Jan-20	6.15% - 6.27%	3.51 - 4.51 years	32.21% - 32.93%	0.52%	317.00	109.51*
3-Jun-20	5%	3.50 years	47.50%	1.33%	157.90	58.27*
7-May-21	5.12% - 6.02%	3.5 - 6.5 years	52.06% - 43.62%	0.34%	580.30	276.84
30-Jul-21	5.25% - 6.20%	3.50 - 6.51 years	52.06% - 43.65%	0.41%	487.15	232.48
29-Oct-21	5.22% - 6.17%	3.50 - 6.51 years	53.2% - 43.93%	0.33%	609.00	293.95
1-Feb-22	5.49% - 6.50%	3.50 - 6.51 years	53.81% - 44.42%	0.32%	629.50	309.23

* Fair value option of equity shares issued under this grant is post share split with a face value of ₹ 2/- each

Note : 43 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

₹ in lakhs

Particulars	April 01, 2021	Cash flows	Exchange Difference	Other	March 31, 2022
Debt Securities	12,35,767	1,06,714	-	(10,371)	13,32,110
Borrowings other than debt securities	47,18,226	4,60,663	11,888	9,675	52,00,452
Subordinated liabilities	4,19,006	(32,770)	-	(1,448)	3,84,788
Total	**63,72,999**	**5,34,607**	**11,888**	**(2,144)**	**69,17,350**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 43 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (Contd.)

₹ in lakhs

Particulars	April 1, 2020	Cash flows	Exchange Difference	Other	March 31, 2021
Debt Securities	7,32,683	5,00,898	-	2,186	12,35,767
Borrowings other than debt securities	43,27,308	4,04,659	(13,268)	(473)	47,18,226
Subordinated liabilities	4,40,552	(20,150)	-	(1,396)	4,19,006
Total	**55,00,543**	**8,85,407**	**(13,268)**	**317**	**63,72,999**

(i) Others column represents the effect of interest accrued but not paid on borrowing, amortisation of processing fees etc

(ii) Liabilities represents of Debt securities, Borrowings (other than debt securities) and Subordinated Liabilities

Note : 44 MATURITY ANALYSIS

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

₹ in lakhs

Particulars	Amount	Maturity	
		Within 12 months	After 12 months
As on March 31, 2022			
Financial Assets			
Cash and Cash Equivalents	2,69,884	2,69,884	-
Bank balances Other than Cash and Cash Equivalents	1,60,300	1,43,154	17,146
Derivative financial instruments	18,653	7,554	11,099
Receivables			
i) Trade Receivables	7,131	7,131	-
ii) Other Receivables	8,964	8,964	-
Loans	74,14,471	21,12,308	53,02,163
Investments			
i) Associate	3,303	-	3,303
ii) Others	1,57,643	909	1,56,734
iii) Joint Venture	44,559	-	44,559
Other Financial Assets	33,522	8,848	24,674
Total Financial Assets	**81,18,430**	**25,58,752**	**55,59,678**
Non- Financial Assets			
Current tax assets (Net)	25,200	-	25,200
Deferred tax assets (Net)	67,491	-	67,491
Investment Property	13	-	13
Property, Plant and Equipment	24,215	-	24,215
Capital Work in Progress	2,303	-	2,303
Intangible assets under development	1,432	37	1,395
Other Intangible assets	1,632	-	1,632
Other Non-Financial Assets	7,152	1,266	5,886
Total Non- Financial Assets	**1,29,438**	**1,303**	**1,28,135**
Financial Liabilities			
Derivative financial instruments	16,956	2,165	14,791
Payables			
i) Trade Payables-Due to MSME	306	306	-
ii) Trade Payables-Other than MSME	12,453	12,453	
iii) Other Payables	72,000	72,000	-
Debt Securities	13,32,110	5,98,192	7,33,918
Borrowings (Other than Debt Securities)	52,00,452	18,51,620	33,48,832
Subordinated Liabilities	3,84,788	50,604	3,34,184
Other Financial Liabilities	33,952	20,992	12,960
Total Financial Liabilities	**70,53,017**	**26,08,332**	**44,44,685**
Non-Financial Liabilities			
Current tax liabilities	-	-	-
Deferred tax Liabilities	65	-	65
Provisions	11,968	2	11,966
Other Non-Financial Liabilities	5,918	4,591	1,327
Total Non-Financial Liabilities	**17,951**	**4,593**	**13,358**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 44 MATURITY ANALYSIS (Contd.)

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

₹ in lakhs

Particulars	Amount	Maturity Within 12 months	Maturity After 12 months
As on March 31, 2021			
Financial Assets			
Cash and Cash Equivalents	1,48,036	1,48,036	-
Bank balances Other than Cash and Cash Equivalents	3,79,941	3,44,269	35,672
Derivative financial instruments	4,587		4,587
Receivables			
i) Trade Receivables	5,660	5,660	-
ii) Other Receivables	4,211	4,211	-
Loans	65,83,934	19,71,863	46,12,071
Investments			
i) Associate	2,424	-	2,424
ii) Others	1,55,925	-	1,55,925
iii) Joint Venture	-	-	-
Other Financial Assets	59,445	15,470	43,975
Total Financial Assets	**73,44,163**	**24,89,509**	**48,54,654**
Non- Financial Assets			
Current tax assets (Net)	14,767	-	14,767
Deferred tax assets (Net)	76,897	-	76,897
Investment Property	13	-	13
Property, Plant and Equipment	20,826	-	20,826
Intangible assets under development	991	-	991
Other Intangible assets	1,920	-	1,920
Other Non-Financial Assets	4,839	1,894	2,945
Total Non- Financial Assets	**1,20,253**	**1,894**	**1,18,359**
Financial Liabilities			
Derivative financial instruments	12,742	-	12,742
Payables			-
i) Trade Payables-Due to MSME	9,859	9,859	-
ii) Trade Payables-Other than MSME	-	-	-
iii) Other Payables	54,278	54,278	-
Debt Securities	12,35,767	6,04,785	6,30,982
Borrowings (Other than Debt Securities)	47,18,226	16,91,807	30,26,419
Subordinated Liabilities	4,19,006	1,01,959	3,17,047
Other Financial Liabilities	34,592	30,047	4,545
Total Financial Liabilities	**64,84,470**	**24,92,735**	**39,91,735**
Non-Financial Liabilities			
Current tax liabilities	4,225	4,225	-
Provisions	11,045	11,044	1
Other Non-Financial Liabilities	4,696	3,422	1,274
Total Non-Financial Liabilities	**19,966**	**18,691**	**1,275**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 45.1 CAPITAL MANAGEMENT

The Group maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Group's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

The Group has complied in full with the capital requirements prescribed by RBI over the reported period. The Capital adequacy ratio as of March 31, 2022 is 19.62% (March 31, 2021- 19.10%) as against the regulatory requirement of 15%.

45.2 FINANCIAL RISK MANAGEMENT

The key financial risks faced by the Group are credit and market risks comprising liquidity risk, interest rate risk and foreign currency risks.

45.2.1 Credit Risk

Credit risk arises when a borrower is unable to meet his financial obligations to the lender. This could be either because of wrong assessment of the borrower's payment capabilities or due to uncertainties in his future earning potential. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

45.2.1.1 Assessment Methodology

The Group has comprehensive and well-defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes detailed risk assessment of the borrowers, physical verifications and field visits. The Group has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals. This enables it to implement necessary changes to the credit policy, whenever the need arises. Also, being in asset financing business, most of the Group's lending is covered by adequate collaterals from the borrowers. The Group has a robust online application underwriting model to assess the credit worthiness of the borrower for underwriting decisions for its vehicle finance, Loan Against Property and home loan business. The Group also has a well-developed model for the vehicle finance portfolio, to help business teams plan volume with adequate pricing of risk for different segments of the portfolio.

45.2.1.2 Risk Management and Portfolio Review

The Group has a robust portfolio review mechanism. Key metrics like early delinquency, default rates are tracked, monitored and reviewed daily. Business teams review key trends in these Key Risk Indicators and location level strategies are adopted.

45.2.1.3 ECL Methodology

The Group records allowance for expected credit losses for all financial assets including loan commitments, other than those measured at FVTPL. Equity instruments carried at cost are not subject to impairment under the ECL methodology.

45.2.1.4 Assumptions and Estimation techniques

The Group calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. ECL is computed on collective basis. The portfolio is segmented based on shared risk characteristics for the computation of ECL.

The key elements of the ECL are summarised below:

45.2.1.4(a) PD

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. While computing probability of default, significant outlier events are suitably handled to ensure it does not skew the outcomes.

A 12M marginal PD is computed by creating cohorts of accounts starting in Stage 1 at the beginning of the year and subsequently moving to Stage 3 at any point in time during the year.

A conditional average probability of default is computed by taking cohort of which were in Stage 2 at the beginning the year and subsequently moved to Stage 3 anytime in each subsequent year

45.2.1.4(b) EAD

The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 45 CAPITAL MANAGEMENT (Contd.)

45.2.1.4(c) LGD

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The recoveries are discounted back to the default date using customer IRR. This present value of recovery is used for LGD computation. A recovery rate (RR) computed as the ratio of present value of recovery to the EAD (1 – RR), gives the LGD.

45.2.1.5 Mechanics of the ECL method

Stage 1:

All loans (other than purchased credit impaired asset) are categorised as Stage 1 on initial recognition.The 12months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12monthsECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:

Loans which are past due for more than 30 days are categorised as Stage 2. When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3:

Loans which are past due for more than 90 days are categorised as Stage 3. For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%

Restructured loans are categorised as Stage 3 on the date of restructuring and remain so for a period of one year. Post this, regular staging criteria applies.

Loans which have been renegotiated or modified in accordance with RBI Notifications for COVID-19 related stress has been classified as Stage 2 due to significant increase in credit risk.

The Post Implementation Staging of Loans restructured under Covid Resolution framework shall follow the Days Past Due of respective loan agreements.

In respect of new lending products introduced during the year, the Group follows simplified matrix approach for determining impairment allowance based on industry practise in the absence of historical information. These loans constitutes less than 1% of the total loan book.

Loan Movement across stages during the year is given in a note 9.1

Loan commitment:

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provisions.

Other Financial assets:

The Group follows 'simplified approach' for recognition of impairment loss allowance on other financial assets. The application of simplified approach does not require the Group to track changes in credit risk and calculated on case by case approach, taking into consideration different recovery scenarios.

Based on Management's assessment of ECL on trade receivables/ other financial assets, the provisions are not material to financial statements (Nil as at March 31, 2021).

45.2.1.6 Incorporation of forward looking statements in ECL model

The Group considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, Inflation, Government Expenditure etc., as considered relevant so as to determine the impact of macro-economic factors on the Group's ECL estimates.

The inputs and models used for calculating ECLs are recalibrated periodically through the use of available incremental and recent information. Further, internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Annual data from 2010 to 2026 (including forecasts for 5 years) were obtained from World Economic Outlook, October 2021 published by International Monetary Fund (IMF). IMF provides historical and forecasted data for important economic indicators country-wise. The data provided for India is used for the analysis. Macro variables that were compared against default rates at segment level to determine the key variables having correlation with the default rates using appropriate statistical techniques. Vasicek model has been incorporated to find the Point in Time (PIT) PD. The Group has formulated the methodology for creation of macro-economic scenarios under the premise of economic baseline, upside and downside condition. A final PIT PD is arrived as the scenario weighted PIT PD under different macroeconomic scenarios.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 45 CAPITAL MANAGEMENT (Contd.)

45.2.1.7 Macro economic variables

Segment	Macro-Economic Variables correlated for each segment	
Heavy Commercial Vehicle	Gross domestic product, current prices USD	Inflation, end of period consumer prices
Light Commercial Vehicle	Gross domestic product, current prices USD	Inflation, end of period consumer prices
Car & MUV	Gross domestic product, current prices USD	Inflation, end of period consumer prices
Mini Light Commercial Vehicle	Gross domestic product per capita, constant prices USD	Inflation, end of period consumer prices
Used Vehicles	General government total expenditure	Gross domestic product per capita, constant prices USD
Shubh	General government total expenditure	Gross domestic product per capita, constant prices USD
Tractor	Inflation, average consumer prices	General government total expenditure
Construction Equipment	Gross domestic product per capita, constant prices USD	Gross domestic product, current prices USD
Loan Against Property	Gross domestic product, current prices USD	Inflation, end of period consumer prices
Home Loan	Inflation, average consumer prices	General government total expenditure

Since the company has used Gross Domestic Product (GDP) as a predominant macro economic variable the sensitivity around the same is given below

₹ in lakhs

Year ended	Increase/(Decrease) of GDP	Impact on Expected Credit Losses (ECL)-Increase/(Decrease)
March 31,2022	Decrease by 5%	518
March 31,2022	Increase by 5%	(535)

45.2.1.8 Concentration of credit risk and Collateral and Credit Enhancements

45.2.1.8(a) Concentration of credit risk

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Group is in retail lending business on pan India basis targeting primarily customers who either do not get credit or sufficient credit from the traditional banking sector. Vehicle Finance (consisting of new and used Commercial Vehicles, Passenger Vehicles, Tractors, Construction Equipment and Trade advance to Automobile dealers) is lending against security (other than for trade advance) of Vehicle/ Tractor / Equipment and contributes to 69% of the loan book of the Group as of March 31, 2022 (72% as of March 31, 2021). Hypothecation endorsement is made in favour of the Group in the Registration Certificate in respect of all registerable collateral. Portfolio is reasonably well diversified across South, North, East and Western parts of the country. Similarly, sub segments within Vehicle Finance like Heavy Commercial Vehicles, Light Commercial Vehicles, Car and Multi Utility Vehicles, three wheeler and Small Commercial Vehicles, Refinance against existing vehicles, older vehicles (first time buyers), Tractors and Construction Equipment have portfolio share between 10% and 6% leading to well diversified sub product mix.

Loan Against Property is mortgage loan against security of existing immovable property (primarily self-occupied residential property) to self- employed non-professional category of borrowers and contributes to 22% of the lending book of the Group as of March 31, 2022 (22% as of March 31, 2021). Portfolio is concentrated in North 35% with small presence in East 5%. South has 35% and West contributes 25% of the overall exposure of the Group.

The Concentration of risk is managed by Group for each product by its region and its sub-segments. Group did not overly depend on few regions or sub-segments as of March 31, 2022.

45.2.1.8(b) Collateral and Credit enhancements

Although collateral can be an important mitigation of credit risk, it is the Group's practice to lend on the basis of the customer's ability to meet the obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements.

The Group obtains first and exclusive charge on all collateral that it obtains for the loans given. Vehicle Finance and Loan Against Property are secured by collateral at the time of origination. In case of Vehicle loans, Group values the vehicle either through proforma invoice (for

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 45 CAPITAL MANAGEMENT (Contd.)

new vehicles) or using registered valuer for used vehicles. In case of Loan Against Property loans, the value of the property at the time of origination will be arrived by obtaining two valuation reports from Group's empanelled valuers.

Hypothecation endorsement is obtained in favour of the Group in the Registration Certificate of the Vehicle/ Tractor / Equipment funded under the vehicle finance category.

Immovable Property is the collateral for Loan Against Property. Security Interest in favour of the Group is created by Mortgage through deposit of title deed which is registered wherever required by law.

In respect of Other loans, Home loans follow the same process as Loan Against Property and pledge is created in favour for the Group for loan against securities.

99% of the Group's term loan are secured by way of tangible Collateral.

In respect of some unsecured lending, the Group obtains First Loss Default Guarantee or similar arrangement from external service providers as partial cover against potential credit default.

Fair value of collateral held against credit impaired assets - March 31,2022

₹ in lakhs

Maximum exposure to credit risk (a)	Vehicles (b)	Loan against property (c)	Other loans (d)	Net exposure (e)=(a-b-c-d)	Associated ECL
3,30,532	2,33,024	2,40,987	23,823	(1,67,302)	1,26,650

Fair value of collateral held against credit impaired assets - March 31,2021

₹ in lakhs

Maximum exposure to credit risk (a)	Vehicles (b)	Loan against property (c)	Other loans (d)	Net exposure (e)=(a-b-c-d)	Associated ECL
2,64,053	1,90,025	2,15,929	20,285	(1,62,186)	1,14,030

Note: Column (b), (c), (d) of the above table, represents fair value of collateral

Valuation of Collateral:

a) Vehicles including construction equipment and tractors are valued at original cost less 20% depreciation per year on WDV

b) Immovable property is valued based on the amount as per the valuation report at the time of sanctioning of loan

c) Other loans – Book debts at Cost or Securities at market value

45.2.2 Market Risk

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates. The Group's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The Group is exposed to interest rate risk and liquidity risk, if the same is not managed properly. The Group continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee (ALCO) reviews market-related trends and risks and adopts various strategies related to assets and liabilities, in line with the Group's risk management framework. ALCO activities are in turn monitored and reviewed by a board sub-committee. In addition, the Group has put in an Asset Liability Management (ALM) support group which meets frequently to review the liquidity position of the Group.

45.2.2.1 Liquidity Risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis. The Group has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required. The Group also has lines of credit that it can access to meet liquidity needs. These are reviewed by the Asset Liability Committee (ALCO) on a monthly basis. The ALCO provides strategic direction and guidance on liquidity risk management. A sub-committee of the ALCO, comprising members

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 45 CAPITAL MANAGEMENT (Contd.)

from the Treasury and Risk functions, monitor liquidity risks on a weekly basis and decisions are taken on the funding plan and levels of investible surplus, from the ALM perspective. This sets the boundaries for daily cash flow management.

Analysis of Financial assets and Financial liabilities by remaining contractual maturities given in note 47.

45.2.2.2 Interest Rate Risk

The Group being in the business of lending raises money from diversified sources like market borrowings, term Loan from banks and financial institutions, foreign currency borrowings etc. Financial assets and liabilities constitute significant portion, changes in market interest rates can adversely affect the financial condition. The fluctuations in interest rates can be due to internal and external factors. Internal factors include the composition of assets and liabilities across maturities, existing rates and re-pricing of various sources of borrowings. External factors include macro-economic developments, competitive pressures, regulatory developments and global factors. The movement in interest rates (upward / downward) will impact the Net Interest Income depending upon rate sensitivity of the asset or liability. The Group uses traditional gap analysis report to determine the vulnerability to movements in interest rates. The Gap is the difference between Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) for each time bucket. A positive gap indicates that the Group can benefit from rising interest rates while a negative gap indicates that the Group can benefit from declining interest rates. Based on market conditions, the Group enters into interest rate swap to mitigate interest rate risk.

₹ in lakhs

Year ended	Increase/(Decrease)	Impact on Profit beforex Tax
March 31, 2022	Increase by 100 bps	(14,340)
March 31, 2022	Decrease by 100 bps	14,340

Year ended	Increase/(Decrease)	Impact on Profit before Tax
March 31, 2021	Increase by 100 bps	(10,360)
March 31, 2021	Decrease by 100 bps	10,360

45.2.2.3 Foreign Currency Risk

Foreign currency risk for the Group arise majorly on account of foreign currency borrowings. The Group manages this foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge, the Group negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Group holds derivative financial instruments such as Cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate.

The Counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

45.2.2.4 Hedging Policy

The Group's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment and hence the hedge ratio is 1:1.

45.3 Disclosure of Effects of Hedge Accounting

Cash flow Hedge

As at March 31, 2022								
Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Lakhs)		Maturity Date	Changes in Fair value of Hedging Instrument (₹ in lakhs)	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness (₹ in lakhs)	Line item in Balance sheet
	Asset	Liability	Asset	Liability				
Cross Currency Interest rate swap	6	0	10,809	-	June 27, 2022 to June 20, 2028	9,089	16,419	Borrowings
Overnight Index Swaps	0	2	-	282	October 23, 2022 to March 20,2024	(282)	-	Borrowings
Forward contracts	0	3	7,844	16,674	June 27, 2022 to June 20, 2028	1,045	1,453	Borrowings

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 45 CAPITAL MANAGEMENT (Contd.)

Year ended March 31, 2022				
Cash flow Hedge	**Change in the value of Hedging Instrument recognised in Other Comprehensive Income (₹ in Lakhs)**	**Hedge Effectiveness recognised in profit and loss (₹ in Lakhs)**	**Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss (₹ in Lakhs)**	**Line item affected in Statement of Profit and Loss because of the Reclassification**
Foreign exchange risk and Interest rate risk	16,197	-	-	NA

As at March 31, 2021

As at March 31, 2021								
Foreign Exchange Risk on Cash Flow Hedge	**Nominal Value of Hedging Instruments (No. of Contracts)**		**Carrying Value of Hedging Instruments (₹ in Lakhs)**		**Maturity Date**	**Changes in Fair value of Hedging Instrument (₹ in lakhs)**	**Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness (₹ in lakhs)**	**Line item in Balance sheet**
	Asset	Liability	Asset	Liability				
Cross Currency Interest rate swap	6	1	2,634	914	March 18, 2022 to June 03, 2024	7,872	(11,025)	Borrowings
Forward contracts	0	26	1,953	11,828	March 21, 2022 to June 03, 2024	9,875	5,041	Borrowings

Cash flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income (₹ in Lakhs)	Hedge Effectiveness recognised in profit and loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign exchange risk and Interest rate risk	(4,521)	-	-	NA

Note 46 : (i) INVESTMENT IN JOINT VENTURE

The Group has acquired equity shares of Payswiff Technologies Private Limited (Payswiff), from its founders and other existing shareholders towards strategic investment in the equity shares of Payswiff up to a sum not exceeding ₹ 450 Crores in one or more tranches. This will result in the Group holding up to 73.84% of the equity capital of Payswiff. Payswiff is engaged in the business of enabling online payment gateway services for e-commerce businesses and provides e-commerce solutions. Payswiff is an omni channel payment transaction solution that lets business owners accept payments from their customers in-store, at home deliveries, online, and on-the-go using mPOS and POS solution

₹ in lakhs

Particulars	As at March 31, 2022
Value of Investment in Joint Venture	45,001
Less: Cumulative Share of Loss of from Joint venture	(442)
Closing value of Investment	**44,559**

Even though, the Group holds 73.82% of the paid up equity capital of payswiff, however, in view of founder reserved matters and dispute resolution mechanism envisaged in the shareholder agreement executed between the Group and founders of payswiff, the Group is considered to have joint control over the entity as per Ind AS 28 read with IND AS 110. Hence it is classified as investment in Joint venture

₹ in lakhs

Particulars	March 31, 2022
Current assets	4,025
Non-current assets	5,033
Current liabilities	(5,239)
Non-current liabilities	(152)
Equity	**3,667**
Proportion of the Group's ownership	74%
Group's share in the Equity of the Joint venture	2,714

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 46 (ii) INVESTMENT IN AN ASSOCIATES

a) The Group had recognised the value of investment in associate - White Data Systems India Private Limited (WDSI) at fair value on the date of loss of control and the same is carried at cost as at reporting date.

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Value of Investment in Subsidiary on the date of loss of control	2,554	2,554
Less: Cumulative Share of Loss of from Associate	(152)	(130)
Closing value of Investment	**2,402**	**2,424**

The Group has a 30.87% interest in White Data Systems India Private Limited, which is in the business of providing freight data solutions encompassing technology, certification and finance offering in India. The WDSI has dedicated logistics platform "i-loads", seamlessly connects load providers, logistics agents, brokers and transporters through its disruptive technology. It is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in White Data Systems India Private Limited:

₹ in lakhs

Particulars	March 31, 2022	March 31, 2021
Current assets	1,954	2,483
Non-current assets	2,422	1,713
Current liabilities	(921)	(700)
Non-current liabilities	(60)	(47)
Equity	**3,395**	**3,449**
Proportion of the Group's ownership	30.87%	30.87%
Group's share in the Equity of the associate	1,048	1,065

₹ in lakhs

Particulars	Year ended March 31, 2022
Revenue from contracts with customers	461
Other Income	200
Depreciation & amortization	190
Finance cost	23
Employee benefit	142
Other expense	278
Profit before tax	**28**
Deferred tax reversal	8
Profit for the year (continuing operations)	36
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	(5)
Total comprehensive income for the year (continuing operations)	**31**
Group's share of profit for the year	**11**
Adjustment relating to prior periods	**(33)**
Group's share of loss considered in the consolidated statement of Profit and loss for the year ended March 31, 2022	**(22)**

The associate has no contingent liabilities or capital commitments as at March 31, 2022 and March 31, 2021.

b) Vishwakarma Payments Private Limited (VPPL) is a consortium of 7 entities formed for the purpose of applying to the Reserve Bank of India (RBI) for an NUE (New Umbrella Entity) license within the framework of RBI circular. The licensed NUE is to focus on retail payment systems by developing interoperable infrastructure which will cater to banks and non-banks and enable innovative use-cases to solve the diversity, depth and width of consumers and small businesses in India. VPPL is incorporated with an equity capital of ₹ 1 lakh and its networth as March 31, 2022 is ₹ 1 lakh. It can commence operations only on receipt of license from RBI. The Group holds 21% stake in VPPL.

c) The Group had recognised the value of investment in associate - Paytail Commerce Private Limited (Paytail) at amortised Cost. The Group has acquired 16.29% of the Equity Share Capital of Paytail Commerce Private Limited in September 2021. By virtue of the voting and other rights as per the share purchase agreement, Paytail Commerce Private Limited has been assessed as an associate of the Group.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 46 INVESTMENT IN AN ASSOCIATE (Contd.)

₹ in lakhs

Particulars	As at March 31, 2022
Value of investment in Associate	975
Less: Cumulative Share of Loss of from Associate	(74)
Closing value of Investment	**901**

Particulars	March 31, 2022
Current assets	330
Non-current assets	470
Current liabilities	-
Non-current liabilities	(7)
Equity	**793**
Proportion of the Group's ownership	16.29%
Group's share in the Equity of the associate	129

Particulars	Year ended March 31, 2022
Operating Income	256
Expenses	767
Profit before tax	**(511)**
Income tax expense	-
Profit for the year (continuing operations)	(511)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	-
Total comprehensive income for the year (continuing operations)	**(511)**
Group's share of loss for the year	**(74)**
Adjustment relating to prior periods	**-**
Group's share of loss considered in the consolidated statement of Profit and loss for the year ended March 31, 2022	**(74)**

Note : 47

Note : 47.1 FAIR VALUE OF FINANCIAL INSTRUMENTS

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non–financial liabilities.

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash and Cash Equivalents	2,69,884	2,69,884	1,48,036	1,48,738
Bank balances Other than Cash and Cash Equivalents	1,60,300	1,60,300	3,79,941	3,79,239
Receivables				
i) Trade Receivables	7,131	7,131	5,660	5,660
ii) Other Receivables	8,964	8,963	4,211	4,211
Loans	74,14,471	75,16,453	65,83,934	68,38,189
Investments other than associates	1,57,643	1,38,665	1,55,925	1,48,239
Other Financial Assets	33,522	36,748	56,804	59,445
Total Financial Assets	**80,51,915**	**81,38,144**	**73,34,511**	**75,83,721**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 47.1 FAIR VALUE OF FINANCIAL INSTRUMENTS (Contd.)

₹ in lakhs

Particulars	March 31, 2022		March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liabilities				
Payables				
i) Trade Payables - Due to MSME	306	306	-	-
ii) Trade Payables - Other than MSME	12,453	12,453	9,859	9,859
iii) Other Payables	72,000	72,212	54,278	54,278
Debt Securities	13,32,110	13,32,560	12,35,767	12,36,047
Borrowings (Other than Debt Securities)	52,00,452	52,48,454	47,18,226	47,15,550
Subordinated Liabilities	3,84,788	3,86,858	4,19,006	4,20,811
Other Financial Liabilities	33,952	33,951	34,592	34,592
Total Financial Liabilities	**70,36,061**	**70,86,794**	**64,71,728**	**64,71,137**

The Management assessed that cash and cash equivalents, bank balance other than Cash and cash equivalents, receivable, other financial assets, payables and other financial liabilities approximates their carrying amount largely due to short term maturities of these instruments.

Note 47.2 Fair value hierarchy

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

i) Derivatives are fair valued using market observable rates and publishing prices

ii) The fair value of loans have estimated by discounting expected future cash flows using discount rate equal to the rate near to the reporting date of the comparable product.

iii) The fair value of debt securities, borrowings other than debt securities and subordinated liabilities have estimated by discounting expected future cash flows discounting rate near to report date based on comparable rate / market observable data.

iv) The fair values of quoted equity investments are derived from quoted market prices in active markets.

v) The fair value of investment in Government securities are derived from rate near to the reporting date of the comparable product.

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities

Quantitative disclosure fair value measurement hierarchy of assets as at March 31, 2022

₹ in lakhs

Particulars		Fair value measurement using		
	Carrying Value	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVTOCI Equity Instruments	2,688	2,688	-	-
FVTPL Equity Instruments	600	-	-	600
Derivative financial instruments	18,653	-	18,653	-
Assets for which fair values are disclosed				
Loans	74,14,471	-		75,16,453
Investments in Government Securities	1,57,643	-	1,46,905	-
Investment Properties *	13	-	-	304

There have been no transfers between different levels during the period.

* Fair value of investment property is calculated based on valuation given by external independent valuer.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 47.2 FAIR VALUE HIERARCHY (Contd.)

Quantitative disclosure fair value measurement hierarchy of liabilities as at March 31, 2022

₹ in lakhs

Particulars	Carrying Value	Fair value measurement using Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair value				
Derivative financial instruments	16,956	-	16,956	-
Liabilities for which fair values are disclosed				
Debt Securities	13,32,110	-	13,32,560	-
Borrowings (Other than Debt Securities)	52,00,452	-	52,48,454	-
Subordinated Liabilities	3,84,788	-	3,86,858	-

There have been no transfers between different levels during the period.

Quantitative disclosure fair value measurement hierarchy of assets as at March 31, 2021

₹ in lakhs

Particulars	Carrying Value	Fair value measurement using Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVTOCI Equity Instruments	1,046	1,046		-
Derivative financial instruments	288	-		288
Derivative financial instruments	4,587	-	4,587	-
Assets for which fair values are disclosed				
Loans	65,83,934	-		68,38,189
Investment in Government Securities	1,55,925		1,46,905	
Investment Properties *	14	-	-	304

There have been no transfers between different levels during the period.

* Fair value of investment property is calculated based on valuation given by external independent valuer.

Quantitative disclosure fair value measurement hierarchy of liabilities as at March 31, 2021

₹ in lakhs

Particulars	Carrying Value	Fair value measurement using Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair value				
Derivative financial instruments	12,742	-	12,742	-
Liabilities for which fair values are disclosed				
Debt Securities	12,35,767	-	12,36,407	-
Borrowings (Other than Debt Securities)	47,18,226	-	47,15,550	-
Subordinated Liabilities	4,19,006	-	4,20,811	-

There have been no transfers between different levels during the period.

Note 47.3 Summary of Financial assets and liabilities which are recognised at amortised cost

₹ in lakhs

Particulars	March 31, 2022	March 31, 2021
Financial Assets		
Cash and Cash Equivalents	2,69,884	1,48,036
Bank balances other than Cash and Cash Equivalents	1,60,300	3,79,941
Loans	74,13,721	65,83,934
Investments other than associates	1,57,643	1,55,925
Other Financial Assets	33,522	56,804
Financial Liabilities		
Debt Securities	13,32,110	12,35,767
Borrowings (Other than Debt Securities)	52,00,452	47,18,226
Subordinated Liabilities	3,84,788	4,19,006
Other Financial liabilities	33,952	34,592

47.4 Refer Note 15 for sensitivity analysis for investment property, whose fair value is disclosed under the level 3 category.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 48 ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY REMAINING CONTRACTUAL MATURITIES

As at March 31, 2022

₹ in lakhs

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial Assets								
Cash and Cash Equivalents	2,67,881	-	-	-	-	-	-	**2,67,881**
Bank balances other than Cash and Cash Equivalents	1,19,461	877	1,807	6,576	20,453	11,188	6,913	**1,67,275**
Derivative financial instruments	-	7,512	42	-	3,297	-	7,802	**18,653**
Receivables								
i) Trade Receivables	7,131	-	-	-	-	-	-	**7,131**
ii) Other Receivables	9,554	-	-	-	-	-	-	**9,554**
Loans	5,05,483	6,05,792	7,51,804	14,11,269	38,93,382	15,27,171	22,97,827	**1,09,92,728**
Investments								
i) Associate and Joint Venture	-	-	-	-	-	-	47,862	**47,862**
ii) Others	-	1,136	3,722	4,857	20,028	19,428	1,13,876	**1,63,047**
Other Financial Assets	2,741	2,270	2,853	5,018	12,724	6,527	7,522	**39,655**
Total Undiscounted financial assets financial assets	**9,12,251**	**6,17,587**	**7,60,228**	**14,27,720**	**39,49,884**	**15,64,314**	**24,81,802**	**1,17,13,786**
Financial Liabilities								
Derivative financial instruments	-	481	593	1,093	5,541	5,862	3,387	**16,957**
Payables								
(I) Trade Payables		-	-	-	-	-	-	-
i) Total outstanding dues of micro and small enterprises	306	-	-	-	-	-	-	**306**
ii) Total outstanding dues of creditors other than micro and small enterprises	13,043	-	-	-	-	-	-	**13,043**
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises	71,997	-	-	-	3	-	-	**72,000**
Debt Securities	83,327	1,35,620	1,48,533	2,74,480	6,85,141	1,18,828	-	**14,45,929**
Borrowings (Other than Debt Securities)	1,62,933	4,28,998	6,07,371	8,85,678	26,25,680	9,79,335	70,401	**57,60,396**
Subordinated Liabilities	274	6,788	24,079	44,604	1,37,511	67,562	14,37,012	**17,17,830**
Other Financial Liabilities	22,901	969	1,381	2,304	6,603	1,456	-	**35,614**
Total Undiscounted financial liabilities	**3,54,781**	**5,72,856**	**7,81,957**	**12,08,159**	**34,60,479**	**11,73,043**	**15,10,800**	**90,62,075**
Total net Undiscounted financial assets/(liabilities)	**5,57,470**	**44,731**	**(21,729)**	**2,19,561**	**4,89,405**	**3,91,271**	**9,71,002**	**26,51,711**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 48 ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY REMAINING CONTRACTUAL MATURITIES (Contd.)

As at March 31, 2021 ₹ in lakhs

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial Assets								
Cash and Cash Equivalents	1,59,322		-	-	-	-	-	**1,59,322**
Bank balances other than Cash and Cash Equivalents	96,373	1,02,355	1,36,807	4,033	13,043	10,571	11,444	**3,74,626**
Derivative financial instruments	-	-	-	-	-	-	4,587	**4,587**
Receivables								
i) Trade Receivables	5,660	-	-	-	-	-	-	**5,660**
ii) Other Receivables	4,211	-	-	-	-	-	-	**4,211**
Loans	5,02,874	5,38,796	7,04,685	13,47,385	37,59,707	13,26,678	19,71,659	**1,01,51,784**
Investments								
i) Associate	-	-	-	-	-	-	2,424	**2,424**
ii) Others	-	1,135	3,722	4,857	19,716	19,428	1,07,068	**1,55,926**
Other Financial Assets	4,605	12,851	4,368	7,535	18,303	10,630	10,810	**69,102**
Total Undiscounted financial assets	**7,73,045**	**6,55,137**	**8,49,582**	**13,63,810**	**38,10,769**	**13,67,307**	**21,07,992**	**1,09,27,642**
Financial Liabilities								
Derivative financial instruments	-	-	-	-	-	-	12,742	**12,742**
Payables	-	-	-	-	-	-	-	
(I) Trade Payables		-	-	-	-	-	-	-
i) Total outstanding dues of micro and small enterprises		-	-	-	-	-	-	**-**
ii) Total outstanding dues of creditors other than micro and small enterprises	9,859	-	-	-	-	-	-	**9,859**
(II) Other Payables	-	-	-	-	-	-	-	
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises	54,278	-	-	-	-	-	-	**54,278**
Debt Securities	1,13,137	2,70,683	1,08,618	1,48,066	5,52,907	1,60,428	2,712	**13,56,551**
Borrowings (Other than Debt Securities)	1,59,219	3,08,806	7,48,826	7,09,140	25,22,320	6,94,544	1,10,157	**52,53,012**
Subordinated Liabilities	273	37,967	12,769	78,271	1,66,250	76,319	15,33,381	**19,05,230**
Other Financial Liabilities	41,066	913	1,302	2,069	10,402	583	-	**56,335**
Total Undiscounted financial liabilities	**3,77,832**	**6,18,369**	**8,71,515**	**9,37,546**	**32,51,879**	**9,31,874**	**16,58,992**	**86,48,007**
Total net Undiscounted) financial assets/(liabilities)	**3,95,213**	**36,768**	**(21,933)**	**4,26,264**	**5,58,890**	**4,35,433**	**4,49,000**	**22,79,635**

Note : 49 DISCLOSURES IN CONNECTION WITH IND AS 116 - LEASES

The Group has taken office premises on lease for its operations.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of machinery with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities included under financial liabilities and right to use asset included in Property, Plant and Equipment and the movements during the period:

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 49 DISCLOSURES IN CONNECTION WITH IND AS 116 - LEASES (Contd.)

Other Disclosures

(i) Movement in the carrying value of the Right to Use Asset

₹ in lakhs

Particulars - Buildings	As on March 31, 2022	As on March 31, 2021
Opening Balance	7,922	11,030
Depreciation charge for the Period	(4,470)	(4,634)
Additions during the Period	7,041	1,563
Adjustment/Deletion	(527)	(37)
Closing Balance	**9,966**	**7,922**

(ii) Classification of current and non current liabilities of the lease liabilities

Particulars	As on March 31, 2022	As on March 31, 2021
Current liablities	4,709	4,450
Non Current Liabilities	6,327	4,803
Total Lease liabilities	**11,036**	**9,253**

(iii) Movement in the carrying value of the Lease Liability

Particulars	As on March 31, 2022	As on March 31, 2021
Opening Balance	9,253	12,425
Interest Expense	884	958
Lease Payments [Total Cash Outflow]	(5,470)	(5,026)
Short term rent concession	(112)	(630)
Additions during the year	7,041	1,563
Adjustment/Deletion	(560)	(37)
Closing Balance	**11,036**	**9,253**

(iv) Contractual Maturities of Lease liability outstanding

Particulars	As on March 31, 2022	As on March 31, 2021
Less than one year	5,013	4,618
One to five Years	7,691	5,780
Total	**12,704**	**10,398**

(v) The following are the amount recognised in the Profit or Loss statement

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Depreciation expense of right-of-use assets	4,470	4,634
Interest expense on lease liabilities	884	958
Expense relating to short-term leases (included in other expenses)	-112	3
Expense relating to leases of low-value assets (included in other expenses)		-
Variable lease payments (included in other expenses)		-
Total amount recognised in profit or loss	**5,242**	**5,595**

Lease expenses relating to short term leases aggregated to ₹ 119 Lakhs during the year ended March 31, 2022

Lease liabilities are recognised at weighted average incremental borrowing rate ranging from 8% to 12%.

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to the lease liabilities as and when they fall due.

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

The Group has not defaulted in its lease obligations

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 50 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 AND MARCH 31, 2021

As at March 31, 2022

₹ in lakhs

Name of the entities	Net Assets (i.e total assets less total liabilities)		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
I. Parent								
Cholamandalam Investment and Finance Company Limited	95%	11,16,752	100%	2,14,522	89%	12,123	99%	2,26,645
II. Subsidiaries								
Cholamandalam Securities Limited	0%	5,762	0%	548	10%	1,336	1%	1,884
Cholamandalam Home Finance Limited	1%	6,223	0%	819	1%	168	0%	987
Minority Interests in all subsidiaries	0%	0	0%	0	0%	0	0%	-
III. Joint Venture (Investment as per equity method)								
Payswiff Technologies Private Limited	4%	44,560	0%	(441)	0%	0	0%	(441)
IV. Associates (Investment as per equity method)								
White Data Systems India Private Limited	0%	2,702	0%	(22)	0%	0	0%	(22)
Vishvakarma Payments Private Limited	0%	0	0%	0	0%	0	0%	0
Paytail Commerce Private Limited	0%	901	0%	(75)	0%	0	0%	(75)
	100%	**11,76,900**	**100%**	**2,15,351**	**100%**	**13,627**	**100%**	**2,28,978**

As at March 31, 2021

Name of the entities	Net Assets (i.e total assets less total liabilities)		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
I. Parent								
Cholamandalam Investment and Finance Company Limited	99%	9,48,743	100%	1,51,410	119%	(3,478)	99%	1,47,932
II. Subsidiaries								
Cholamandalam Securities Limited	0%	3,437	0%	492	-6%	175	0%	667
Cholamandalam Home Finance Limited	1%	5,376	0%	236	-13%	379	0%	615
Minority Interests in all subsidiaries	0%	0	0%	0	0%	0	0%	-
III. Associates (Investment as per equity method)								
White Data Systems India Private Limited	0%	2,424	0%	(53)	0%	0	0%	(53)
Vishvakarma Payments Private Limited	0%	0	0%	0	0%	0	0%	0
	100%	**9,59,980**	**100%**	**1,52,085**	**100%**	**(2,924)**	**100%**	**1,49,161**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 51ADDITIONAL DISCLOSURES UNDER SCHEDULE III DIVISION III

Part 1 -Ageing Analysis

A. Trade Receivables ageing schedule as on March 31,2022

₹ in lakhs

Particulars	Outstanding for following periods from due date of transaction					
	Less than 6 Months	6 Months to 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables -considered good	7,005	54	1	23	-	7,083
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	2	5	4	5	32	48
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**7,007**	**59**	**5**	**28**	**32**	**7,131**

B. Trade Receivables ageing schedule as on March 31, 2021

Particulars	Outstanding for following periods from due date of transcation					
	Less than 6 Months	6 Months to 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)Undisputed Trade receivables -considered good	5,363	253	-	-		5,616
(ii) Undisputed Trade Receivables - which have significant increasein credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	1	4	5	9	25	44
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**5,364**	**257**	**5**	**9**	**25**	**5,660**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 51 ADDITIONAL DISCLOSURES UNDER SCHEDULE III DIVISION III (Contd.)

C. CWIP ageing schedule as on March 31,2022

₹ in lakhs

Capital-work-in-progress	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	2,303				2,303
Projects Temporarily Suspended	-	-	-	-	-

Note: The amount pertains to one project which is expected to be completed by Dec 2022

D. Intangible assets under development ageing schedule as on March 31, 2022

Intangible assets under development	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	1,017	284	85	46	1,432
Projects Temporarily Suspended					-

E. Intangible assets under development ageing schedule as on March 31, 2021

Intangible assets under development	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	478	338	141	34	991
Projects Temporarily Suspended					-

F. Trade Payables ageing schedule as on March 31, 2022

Particulars	Outstanding for following periods from due date of Transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	306				306
(ii) Others	12,402	5	7	39	12,453
(iii) Disputed dues - MSME					-
(iv) Disputed dues - Others					-
Total	**12,708**	**5**	**7**	**39**	**12,759**

G. Trade Payables ageing schedule as on March 31, 2021

Particulars	Outstanding for following periods from due date of Transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					-
(ii) Others	9,671	12	22	37	9,742
(iii) Disputed dues - MSME					-
(iv) Disputed dues - Others		117			117
Total	**9,671**	**129**	**22**	**37**	**9,859**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2022

Note : 51 ADDITIONAL DISCLOSURES UNDER SCHEDULE III DIVISION III

Part - II - Other Disclosures
No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
As per the information available, the Group has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period.
The Group being an non-banking finance company, as part of its normal business, grants loans and advances to its customers, other entities and persons ensuring adherence to all regulatory requirements. Further, the company has also borrowed funds from banks, financial institutions in compliance with regulatory requirements in the ordinary course of business Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has also not received any fund from any parties (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
Group has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2022

Note : 52 EVENTS AFTER REPORTING DATE

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

For **Price Waterhouse LLP**
Chartered Accountants
ICAI Firm Regn No. : **301112E/ E30026**

A.J. Shaikh
Partner
Membership No. : 221268

For **Sundaram and Srinivasan**
Chartered Accountants
ICAI Firm Regn No. : **004207S**

S. Usha
Partner
Membership No. : **211785**

Date : May 5, 2022
Place : Chennai

For and on behalf of the Board of Directors

Ravindra Kumar Kundu
Executive Director

Vellayan Subbiah
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

₹ in lakhs

Name of the subsidiary	Cholamandalam Home Finance Limited	Cholamandalam Securities Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2022	March 31, 2022
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not applicable	Not applicable
Share capital	4,240	2,250
Reserves & surplus	1,983	3,062
Total assets	6,879	11,096
Total Liabilities	656	5,784
Investments	1,442	1,850
Turnover	5,637	4,001
Profit/(Loss) before taxation	919	748
Provision for taxation	240	209
Profit/(Loss) after taxation	679	539
Proposed Dividend	-	-
% of shareholding	100.00%	100.00%
Names of subsidiaries which are yet to commence operations	Not applicable	Not applicable
Names of subsidiaries which have been liquidated or sold during the year.	Not applicable	Not applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates	White Data Systems India Private Limited	Vishvakarma Payments Private Limited	Paytail Commerce Private Limited	Payswiff Technologies Private Limited
Latest Balance Sheet Date	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
Shares of Associate/Joint Ventures held by the company on the year end				
No.	12,75,917	2,100	27,482	27,73,227
Amount of Investment in Associates/Joint Venture (₹ in lakhs)	800	0.21	975	45,001
Extend of Holding %	30.87%	21.00%	16.25%	73.84%
Description of how there is significant influence	By way of shareholding	By way of shareholding	By way of shareholding and rights in share holding agreement	By way of shareholding and rights in share holding agreement
Reason why the associate/joint venture is not consolidated	Not applicable	Not applicable	Not applicable	Not applicable
Networth attributable to Shareholding as per latest Balance Sheet	1,048	1.00	129	2,714
Profit / (Loss) for the year - ₹ in lakhs	36	0*	(511)	(3,378)
Considered in Consolidation - ₹ in Lakhs	11	0*	(74)	(442)
Not Considered in Consolidation – ₹ in Lakhs	25	0*	(437)	(2,936)
Names of associates or joint ventures which are yet to commence operations	Not applicable	Not applicable	Not applicable	Not applicable
Names of associates or joint ventures which have been liquidated or sold during the year.	Not applicable	Not applicable	Not applicable	Not applicable

*represents amount less than ₹ 50,000

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

Date : May 5, 2022	**Vellayan Subbiah**	**Ravindra Kumar Kundu**	**D. Arul Selvan**	**P. Sujatha**
Place : Chennai	Chairman	Executive Director	Chief Financial Officer	Company Secretary

A. TERMS

Assets Under Management (AUM)	Business AUM and Investments
Business AUM	On - Balance sheet Business assets and Off - Balance sheet Business assets
Business AUM(Net)	Business AUM less Expected Credit Losses(ECL) provisions
Net credit Losses (NCL)	Loan losses and ECL provision

B. PERFORMANCE RATIOS

Operating Expenses to Assets	Total Expenses (Less: Finance Costs & Impairment of Financial Instruments)/Average of Closing Assets
Loan Losses %	Impairment of Financial instruments/Average of Closing Assets
PBT-ROTA	Profit Before Tax/Average of Closing Assets
Prot Before Tax to Income	Profit Before Tax/Total Income
Return on Total Assets - PAT	Profit After Tax/Average of Closing Assets
Return on Equity - PAT	Profit After Tax/Average of Shareholder's funds

Closing assets Represents Business AUM for Respective Business and represents on-balance sheet business assets and Investment at Company's level for computing ratios

C. INVESTOR RATIOS

Earnings per Equity share	Profit After Tax/Weighted Average number of shares
Book value per Equity share	Networth/Total Number of Shares
Dividend per Equity share	Interim Dividend paid & Final Dividend proposed per Equity share
CAR (Capital Adequacy Ratio)	Tier I & Tier II Capital/Risk Weighted Assets

Notes:

CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED
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murugappa