Chola
Financial Holdings

FUTURE FOCUS

CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED

ANNUAL REPORT
2018-19

Murugappa Group

Founded in 1900, the INR 369 Billion (36,893 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including nine listed companies traded in NSE & BSE. Headquartered in Chennai, the major companies of the Group include Carborundum Universal Ltd., Cholamandalam Financial Holdings Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., 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, Bioproducts 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 50,000 employees.

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

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MANAGER & CHIEF FINANCIAL OFFICER

N Ganesh

SECRETARY

E Krithika

AUDITORS

M/s S.R. Batliboi & Associates LLP
Chartered Accountants
6th Floor - ‘A’ Block,
Tidel Park, No. 4,
Rajiv Gandhi Salai, Taramani,
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CORPORATE IDENTIFICATION NUMBER

L65100TN1949PLC002905

REGISTRAR & SHARE TRANSFER AGENT

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Karvy Selenium Tower B, Plot 31-32,
Financial District, Gachibowli,
Hyderabad - 500 032, Telangana
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Toll free : 1800-345-4001
E-mail : einward.ris@karvy.com
Website : www.karvyfintech.com

CHAIRMAN'S MESSAGE

Dear Shareholders

Financial Year 2019 (FY19) started off on an optimistic note with tailwinds from smooth functioning of the Goods and Services Tax (GST) framework, thrust to the rural and infrastructure sectors in the Union Budget 2018-19, recapitalization of public sector banks and resolution of distressed assets under the Insolvency and Bankruptcy Code. Gross Domestic Product (GDP) grew close to 7.5% during the first half of FY 19, driven by healthy demand across sectors. However, risk aversion and tight liquidity conditions decelerated the global & domestic economy during the second half. Domestic growth slowed-down to 6.2% accentuated by subdued private consumption, slower growth in fixed investment and muted exports in the second half of FY 19. The financial services sector faced liquidity constraints due to default on payment by few finance companies and a slow-down in auto and real estate sectors.

Growth in the Company's NBFC segment was primarily supported by the Commercial Vehicles (CV) industry. Following a healthy demand from freight generation sectors and infrastructure pick-up, CV industry delivered strong growth in the first half year. The adverse impact due to tightening of financing following the liquidity crunch, higher fuel costs and weak freight rates affected CV demand in the second half year. Despite this, the commercial vehicle segment grew by 18% year-on-year. Domestic Car and Utility vehicle industry had a modest growth of 4% and the tractor industry grew by 12% in FY 19. Cholamandalam Investment and Finance Company Limited (CIFCL), a listed NBFC, offering vehicle finance, home loans and home equity loans, in which the Company holds 46.4% stake has performed well during the year. CIFCL recorded an overall disbursement of ₹ 30450.95 Crore and profit before tax of ₹ 1823.15 Crore in FY 19.

In the insurance sector, the Gross Direct Premium of non-life insurers (excluding Standalone Health & Specialised insurers) reported a growth of around 13% over the previous year. Motor, Health and Crop segments continued to constitute a significant portfolio at about 80% of the total business. Cholamandalam MS General Insurance Company Limited (Chola MS), a general insurance company, in which the Company holds 60% stake, recorded a Gross Direct Premium of ₹ 4541.10 Crore in FY 19.

Besides, CIFCL and Chola MS, the Company holds investment in Cholamandalam MS Risk Services Limited, a joint venture engaged in risk management and environmental solutions.

The Company's revenue predominantly consists of dividend income from these companies and royalty income from brand usage rights.

During the year, the Company was rechristened as "Cholamandalam Financial Holdings Limited". Profit of the Company for FY 19 was ₹ 66.53 Crore and at a consolidated level, ₹ 1414.83 Crore. I am glad to inform you that the Board recommended a final dividend of ₹ 0.65 per equity share of ₹ 1/- each, subject to shareholders' approval at the forthcoming AGM, in addition to an interim dividend which was paid at the rate of ₹ 0.60 per share.

With strong macro-economic fundamentals, inflation under control, Reserve Bank of India's continued support to boost liquidity and possible vehicle purchases in advance due to Bharat Stage-VI implementation next year, the financial services sector is expected to bounce back in FY 20. IRDA's move of making long-term policies for cars and two-wheelers mandatory, is also a welcome change providing impetus to the general insurance sector.

We are confident that with better growth prospects, the Company will continue its focus towards financial service businesses thereby building on its core strengths and enhancing shareholders value.

On behalf of the Board, I thank all our stakeholders - our customers, employees, business partners and vendors for their trust, support and encouragement towards the Company's development and progress. I would also like to express my gratitude to you - our shareholders, for your unconditional faith and support.

Warm Regards,

M M Murugappan

BOARD OF DIRECTORS

Mr. M M Murugappan
Chairman

Mr. Murugappan (63 years; DIN: 00170478) holds Bachelor's degree in Chemical Engineering from the University of Madras and a Master of Science in Chemical Engineering from the University of Michigan, USA. He has over 40 years of experience in diverse areas including strategy & business development, technology, R&D and human resources. He is the Chairman of Tube Investments of India Ltd., Carborundum Universal Ltd., Coromandel International Ltd., Cholamandalam Investment and Finance Company Ltd. and Cholamandalam MS General Insurance Company Ltd. Mr. Murugappan is also on the Boards of companies outside the Murugappa Group such as Mahindra & Mahindra Ltd. and Cyient Ltd. He served on the Board of Governors of IIT Madras for six years till November 2011 and now serves on the Board of the IIT-Madras Research Park and is a mentor to many companies incubated there. Mr. Murugappan was a Board member of the Company from March 2002 till July 2017 and rejoined the Company's Board on 11th November 2017.

Ms. Shubhalakshmi Panse
Independent Director

Ms. Shubhalakshmi Panse (65 years; DIN: 02599310) is a M.Sc. graduate from Pune University, a Certified Associate of the Indian Institute of Bankers (CAIIB) and holds Diploma in Business Management (DBM), Masters in Management Sciences (MMS) with specialization in Financial Management from Pune University. She also holds Masters in Business Administration (MBA) with specialization in Bank Management from Drexel University, USA. She has around 40 years of experience in the field of banking. She is the former Chairperson & Managing Director of Allahabad Bank and has served as Chairperson of AllBank Finance Ltd. and as Executive Director of Vijaya Bank. She is a director on the Boards of Cholamandalam MS General Insurance Company Ltd., Federal Bank, PNB Housing Finance Ltd., Sudharshan Chemical Industries Ltd., Atul Ltd. and KPIT Engineering Ltd. Ms. Panse joined the Company's Board on 1st August, 2017.

Mr. Ashok Kumar Barat
Independent Director

Mr. Ashok Kumar Barat (62 years; DIN: 00492930) is a Commerce graduate, a Fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has varied experience in the fields of finance, M&A, strategy and governance. He is a director on the Boards of Cholamandalam Investment and Finance Company Ltd., Cholamandalam Home Finance Ltd., Bata India Ltd., DCB Bank Ltd., Mahindra Intertrade Ltd., Birlasoft Ltd. and Wacker Metroark Chemicals Pvt. Ltd. (a subsidiary of Wacker Chemie AG). He was the Managing Director and Chief Executive Officer of Forbes & Company Ltd. from 2008 till his retirement in 2016. Mr. Barat is the past president of Bombay Chamber of Commerce and Industry and is presently a member of the Managing Committee of ASSOCHAM and the Vice President of the Council of EU Chambers of Commerce in India. Mr. Barat joined the Company's Board on 1st August, 2018.

Mr. B. Ramaratnam
Independent Director

Mr. B. Ramaratnam (64 years; DIN: 07525213) graduated from the University of Mumbai and is a member of the Institute of Chartered Accountants of India. He has experience in the areas of statutory and internal audit, due diligence, SOX compliance and other professional services. He worked for PricewaterhouseCoopers, A. F. Ferguson and Deloitte Haskins & Sells where he was a partner till 2015. During the course of his long career, he has serviced national and multinational clients from diverse sectors such as manufacturing, trading, software, time-share, real estate, financial services, pharma, engineering, construction, services etc. He is a Board member of Redington (India) Ltd. Mr. Ramaratnam joined the Company's Board on 18th March, 2019.

Mr. Sridharan Rangarajan
Non-Executive Director

Mr. Sridharan Rangarajan (53 years; DIN: 01814413) is a member of the Institute of Chartered Accountants of India and a Graduate member of the Institute of Cost and Works Accountants of India. He holds a Bachelor's degree in Commerce from the Madurai University and is a certified Six Sigma 'Green Belt', trained 'Process Champion' and 'Black Belt'. He is the Chief Financial Officer of the Murugappa Group and has over 29 years of experience in finance, manufacturing, service & distribution, banking and contracting industries. He is on the Boards of various companies including Cholamandalam MS General Insurance Company Ltd., Cholamandalam Home Finance Ltd., Cholamandalam MS Risk Services Ltd. and Net Access India Ltd. He joined the Company's Board on 30th August, 2018.

Mr. V Ravichandran
Non-Executive Director

Mr. V Ravichandran (62 years; DIN: 00110086) is an Engineering graduate and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He is also a qualified Cost Accountant and a Company Secretary. Having served Ashok Leyland early in his career, he joined Murugappa Group and is the Lead Director of fertilizer and sugar business of the Group. He has over three decades of experience in the fields of finance and marketing. Mr. Ravichandran served as the Whole-time / Managing Director of Coromandel International Ltd. from 2004 to 2010. He is the Chairman of E.I.D. - Parry (India) Ltd. and Vice Chairman of Coromandel International Ltd. He joined the Company's Board on 18th March, 2019.

PERFORMANCE HIGHLIGHTS FY 19

Cholamandalam Financial Holdings Limited (CFHL) was incorporated in 1949 and is a part of the Murugappa Group, one of the most diversified business conglomerates of India. After the demerger in 2017, CFHL is now a NBFC classified as a Core Investment Company.

CFHL's Consolidated Total Income was ₹ 10946.81 Crore and Profit for the year was ₹ 1414.83 Crore for the year ended March 31, 2019. For FY 19, an interim dividend @ 60% i.e. ₹ 0.60 per share of ₹ 1/- each was paid to the shareholders and a final dividend @ 65% i.e. ₹ 0.65 per share has been recommended for shareholders' approval.

SUBSIDIARIES / ASSOCIATES

Cholamandalam Investment and Finance Company Limited (CIFCL)

CIFCL was incorporated in 1978 as the financial services arm of the Murugappa Group. CIFCL commenced as an equipment financing company and has today emerged as a comprehensive financial services provider offering vehicle finance, home loans, home equity loans and a variety of other financial services to customers. CIFCL's subsidiaries are Cholamandalam Securities Limited and Cholamandalam Home Finance Limited.

Key Highlights FY 19

Total Disbursements
₹ 30451 Crore

Business Assets under Management(net)
₹ 54279 Crore

Total Income
₹ 6993 Crore

Profit Before Tax
₹ 1823 Crore

Loan Losses & Provisions
0.6%

No. of Branches
907

Cholamandalam MS General Insurance Company Limited (CMSGICL)*

CMSGICL, incorporated in 2001, is a joint venture between the Murugappa Group and Mitsui Sumitomo Insurance Company Limited, Japan. CMSGICL offers a wide range of insurance products that include Motor, Health, Property, Accident, Engineering, Liability, Marine, Travel and Crop insurance for individuals and corporates.

Key Highlights FY 19

Gross Direct Premium ₹ 4541 Crore

Investment Portfolio ₹ 7697 Crore

Profit Before Tax ₹ 280 Crore

Return on Net Worth 12.3%

Combined Ratio 104.6%

No. of Branches 87

CHOLA **Health Insurance** Plans

CHOLA **Motor** Insurance

CHOLA **Travel** Insurance

CHOLA **Total Home** Protect

CHOLA **Personal** Accident

**Figures reported are as per Ind-AS.*

Cholamandalam MS Risk Services Limited (CMSRSL)

CMSRSL is a joint venture between the Murugappa Group and Mitsui Sumitomo Insurance Company Limited, Japan. Established in the year 1994, CMSRSL is a Risk Consulting Company offering comprehensive Risk management & Engineering solutions in field of Safety, Health and Environment. The Company has pioneered many innovative and specialized services catering to the needs of Asian & European markets for last 15 years. During the year CMSRSL achieved a revenue of ₹ 40.82 Crore and a profit before tax of ₹ 4.88 Crore.

Board's Report & Management Discussion and Analysis

Dear Shareholders,

The Directors take pleasure in presenting the 70th Annual Report together with the audited financial statements of the Company for the year ended March 31, 2019.

The Company is a Core Investment Company and holds substantial investments in the following three key financial services / risk management companies of Murugappa Group and serves large number of customers by providing loans for asset acquisition through financing, asset and family protection through general insurance and risk management services.

- Cholamandalam Investment and Finance Company Limited (CIFCL), is engaged in non-banking financial business;
- Cholamandalam MS General Insurance Company Limited (CMSGICL), is engaged in general insurance business;
- Cholamandalam MS Risk Services Limited (CMSRSL) is engaged in risk management and engineering solutions business.

NAME CHANGE

The name of the Company got changed from "TI Financial Holdings Limited" to "Cholamandalam Financial Holdings Limited" with effect from March 27, 2019. Approval for change in name has been obtained from the Registrar of Companies and the Stock Exchanges in which the Company's securities are listed.

SHARE CAPITAL

The paid up equity share capital as on March 31, 2019 was ₹ 18.77 Crore. During the year 158538 equity shares were allotted upon exercise of stock options by eligible option grantees under the Company's Employees Stock Option Schemes 2007 and 2016.

MACRO ECONOMIC REVIEW

India is today one of the most vibrant global economies backed by robust banking and insurance sectors and grew at an impressive rate during the first half year of FY 19. The effects of GST implementation, deflationary effects from demonetization and supply chain disruptions, got stabilised during the year. However, India's external position slowed down significantly during the second half year due to large portfolio outflows triggered by monetary policy changes in developed economies and fears of contagion from stress in some emerging market economies. The nominal exchange rate depreciated and foreign reserves declined by over eight percent till October 2018. However, since then, the drop in oil prices and the United States Fed signaling a slower pace of normalisation than initially anticipated led to a partial setback. Inflation dynamics have been passive over most of FY 19. The relaxation of foreign investment rules has received a positive response from the insurance sector, with many companies announcing plans to increase their stakes in joint ventures with Indian companies. Over the coming quarters there could be a series of joint venture deals between global insurance giants and local players. The GDP growth is estimated at around 7.3% in FY 19, driven by industrial growth of 7.9%, making up for a deceleration in services and robust growth in agriculture at 4%.

The GDP growth is expected to accelerate moderately in FY 20, driven by continued investment strengthening, particularly private-improved export performance and resilient consumption. With robust growth, and food prices poised to recover, inflation is expected to converge to 4% and both the current account and the fiscal deficit are expected to narrow. In FY 20, inflation which had risen last year, is expected to soften which could lead to another rate cut later in the year. Private consumption growth in next fiscal is likely to find support from softer interest rates and improvement in rural income. Another significant factor determining the fiscal path for FY 20 would be the outcome of general elections. A stable government would facilitate market stability and give market a clear direction on the reforms and way forward.

BUSINESS ENVIRONMENT

India's financial sector is a highly diversified one undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The financial sector is predominantly driven by banking segment wherein the regulator has allowed payment banks to operate.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The

Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for Micro and Small Enterprises, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined thrust by both government and private sector, the country is one of the world's most vibrant capital markets.

During the year, Securities and Exchange Board of India (SEBI) proposed direct overseas listing of Indian companies besides other regulatory changes and has aided companies with a broader investor base, better valuation, increased awareness, analyst coverage and visibility.

NBFCs have continuously played a critical role in encouraging growth of the Indian economy and have made commendable contribution towards the government's agenda of financial inclusion. Amongst the lending NBFCs, vehicle finance segment recorded a strong growth during the first half of FY 19 following a healthy demand from freight generation sectors and infrastructure pick-up. The adverse impact due to tightening of financing succeeding the liquidity crunch, higher fuel costs and weak freight rates affected the demand in the second half year. The housing finance market in India has grown rapidly, with mortgage lending significantly contributing to growth in construction and demand for housing. The affordable housing segment has been growing at more than 30% with strong demand and government support through special schemes. Due to recent liquidity crisis, the housing finance credit growth had a set back in the later part of the year. However, there was no drop in the consumer demand levels. The housing finance market is expected to grow in the coming years, aided by higher finance penetration and demand for affordable housing.

The loan against property (LAP) market rapidly grew between FY 14 to FY 17. During the last two years due to demonetization, stagnant property prices and tighter liquidity conditions the growth rate decelerated. LAP products predominantly funds MSME sector and is expected to register higher growth in the next 2 years. NBFC industry is expected to witness growth in the coming years, backed by a continuous expansion of the asset classes and higher market share for the key players in the market.

Cholamandalam Investment and Finance Company Limited (CIFCL) is a non banking finance company and one of the leading financial service provider. CIFCL commenced business as an equipment financing company and has today emerged as a comprehensive financial service provider offering vehicle finance, home loans, home equity loans, SME loans and provides investment advisory services, stock broking and a variety of other financial services to customers through its subsidiaries.

During FY 19 vehicle finance business of CIFCL recorded a consistent growth in terms of disbursements. Growth in Vehicle Finance ("VF") segment is primarily driven by optimal product mix strategy which has always been a combination of Product, Geography and Customer segment. Disbursements in VF segment during FY 19 was ₹ 24806.70 Crore as against ₹ 20539.97 Crore in the previous year recording a growth of 21%. The Home Equity ("HE") business performed well during the year with the business delivering growth across key metrics such as Disbursements, AUM and Profits. Disbursements in HE segment during FY 19 was ₹ 3836.55 Crore as against ₹ 3174.04 Crore the previous year. The Home Loans business of CIFCL also had a fine performance during FY 19. The business recorded a growth over 90% across all key metrics and has a book size of around ₹ 1912.45 Crore as at March 31, 2019. During the first half of FY 19, CIFCL maintained optimum asset liability management (ALM) position while ensuring cost of funds kept under control. In the second half, the focus shifted to holding higher liquid cash on account of market concerns on NBFC sector. Key focus areas of CIFCL are strengthening underwriting process, improving sales team productivity, effective engagement of direct selling agents, improve turnaround time for the customers, use of analytics in improving collections and digitization of its existing processes to enhance customer delight.

In the Insurance sector, the Gross Direct Premium of non-life insurers (excluding Standalone Health & Specialised insurers) is reported at around ₹ 1501 billion, a growth of 13% over the previous year. The market share of public sector companies was 46% and the private sector companies with a year-on-year growth of 25% constituted 54%. The Crop Insurance Scheme launched by the Government of India called "Pradhan Mantri Fasal Bima Yojana" (PMFBY) resulted an increase in crop insurance premium to ₹ 282 billion (including Agricultural Insurance Corporation), a growth of 12% over previous comparable period. During the year, IRDAI notified MISP (Motor Insurance Service Provider) guidelines to regulate the distribution of Motor Insurance by automobile dealers and further mandated long term third party covers for new cars and two wheelers. The "Ayushman Bharat - National Health Protection Scheme" launched by the Government, offers health insurance for over 10 Crore poor and vulnerable families providing a coverage up to ₹ 5 lakh per family per year for secondary and tertiary care hospitalization. Motor, Health and Crop segments continued to constitute a significant portfolio at about 80% of the business.

Cholamandalam MS General Insurance Company Limited (CMSGICL), engaged in general insurance business, registered a growth in gross written premium of 11% at ₹ 4541.10 Crore. Growth in business operations continued to be driven by strong performance in retail channel with Motor & Health insurance contributing over 75% of the premiums with a good mix across metros & non metros. CMSGICL services around 8.9 million customers across India. Business teams successfully leveraged its bancassurance expertise and significantly enhanced its customer base through the large bank branch network. During the year CMSGICL renewed its partnership agreement with two of its major financier partners for a further 5 year period. Business from proprietary channel grew by widening of distribution reach into Tier 3 and Tier 4 towns through a digitally enabled model of providing an enhanced customer experience, strong performance in OEM (Original Equipment Manufacturers) partnerships and continued growth in existing distribution partnerships. CMSGICL continued to implement its strategy of growing in preferred geographies and product lines and further plans to continue its thrust on building distribution through its digitally enabled model in select unserved markets across the country in a phased manner.

In the context of continued good economic growth of the country and capital infusion in the banking sector, the business segments of Motor, Health and SME are expected to grow strongly in FY 20. The possibilities of El Nino could dampen the crop line of business. Nevertheless, the general insurance industry is poised to grow at over 11%.

Cholamandalam MS Risk Services Limited (CMSRSL), is engaged in providing risk management and engineering solutions in the field of safety, health and environment, in association with Cholamandalam MS General Insurance Company Limited. During the year, CMSRSL has strengthened its consultancy portfolio by expanding services to Eastern part of Indian Market. Business increased the market proximity by assigning Regional Advisors in Eastern Region and growth managers in key operating sectors. CMSRSL continues to support CMSGICL and its clients through value added services like thermography, safety audits, and cargo loss minimization studies. The business outlook of CMSRSL is bright as it looks at constantly strengthening its consultancy portfolio through the launch of newer services.

ADOPTION OF INDIAN ACCOUNTING STANDARDS

Effective April 1, 2018, the Company has adopted Indian Accounting Standards (IND-AS) notified under section 133 read with rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting principles generally accepted in India (IGAAP). Accordingly, the financial statements of the Company were prepared under Ind-AS for the year ended March 31, 2019. The principal adjustments made in restating the IGAAP financial statements including the balance sheet are given under Note 17 and Note 51 in the standalone and consolidated financial statements respectively.

STANDALONE FINANCIAL HIGHLIGHTS

Summary of the Company's financial performance during FY 2018-19 as compared to the previous FY 2017-18 is given in the following table:

(₹ in Crore)

Particulars	2018-19	2017-18
Total Income	73.52	64.67
Total Expenses	2.61	3.23
Profit Before Tax	**70.91**	**61.44**
Tax Expense	4.38	2.05
Profit for the year	**66.53**	**59.39**
Other Comprehensive Income	(0.68)	0.62
Total Comprehensive Income	**65.85**	**60.01**

APPROPRIATIONS

During the year the Company has transferred ₹ 13.31 Crore to statutory reserve (previous year ₹ 11.9 Crore) as required under RBI regulations.

PERFORMANCE OVERVIEW

During the year the Company earned a revenue of ₹ 73.52 Crore mainly through dividend income received on its long-term investments in group companies as stated in the earlier paragraphs. Profit before tax for the year was ₹ 70.91 Crore and profit for the year was ₹ 66.53 Crore. These companies performed well during the year and the summary of their financial performance is detailed below.

Cholamandalam Investment & Finance Company Limited (CIFCL)

The Company holds 46.4% of the paid up and subscribed equity share capital of CIFCL, is a leading, comprehensive financial service provider offering vehicle finance, business finance, home loans, home equity loans and provides stock broking & distribution of financial products through its subsidiaries. CIFCL presently operates from 907 branches spread across 27 states in India with

Assets Under Management of ₹ 54279 Crore. CIFCL is a listed company, with its equity shares traded on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE).

CIFCL, an associate company under the Companies Act, 2013, is considered as a subsidiary under Ind-AS. Rationale for the same is provided under Note 20 of standalone financial statements.

CIFCL has performed well in FY 19. The company's aggregate loan disbursements grew by 21% from ₹ 25113.51 Crore in FY 18 to ₹ 30450.95 Crore in FY 19, contributed by significant growth in vehicle finance disbursements. CIFCL's profit before tax was ₹ 1823.15 Crore (previous year: ₹ 1401.37 Crore) and profit for the year was ₹ 1186.15 Crore (previous year: ₹ 918.30 Crore) which recorded a growth of 30% and 29% respectively.

CIFCL paid an interim dividend of ₹ 4.50 per share and further recommended a final dividend of ₹ 2/- per equity share of face value of ₹ 10/- each for the year ended March 31, 2019.

The Board of CIFCL approved sub-division of its equity shares of face value of ₹ 10/- each into five equity shares of face value of ₹ 2/- each fully paid-up.

Cholamandalam MS General Insurance Company Limited (CMSGICL)

The Company holds 60% of the paid up and subscribed equity share capital of CMSGICL - a joint venture with Mitsui Sumitomo Insurance Company Ltd., Japan, engaged in general insurance business and is a subsidiary of the Company. CMSGICL offers a wide range of insurance products for individuals and corporates. For individuals, various products are offered under Motor, Travel, Health, Accident and Home Insurance.

IRDAI has deferred the implementation of Ind-AS for insurance companies till FY 2020-21. Therefore, financials of CMSGICL have been restated as per Ind-AS for consolidation purposes and the figures reported for CMSGICL in the annual report are under Ind-AS.

For SMEs and Corporate clients, CMSGICL offers customized insurance services such as Property & Engineering Insurance, Liability Insurance, Marine Insurance etc., CMSGICL achieved a Gross Direct Premium of ₹ 4541.10 Crore during the FY 19 (previous year: ₹ 4102.57 Crore), a growth of 11% and the profit before tax was ₹ 280.30 Crore (previous year: ₹ 287.65 Crore). With a view to conserve its resources, CMSGICL has not recommended dividend for FY 2018-19.

Cholamandalam MS Risk Services Limited (CMSRSL)

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

CMSRSL offers comprehensive risk management and engineering solutions in the field of Safety, Health and Environment. CMSRSL achieved a revenue of ₹ 40.82 Crore during the year (previous year: ₹ 56.28 Crore). During the year, the profit before tax was ₹ 4.88 Crore (previous year: ₹ 4.20 Crore). CMSRSL recommended a dividend of ₹ 2.50 per share on its equity share of face value of ₹ 10/- each for FY 2018-19.

Cholamandalam Health Insurance Limited (Chola Health)

Chola Health was incorporated in July 2017 to offer health insurance services and the Company has invested 99.9% in its paid up capital. Chola Health has not commenced its operations. In view of the present market scenario, the proposal to register Chola Health as a standalone health insurance company with the Regulator has been deferred.

DIVIDEND

The Company paid an interim dividend on the equity shares at the rate of 60% i.e., ₹ 0.60 per share of ₹ 1/- each as approved by the Board of Directors on February 4, 2019 for the year ended March 31, 2019. The Board recommends a final dividend of 65% i.e. ₹ 0.65 per share of ₹ 1/- each on the paid-up shares of the Company. With this, the total dividend will be ₹ 1.25 per equity share of ₹ 1/- each for the year ended March 31, 2019.

CONSOLIDATED FINANCIAL HIGHLIGHTS

(₹ in Crore)

Particulars	2018-19	2017-18
Total Income	10946.81	8909.90
Total Expenses	8812.02	7215.36
Profit Before Share of Profits from Associate / Joint Venture and Tax	2134.79	1694.54
Share of Profit from Associate / Joint Venture (Net of Taxes)	1.11	1.07
Profit Before Tax	**2135.90**	**1695.61**
Tax Expense	(721.07)	(568.73)
Profit for the year	**1414.83**	**1126.88**
Minority Interest	(718.13)	(576.97)
Net Profit for the year	**696.70**	**549.91**

BUSINESS REVIEW – SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company's subsidiaries are Cholamandalam MS General Insurance Company Limited and Cholamandalam Health Insurance Limited. Cholamandalam Investment and Finance Company Limited is an associate and Cholamandalam MS Risk Services Limited is a joint venture of the Company. There has been no change in the nature of business of these companies during the year. Business performance of these companies are detailed in earlier paragraphs of this report.

The statement containing salient features of the financial statements of the Company's associate, subsidiary and joint venture company is annexed to this Report as **Annexure A.** The consolidated financial statements of the Company, prepared in accordance with the Companies Act, 2013 ("the Act") and the relevant Accounting Standards, forms part of the annual report.

The annual report containing standalone and consolidated financial statements will be posted on the website of the Company, www.cholafhl.com. The annual accounts of the subsidiary companies will also posted on the Company's website and be made available for inspection by shareholders during the business hours at the Registered Office of the Company until the date of the Annual General Meeting ("AGM"). A copy of the annual accounts of subsidiaries will be provided to shareholders upon request.

DIRECTORS

At the 69th AGM held on July 31, 2018, Mr. M M Murugappan was appointed as a director liable to retire by rotation. Mr. M B N Rao retired at the conclusion of the 69th AGM held on July 31, 2018 and Mr. N Srinivasan, stepped down from the Board with effect from August 1, 2018. The Board places on record its appreciation for the contribution made by Mr. Rao and Mr. Srinivasan during their tenure on the Company's Board.

Mr. Ashok Kumar Barat was appointed as an additional director in the category of an independent director with effect from August 1, 2018 and Mr. Sridharan Rangarajan was appointed as an additional director from August 30, 2018. Mr. B Ramaratnam was appointed as an additional director in the category of an independent director and Mr. V Ravichandran as an additional director at the Board meeting held on March 18, 2019.

The additional directors appointed during the year viz., Mr. Ashok Kumar Barat, Mr. Sridharan Rangarajan, Mr. B Ramaratnam and Mr. V Ravichandran hold office till the date of the forthcoming AGM. The Company has received notice from a shareholder proposing their candidature as Directors in the forthcoming AGM. The Board recommends their appointment as directors of the Company to the shareholders and the resolutions proposing their appointment under relevant provisions of the Act, forms part of the notice for AGM.

Mr. M M Murugappan retires by rotation at the forthcoming AGM under the provisions of section 152 of the Act, and being eligible, offers himself for re-appointment.

The Board recommends the re-appointment of Mr. M M Murugappan as a director at the forthcoming AGM for approval of the shareholders.

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

DECLARATION FROM INDEPENDENT DIRECTORS

The Independent Directors, Ms. Shubhalakshmi Panse, Mr. Ashok Kumar Barat and Mr. B Ramaratnam have submitted declaration stating that they meet the criteria of independence as required under the provisions of section 149 of the Act and regulation 16 of the Listing Regulations.

KEY MANAGERIAL PERSONNEL

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

STATUTORY AUDITORS

At the 66th AGM held on August 6, 2015, M/s. S R Batliboi & Associates LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company for a period of five years viz., from the conclusion of the 66th AGM till the conclusion of the 71st AGM subject to ratification by members at every AGM.

Pursuant to the Companies (Amendment) Act, 2017 notified on May 7, 2018, the requirement for ratification of statutory auditors' appointment at every AGM stands omitted. Accordingly, at the 69th AGM held on July 31, 2018, the appointment of M/s. S R Batliboi & Associates LLP, as statutory auditors of the company was ratified by the shareholders from the conclusion of 69th AGM till the conclusion of 71st AGM and the Board was authorised to fix remuneration of the auditors on the recommendation of the Audit Committee.

The Auditors' Report to the members for the year ended March 31, 2019 forms part of the annual report and does not contain any qualification or adverse remarks. The Auditors have not reported any incident of fraud during the year to the Audit Committee of the Company.

FINANCE

Deposits

The Company has not accepted any fixed deposits under Chapter V of the Companies Act, 2013 and as such no amount of principal and interest were outstanding as on March 31, 2019.

Particulars of Loans, Guarantees or Investments

During the year, the Company has not given any loans or guarantees under the provisions of section 186 of the Act. Information regarding investments made during the year is given in the financial statements.

Internal Financial Control Systems with reference to the Financial Statements

The Company has in place adequate internal financial controls to ensure reliability of financial and operational information and regulatory and statutory compliances. The Company's business processes are equipped with monitoring and reporting processes to ensure financial discipline and accountability. The internal financial control systems are monitored both by internal and statutory auditors of the Company. The statutory auditors of the company have also certified on the existence and operating effectiveness of the internal financial controls as on March 31, 2019.

Financial Ratios

In terms of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to disclose details of significant key financial ratios along with the detailed explanations therefor. The Company being an investment company and not having any debt, debtors turnover ratio, inventory turnover ratio, interest coverage ratio, current ratio, operating margin ratio, net profit margin ratio and debt equity ratio are not applicable. The return on net worth of the Company was 6.25% as at March 31, 2019 as against 5.83% as at March 31, 2018. Change in the rate is on account of increase in income earned on investment of surplus funds.

RISK MANAGEMENT

The risk management framework of the Company provides an integrated approach for identifying, monitoring and mitigating risks associated with the business. The Company has put in place a risk control matrix. The control measures basis the matrices, are tested by the internal auditor and reported to the Audit Committee. The Board reviews the risk framework annually. Further, being an investment company, all investments are subject to a detailed evaluation and approval by the Board.

INTERNAL CONTROL SYSTEM

Internal control systems of an organisation is looked at as the key to its effective functioning. The Company has in place internal control framework to ensure compliance with internal policies, regulatory matters and to safeguard reliability of financial reporting and its disclosures. An audit of systems and processes is conducted by the internal auditor of the Company and the key findings are reported to the Audit Committee every quarter. The Audit Committee evaluates adequacy and effectiveness of the internal controls, recommends improvements and reviews the corrective action taken to address gaps, if any.

CORPORATE GOVERNANCE

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

BOARD MEETINGS

Six meetings of the Board were held during the year, details of which are disclosed in the Report on Corporate Governance.

COMPOSITION OF THE AUDIT COMMITTEE

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

BOARD EVALUATION

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

POLICY ON BOARD NOMINATION AND REMUNERATION

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

Pursuant to the provisions of section 135 of the Companies Act, 2013, atleast 2% of the average net profits of the Company shall be spent towards CSR activities. Accordingly, the Company has spent an amount of ₹ 73 Lakh on CSR projects / programmes approved by the CSR Committee during the year ended March 31, 2019 as against the statutory requirement of ₹ 72 Lakh.

Detailed information on the CSR activities undertaken during the year is annexed to this Report as **Annexure C.**

RELATED PARTY TRANSACTIONS

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

HUMAN RESOURCES AND PARTICULARS OF EMPLOYEES

Being a Core Investment Company, the number of employees of the Company as on March 31, 2019 was two. The information required to be disclosed under the provisions of section 197 of the Act read with rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 is annexed to this Report as **Annexure D.**

EMPLOYEE STOCK OPTION (ESOP) SCHEMES

The Company's ESOP Schemes viz., Employee Stock Option Plan 2007 (ESOP 2007) and Employee Stock Option Plan 2016 (ESOP 2016) have been approved by the shareholders. During the year there have been no fresh grants under both the schemes. Details in respect of ESOP 2007 and ESOP 2016 as required under the SEBI (Share Based Employee Benefits) Regulations, 2014 are displayed on the Company's website at http://www.cholafhl.com/article/investors/554. Both the schemes are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

As per the scheme of arrangement (demerger), employees of the Company as on the effective date of demerger, i.e. August 1, 2017 were transferred to the manufacturing concern, Tube Investments of India Limited ("the Resulting Company"). The scheme of arrangement provided that the stock options granted by the Company under the existing ESOP Schemes would continue to be held by the employees concerned whether they are employees of the Company or the Resulting Company. Further, as provided in the scheme, post demerger the exercise price of the options of the Company was revised by the Nomination & Remuneration Committee at its meeting held on November 11, 2017. By virtue of this revision, the exercise price of stock options of the Company stands reduced than the original exercise price and the balance of the exercise price becomes the exercise price of the stock options of the Resulting Company.

During the year, upon exercise of stock options by the eligible option grantees, 52118 and 106420 equity shares were allotted under ESOP 2007 and ESOP 2016 schemes, respectively.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no activity relating to consumption of energy or technology absorption etc. The Company does not have any foreign exchange earnings. There was a foreign exchange outgo, by way of repatriation of dividend, amounting to ₹ 0.008 Crore during the year (previous year ₹ 0.003 Crore).

WHISTLEBLOWER / VIGIL MECHANISM

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a policy for prevention of sexual harassment at workplace. An Internal Complaints Committee (ICC) is in place to redress complaints received regarding sexual harassment. The policy extends to all employees (permanent, contractual, temporary and trainees). During the year no referrals were received under the policy and no complaints were pending at the beginning of the year.

BUSINESS RESPONSIBILITY REPORT

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

Regulation 34(2) of the Listing Regulations mandate that annual report of top 500 listed entities based on market capitalisation, shall include a Business Responsibility Report (BRR) in the prescribed form. Accordingly, a BRR is annexed to this Report as **Annexure E.**

ANNUAL RETURN

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

SECRETARIAL AUDIT

Pursuant to the provisions of section 204 of the Companies Act, 2013, and the rules made thereunder, the Board appointed M/s Srinidhi Sridharan & Associates, Practicing Company Secretaries, as the secretarial auditor to conduct secretarial audit of the Company for the year ended March 31, 2019. The Report issued by the secretarial auditor in the prescribed form MR-3 is annexed to this Report as **Annexure G.**

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed and that there were no material departures therefrom;

b) they have, in the selection of accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made adjustments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;

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

d) they have prepared the annual financial statements on a going concern basis;

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the year ended March 31, 2019; and

f) proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended March 31, 2019.

DECLARATIONS / AFFIRMATIONS

During the year:

- there were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate viz., March 31, 2019 and the date of this Report; &
- there were no significant material orders passed by the regulators or courts or tribunals impacting the Company's going concern status and its operations in future.

ACKNOWLEDGEMENT

The Directors wish to thank all customers, investors, vendors, financial institutions, banks, Central / State Governments and joint venture partners for their continued support to the Company's performance and growth. The Directors also wish to place on record their appreciation for the contribution made by the employees of the Company resulting in good performance during the year.

On behalf of the Board

Place : Chennai
Date : May 3, 2019

M M Murugappan
Chairman

Form AOC – 1

ANNEXURE A

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

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

Part A - Subsidiaries (₹ in Crore)

S.No.	Particulars / Name of the Subsidiary	Cholamandalam Investment and Finance Company Ltd.	Cholamandalam Securities Ltd.*	Cholamandalam Home Finance Ltd.*	Cholamandalam MS General Insurance Company Ltd.	Cholamandalam Health Insurance Ltd.
1	Reporting period of the subsidiary	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
2	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR	INR	INR	INR
3	Share capital	156.43	22.50	42.40	298.80	0.05
4	Reserves & Surplus	6019.31	5.04	10.69	1181.91	(0.03)
5	Total Assets (Non-Current and Current Assets)	57426.30	65.73	57.22	10491.45	0.03
6	Total Liabilities (Non-Current and Current Liabilities)	51250.56	38.19	4.14	9010.74	0.02
7	Investments (Non-Current + Current Investments)	72.92	3.97	4.51	7697.49	-
8	Turnover	6992.64	22.02	41.23	3618.67	-
9	Profit / (Loss) Before Tax	1823.15	2.69	(10.52)	280.30	(0.02)
10	Provision / (Reversal) for Tax	637.00	0.61	2.91	82.10	-
11	Profit / (Loss) After Tax	1186.15	2.08	(7.62)	198.20	(0.02)
12	Proposed Dividend	20%	Nil	Nil	Nil	Nil
13	% of shareholding	46.39%	100.00%	100.00%	60.00%	99.86%

**Subsidiaries of Cholamandalam Investment and Finance Company Ltd.*

Note: Cholamandalam Health Insurance Limited is yet to commence its operations.

Part B - Associates and Joint Ventures

S.No.	Particulars / Name of the Joint Venture	Cholamandalam MS Risk Services Ltd.
1	Latest Audited Balance Sheet Date	31-Mar-19
2	Share of Associate / Joint Venture held by the company on the year end	
	No. of Shares	989979
	Amount of Investment (₹ in Crore)	0.99
	Extent of Holding (%)	49.50%
3	Description of how there is significant influence	Shareholding
4	Reason why the Associate / Joint venture is not consolidated	Not applicable
5	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in Crore)	20.59
6	Profit / (Loss) for the year (₹ in Crore)	
	i. Considered in Consolidation	1.77
	ii. Not Considered in Consolidation	1.80

Notes:

1. Names of Associate / Joint Ventures which are yet to commence operations - Nil
2. Names of Associate / Joint Ventures which have been liquidated or sold during the year – Nil

For and behalf of the Board

Sridharan Rangarajan
Director

M M Murugappan
Chairman

Place : Chennai
Date : May 3, 2019

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Report on Corporate Governance

ANNEXURE B

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

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

BOARD OF DIRECTORS

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

Composition & Changes during the year

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

The Company's Board comprises of six directors i.e., three independent and three non-independent directors. Mr. M M Murugappan, Promoter & Non-Executive Director is the Chairman of the Board. Brief profile of the directors is provided in the annual report for information of the shareholders.

During the year, Mr. M B N Rao retired at the conclusion of the 69th Annual General Meeting (AGM), held on July 31, 2018. Mr. N Srinivasan stepped down from the Board with effect from August 1, 2018. The Board on the recommendation of Nomination & Remuneration Committee appointed Mr. Ashok Kumar Barat as an additional director in the category of an independent director with effect August 1, 2018. Mr. Sridharan Rangarajan was appointed as an additional director on August 30, 2018.

The Board on the recommendation of Nomination & Remuneration Committee appointed Mr. B Ramaratnam as an additional director in the category of an independent director and Mr. V Ravichandran as an additional director on March 18, 2019.

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

Independent Directors

The Independent Directors, Ms. Shubhalakshmi Panse, Mr. Ashok Kumar Barat and Mr. B Ramaratnam have submitted declaration confirming that they meet the criteria of independence as prescribed under the Act and the Listing Regulations. The Board confirms that in its opinion the independent directors fulfill the conditions specified under the Act and the Listing Regulations and are independent of the management. During the year, the independent directors had a separate meeting on March 18, 2019 without the presence of non-independent directors and management personnel.

Directorships and Committee memberships

The Board composition, directorships and committee memberships held by directors in other entities and their shareholding in the Company as on March 31, 2019 are given in the following table:

S.No.	Name of the Director	Category	No. of directorships* including CFHL (Out of which as Chairman)	No. of committee memberships including CFHL[$] (Out of which as Chairman)	No. of shares held in the Company
1	Mr. M M Murugappan	Promoter / Chairman / NED	14(6)	5(3)	842405 equity shares of ₹1/- each
2	Ms. Shubhalakshmi Panse	NED / ID	8	7(3)	Nil
3	Mr. Ashok Kumar Barat	NED / ID	9	8(3)	Nil
4	Mr. B Ramaratnam	NED / ID	2	4(2)	Nil
5	Mr. Sridharan Rangarajan	NED	6	4	Nil
6	Mr. V Ravichandran	NED	6(1)	2(1)	4951 equity shares of ₹1/- each

CFHL: Cholamandalam Financial Holdings Ltd., NED : Non-Executive Director, ID : Independent Director

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

[$] includes only memberships in Audit Committee and Stakeholders Relationship Committee.

Details of directorships held by the Board members in other listed entities as on March 31, 2019 are given in the table below:

S.No.	Name of the Director	Category	Listed Entity[#]
1	Mr. M M Murugappan	Chairman / NED	Tube Investments of India Limited
		Chairman / NED	Carborundum Universal Limited
		Chairman / NED	Cholamandalam Investment and Finance Company Limited
		Chairman / NED	Cholamandalam MS General Insurance Company Limited
		Chairman / NED	Coromandel International Limited
		NED	Cyient Limited
		NED / ID	Mahindra and Mahindra Limited
2	Ms. Shubhalakshmi Panse	NED / ID	Cholamandalam MS General Insurance Company Limited
			Sudarshan Chemical Industries Limited
			The Federal Bank Limited
			PNB Housing Finance Limited
			Atul Limited
			IL & FS Investment Managers Limited*
3	Mr. Ashok Kumar Barat	NED / ID	Cholamandalam Investment and Finance Company Limited
			Bata India Limited
			Birlasoft Limited
			DCB Bank Limited
4	Mr. B Ramaratnam	NED / ID	Redington (India) Limited
5	Mr. Sridharan Rangarajan	NED	Cholamandalam MS General Insurance Company Limited
6	Mr. V Ravichandran	Chairman / NED	E.I.D.-Parry (India) Limited
		NED	Coromandel International Limited

[#] Includes debt listed entity.

** Resigned with effect from April 29, 2019.*

MEETINGS AND ATTENDANCE

The Company has a well-established practice with regard to deciding the dates of meetings. The annual calendar for the meetings of the Board is finalised early in consultation with all Board members. A minimum of four Board meetings are held each year. Review of financial statements of the company and its subsidiaries, review of annual business plan and evolving strategy, constitute the primary business of the Board besides reviewing the compliance matters.

The Company ensures that timely and relevant information are made available to all directors in order to facilitate their effective participation and contribution during the meetings.

Six meetings of the Board were held during the year ended March 31, 2019 on the following dates: May 10, 2018, July 31, 2018, September 18, 2018, October 31, 2018, February 4, 2019 and March 18, 2019. The maximum gap between two Board meetings did not exceed one hundred and twenty days during the year.

The attendance of each director at the Board meetings held during the year ended March 31, 2019, and at the 69th Annual General Meeting (AGM) is given in the table below:

S.No.	Name of the Director	No. of Board meetings attended (no. of meetings held during their tenure)	Attendance at the 69th AGM
1	Mr. M M Murugappan	6(6)	Present
2	Mr. M B N Rao@	2(2)	Present
3	Ms. Shubhalakshmi Panse (includes attendance through video conference)	6(6)	Not Present
4	Mr. N Srinivasan$	2(2)	Present
5	Mr. Ashok Kumar # Barat (includes attendance through video conference)	4(4)	Not Applicable
6	Mr. B Ramaratnam *	1(1)	
7	Mr. Sridharan Rangarajan^	3(4)	
8	Mr. V Ravichandran *	Not Applicable	

@ Retired on July 31, 2018
$ Ceased to be a director from August 1, 2018
 # Appointed as a director from August 1, 2018
** Appointed as a director from March 18, 2019*
^ Appointed as a director from August 30, 2018

Board Skills / Competencies Matrix

The core skills / competencies identified by the Board which in its opinion are pertinent for the Company's business for it to function effectively are given below:

Knowledge / Experience / Qualification in

- Finance
- Governance
- Strategy
- General Management
- Technology

All of the above skills / competencies are available with the overall Board.

Board Training and Induction

At the time of appointment of a director on the Board, the incumbent director is provided with a directors' handbook comprising the compendium of the role, powers, duties and responsibilities of a director including code of conduct of the Company, the compliance obligations and disclosure requirements under the Companies Act, 2013 and the Listing Regulations. The handbook also provides the directors with an insight into the Group's practices. A formal letter of appointment is given to independent directors at the time of appointment which lays the role and duties of an independent director. The terms and conditions of appointment of independent directors are posted on the website of the Company. As a part of agenda, key regulatory changes are circulated to the Board every quarter.

The Company has in place familiarisation programme for directors with regard to their roles, duties, rights, responsibilities in the Company, nature of the industry in which the company operates, etc. The details of familiarisation programme are available on the Company's website at http://www.cholafhl.com/images/siteimages/Familiarisation-program.pdf.

Remuneration to Directors

Non-Executive Directors are compensated by way of commission on profits besides the sitting fees paid to them for attending meetings of the Board / Committee in which they are members as permitted by the statutory regulations. Commission paid to the directors are generally, in the normal course, restricted to a fixed sum for all the non-executive directors subject to 1% of net profits of the Company. The sum is reviewed periodically taking into consideration various factors such as performance of the Company, time spent by the directors for attending to the affairs of the Company and extent of responsibilities cast on director under general laws and other relevant factors and is payable subject to availability of sufficient profits.

Details of commission provided for / sitting fees paid to non-executive directors proportionate to their tenure during the year ended March 31, 2019 are given in the table below:

(in ₹)

Name of the Director	Commission@	Sitting Fees paid	Total
Mr. M M Murugappan	500000	255000	755000
Mr. M B N Rao	167123	145000	312123
Ms. Shubhalakshmi Panse	500000	345000	845000
Mr. N Srinivasan	167123	130000	297123
Mr. Ashok Kumar Barat	332877	230000	562877
Mr. B Ramaratnam	19178	25000	44178
Mr. Sridharan Rangarajan	293151	165000	458151
Mr. V Ravichandran	19178	-	19178
Total	**1998630**	**1295000**	**3293630**

@Commission for FY 2018-19 will be paid after adoption of accounts by the shareholders at the 70th AGM, subject to deduction of taxes.

Board Evaluation

Pursuant to the provisions of section 134, schedule IV and the rules made thereunder of the Act and the Listing Regulations, the evaluation of the Board as a whole, individual directors and committees of the Board has been carried out for the year ended March 31, 2019. A structured questionnaire covering various aspects of Board's functioning such as Board's structure, governance, dynamics & functioning and financial reporting process, was used for evaluation.

As a part of performance evaluation process, each director evaluated themselves, other Board members, the overall Board as well as the functioning of the committees of the Board in which they are members.

The performance evaluation of the Chairman, non independent directors and the Board as a whole was carried out by independent directors at their meeting held on March 18, 2019. The Board carried out performance evaluation of independent directors, the overall Board and its committees. The Board Chairman briefed the outcome of the evaluation process at the Board meeting held on March 18, 2019.

COMMITTEES OF THE BOARD

Various committees have been constituted as per regulatory requirement and to support the Board in discharging its duties efficiently. The committees of the Board are, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. During the year, the Board constituted Risk Management Committee on March 18, 2019 in terms of regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The Board at the time of constitution of committees approves the terms of reference of each committee.

Audit Committee

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

Brief terms of reference

- Oversight of the Company's financial reporting process and disclosure of its financial information;
- Review of financial statements and auditors' report;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Evaluation of internal financial controls and risk management systems;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Review of internal audit scope / plan and findings.

Composition

The committee comprises of four members viz., Ms. Shubhalakshmi Panse, Mr. Ashok Kumar Barat, Mr. B Ramaratnam and Mr. Sridharan Rangarajan. During the year Mr. M B N Rao, Chairman, retired at the conclusion of the 69th AGM held on July 31, 2018 and Mr. N Srinivasan, stepped down from the Board and ceased to be a member with effect from August 1, 2018. Ms. Panse was elected as the Chairperson of the Committee with effect from September 18, 2018. Mr. Ashok Kumar Barat and Mr. Sridharan Rangarajan were inducted as committee members with effect from August 30, 2018 and Mr. B Ramaratnam was inducted into the committee on March 18, 2019.

All committee members have financial and accounting knowledge. In order to acquaint the members of the Audit Committee of their roles, and responsibilities, a hand book on Audit Committee is provided to the members at the time of induction.

Meetings and Attendance

During the year ended March 31, 2019, the committee met six times. The Manager & Chief Financial Officer, Internal auditor and Statutory auditors are invited to attend quarterly meetings of the Committee. The committee members had a meeting with the representatives of statutory auditors and the internal auditor at separate sessions without the presence of management on February 4, 2019.

The attendance of each member at the committee meetings held during the year is given in the table below:

Name of the Member	Category	No. of meetings attended (no. of meetings held during their tenure)
Mr. M B N Rao	NED / ID	2(2)
Ms. Shubhalakshmi Panse (includes attendance through video conference)	NED /ID	6(6)
Mr. N Srinivasan	NED	2(2)
Mr. Ashok Kumar Barat (includes attendance through video conference)	NED / ID	4(4)
Mr. B Ramaratnam	NED / ID	Not applicable
Mr. Sridharan Rangarajan	NED	3(4)

NED : Non-Executive Director, ID : Independent Director

Nomination & Remuneration Committee

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

Brief terms of reference

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

Composition

The committee comprises of three members viz., Mr. Ashok Kumar Barat, Mr. M M Murugappan and Ms. Shubhalakshmi Panse. During the year Mr. M B N Rao, Chairman, retired at the conclusion of the 69th AGM held on July 31, 2018. Mr. Ashok Kumar Barat was inducted as a member of the Committee with effect from August 30, 2018 and was further elected as the Chairman with effect from October 31, 2018.

Meetings and Attendance

The committee met thrice during the year ended March 31, 2019. The attendance of each member at the committee meetings held during the year is given in the table below:

Name of the Member	Category	No. of meetings attended (no. of meetings held during their tenure)
Mr. M B N Rao	NED / ID	2(2)
Mr. Ashok Kumar Barat (includes attendance through video conference)	NED / ID	1(1)
Mr. M M Murugappan	NED	3(3)
Ms. Shubhalakshmi Panse (includes attendance through video conference)	NED / ID	3(3)

NED : Non-Executive Director, ID : Independent Director

Stakeholders Relationship Committee

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

Brief terms of reference

- Formulation of shareholders servicing plans and policies, approval of valid requests for transfer and transmission of shares, splitting and consolidation of shares etc.,
- Consider and resolve grievances of security holders of the Company including complaints relating to transfer / transmission of shares, non-receipt of annual report non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.,
- Review adherence to the service standards in respect of various services rendered by the Registrar & Share Transfer Agent;
- Approval of share transfers, transmissions and transpositions and delegation thereof.

Composition

The committee comprises of three members viz., Mr. M M Murugappan (Chairman), Mr. B Ramaratnam and Mr. Sridharan Rangarajan. During the year, Mr. N Srinivasan stepped down from the Board and ceased to be a member with effect from August 1, 2018. Mr. Sridharan Rangarajan and Mr. B Ramaratnam were inducted as members of the committee with effect from August 30, 2018 and March 18, 2019 respectively.

Meetings and Attendance

The committee met twice during the year ended March 31, 2019. The attendance of each member at the committee meetings held during the year is given in the following table:

Name of the Member	Category	No. of meetings attended (no. of meetings held during their tenure)
Mr. M M Murugappan	NED	2(2)
Mr. N Srinivasan	NED	1(1)
Mr. B Ramaratnam	NED / ID	Not applicable
Mr. Sridharan Rangarajan	NED	1(1)

NED: Non-Executive Director, ID: Independent Director

Corporate Social Responsibility (CSR) Committee

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

Brief terms of reference

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

Composition

The committee comprises of three members viz., Mr. M M Murugappan (Chairman), Mr. Ashok Kumar Barat and Mr. Sridharan Rangarajan. During the year Mr. M B N Rao retired at the conclusion of the 69th AGM held on July 31, 2018. Mr. N Srinivasan stepped down from the Board and ceased to be a member with effect from August 1, 2018. Mr. Ashok Kumar Barat and Mr. Sridharan Rangarajan were inducted as members of the Committee with effect from August 30, 2018.

Meetings and Attendance

The committee met twice during the year ended March 31, 2019. The attendance of each member at the committee meetings held during the year is given in the table below:

Name of the Member	Category	No. of meetings attended (no. of meetings held during their tenure)
Mr. M B N Rao	NED / ID	1(1)
Mr. M M Murugappan	NED	2(2)
Mr. N Srinivasan	NED	1(1)
Mr. Ashok Kumar Barat	NED / ID	1(1)
Mr. Sridharan Rangarajan	NED	Nil(1)

NED : Non Executive Director, ID : Independent Director

Risk Management Committee

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

Brief terms of reference

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

Composition

The Board constituted Risk Management Committee with effect from March 18, 2019, comprising of four members viz., Mr. M M Murugappan (Chairman), Mr. B Ramaratnam, Mr. Sridharan Rangarajan and Mr. N Ganesh and the committee has not met during the year.

POLICY - BOARD DIVERSITY, BOARD NOMINATIONS AND REMUNERATION

The success of an organisation in achieving good performance and governance depends on its ability to attract quality individuals as Non-Executive and Independent Directors. In compliance with the requirements of the Companies Act, 2013, the Board on recommendation of the Nomination & Remuneration Committee, has framed following policies:

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

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

The Nomination & Remuneration Committee is responsible for identifying persons for nomination as directors and evaluating incumbent directors. The policy for Board nomination lays down qualifications, positive attributes and independence criteria for Board positions and re-appointment of directors.

The remuneration policy provides a framework to ensure reasonableness and sufficiency of remuneration so that the Company attracts, retains and motivates resources. The policy reflects remuneration philosophy of the group and considers factors to ensure pay structures are appropriately aligned. The remuneration policy has been reviewed during the year in line with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

The above policies are available on the Company's website at http://www.cholafhl.com/article/investors/600.

SUBSIDIARY COMPANIES

Cholamandalam MS General Insurance Company Limited (CMSGICL) is a 'material subsidiary' of the Company as per regulation 16(1)(c) of the Listing Regulations. Pursuant to the regulation, policy on material subsidiaries has been formulated by the Board. The policy has been reviewed during the year in line with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. Cholamandalam Health Insurance Limited is a subsidiary of the Company.

The Board members, Mr. M M Murugappan, Ms. Shubhalakshmi Panse and Mr. Sridharan Rangarajan are also on the Board of CMSGICL. The Audit Committee reviews the financial statements of subsidiary / associate / joint venture companies and investments made by them. Minutes of board meetings of subsidiary companies are placed before the Board at its quarterly meetings along with a statement of significant transactions and arrangements if any, entered into by them.

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

RELATED PARTY TRANSACTIONS

All transactions which were entered into with related parties during the year were in the ordinary course of business and on an arms' length basis. In terms of section 177 of the Act and regulation 23 of the Listing Regulations, the Audit Committee reviews transactions with related parties every quarter. During the year there were no material transactions entered into with related parties which may have potential conflict with the interest of the Company. Disclosure of transactions with related parties as required under IND AS is set out under Note 20 of the financial statements in the annual report.

The Board has formulated a policy on related party transactions. The policy has been reviewed during the year in line with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The policy is available on the Company's website at http://www.cholafhl.com/article/investors/476.

CRITERIA FOR APPOINTMENT IN SENIOR MANAGEMENT

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

MEANS OF COMMUNICATION

The audited as well as unaudited financial results of the Company are informed to the Stock Exchanges as soon as these are approved by the Board. Financial results are published in English in 'Business Standard' and 'The New Indian Express' and in Tamil in 'Dinamani'. A press release is given along with the publication of the quarterly / annual results, explaining the business environment and performance in order to enable the investing community to understand the financial results better. The financial results, shareholding pattern, corporate governance report, corporate announcements and other communication to stock exchanges are available under the 'Investors' section on the Company's website. The investors' presentation and call transcripts are also posted on the Company's website.

The Company sends annual report, intimation of dividend payment, notices for general meetings and postal ballot by e-mail to those shareholders whose e-mail ids are registered with the Company / Depository Participants and in hard copies to those shareholders whose e-mail ids are not registered. Disclosures and other communications are intimated in electronic mode through web portals of Stock Exchanges to disseminate such information to the public at large.

INVESTOR SERVICE

The Company attends to investors' queries / grievances in a timely manner and valid requests for share transfers and transmissions are processed within the regulatory time frame. Karvy Fintech Private Limited (Karvy) is the Company's Registrar and Share Transfer Agent. Share transfers, transmissions, issue of duplicate share certificate(s), etc., as well as requests for dematerialisation / rematerialisation are processed by Karvy at periodical cycles. Ten investor complaints were received during the year, of which two complaints were pending as at March 31, 2019. The pending complaints were resolved and closed since then.

In order to expedite the redressal of complaints, if any, investors are requested to register their complaints to the exclusive e-mail id: investorservices@cfhl.murugappa.com, for monitoring follow up action taken.

STATUTORY COMPLIANCE

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

INTERNAL CONTROLS

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

DISCLOSURES REGARDING COMMODITY PRICE RISK AND HEDGING ACTIVITIES

The Company being a Core Investment Company has no exposure in commodity risks and hedging activities.

WHISTLEBLOWER / VIGIL MECHANISM

The Company has established a whistleblower / vigil mechanism for the employees and the directors as an avenue to voice concerns relating to unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Ombudsperson appointed by the Board deals with the complaints received and ensures appropriate action. Report from Ombudsperson is placed before the Audit Committee every quarter. The mechanism also provides for adequate safeguards against victimisation of persons using the mechanism and provides direct access to the chairperson of the Audit Committee in exceptional cases. During the year, no personnel have been denied access to the Audit Committee. The Whistleblower policy has been reviewed to enable employees report leakage of unpublished price sensitive information and violation of code of conduct framed under SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

DIVIDEND DISTRIBUTION POLICY

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

CODE OF CONDUCT

The Board has laid down a code of conduct for all directors and senior management of the Company as required under regulation 17 of the Listing Regulations. During the year the code has been reviewed by the Board and copy of the same is available on the Company's website at http://www.cholafhl.com/article/investors/33. The directors and the senior management personnel have furnished their affirmation of compliance with the Code for the year ended March 31, 2019. A declaration of affirmation in this regard certified by the Manager & CFO, is annexed to this report.

PREVENTION OF INSIDER TRADING

The Company has framed and adopted a code of conduct to regulate, monitor and report trading by designated persons in the securities of the Company (Code for designated persons), as required under the SEBI (Prohibition of Insider Trading) Regulations 2015. The Code requires pre-clearance for dealing in the Company's shares for all transactions by the designated persons and prohibits the purchase or sale of Company securities by designated persons while in possession of unpublished price sensitive information (UPSI) in relation to the Company. Further, trading in securities is also prohibited for designated persons during the period when the trading window is closed. The Company also has in place a code for fair disclosure of unpublished price sensitive information (Code for fair disclosure). During the year, the above codes have been reviewed in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. A policy containing procedures for conduct of inquiry in case of leakage of UPSI or suspected leakage of UPSI and a policy for determination of 'legitimate purposes' for communicating / procuring UPSI have been laid down and forms part of the Code for designated persons and Code for fair disclosure, respectively.

The Code for fair disclosure is available on the Company's website at http://www.cholafhl.com/article/investors/493.

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

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part, for the year ended March 31, 2019 is furnished in the following table:

(₹ in Crore)

Particulars	Amount
Fees for audit and related services paid to M/s S.R. Batliboi & Affiliates firms and to entities of the network of which the statutory auditor is a part	0.93
Other fees paid to M/s S.R. Batliboi & Affiliates firms and to entities of the network of which the statutory auditor is a part	0.84
Total	**1.77**

COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

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

NON-MANDATORY REQUIREMENTS

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

CERTIFICATION FROM THE STATUTORY AUDITORS

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

CERTIFICATION FROM THE PRACTICING COMPANY SECRETARY

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

OTHER DISCLOSURES

A Management Discussion and Analysis Report highlighting the performance of individual businesses forms part of the Board's Report.

The Company has complied with all regulatory requirements. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India or any statutory authority, on any matter relating to the capital markets.

The Company has not raised any funds through preferential allotment or qualified institutional placement during the year. There was no instance of non-acceptance by the Board of any recommendations of its Committees during the year.

GENERAL SHAREHOLDER INFORMATION

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

On behalf of the Board

Place : Chennai
Date : May 3, 2019

M M Murugappan
Chairman

Annexure to the Report on Corporate Governance

Declaration on Code of Conduct

To the Members of
Cholamandalam Financial Holdings Limited

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

It is further confirmed that all directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2019, as envisaged in regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Chennai
Date : May 3, 2019

N Ganesh
Manager & Chief Financial Officer

Annexure to the Report on Corporate Governance

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

To the Members of
Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited),
Dare House, No. 234, N.S.C Bose Road, Parrys,
Chennai 600 001, Tamil Nadu.

1. The accompanying Corporate Governance Report prepared by Cholamandalam Financial Holdings Limited (hereinafter the "Company"), contains details as required in regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D, E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ("reporting criteria") for the year ended March 31, 2019 as required by the Company for annual submission to the Stock Exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the reporting criteria. Summary of key procedures performed include:

    i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

    ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

    iii. Obtained and read the Directors' Register as on March 31, 2019 and verified that atleast one women director was on the Board during the year;

iv. Obtained and read the minutes of the following committee meetings held from April 01, 2018 to March 31, 2019:

(a) Board of Directors meeting;

(b) Audit Committee;

(c) Annual General meeting;

(d) Nomination and Remuneration Committee;

(e) Stakeholders Relationship Committee; and

(f) Corporate Social Responsibility Committee;

v. Obtained and read the policy adopted by the Company for Related Party transactions.

vi. Obtained the schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been approved by the audit committee.

vii. Obtained necessary representations and declarations from directors of the Company including the independent directors; and

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

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

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Subramanian Suresh
Partner
Membership Number: 083673
UDIN: 19083673AAAAAH9928

Place : Chennai
Date : May 3, 2019

Annexure to the Report on Corporate Governance

Certificate of Non-Disqualification of Directors

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

The Members,
Cholamandalam Financial Holdings Limited
(Formerly known as TI Financial Holdings Limited)
CIN: L65100TN1949PLC002905
'Dare House', No.234, N S C Bose Road, Chennai- 600001

We have examined the relevant books, papers, minutes books, forms and returns filed, notices received from the Directors during the financial year under review and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives of **CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED (Formerly known as TI Financial Holdings Limited) (CIN: L65100TN1949PLC002905)** having its Registered Office at 'Dare House', No.234, N S C Bose Road, Chennai- 600001 (hereinafter referred to as "The Company") for the purpose of issue of certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide Notification No: SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018 issued by the Securities and Exchange Board of India.

In our opinion and to the best of our knowledge 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 2019 have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India (SEBI)/ Ministry of Corporate Affairs or any such other statutory authority.

S.No	DIN	Name of the Director	Designation
1	00170478	M M Murugappan	Non-Executive - Chairman
2	02599310	Shubhalakshmi Aamod Panse	Non-Executive - Independent Director
3	00492930	Ashok Kumar Barat	Non-Executive - Independent Director
4	01814413	Sridharan Rangarajan	Non-Executive - Non Independent Director
5	07525213	Balasubramanyan Ramaratnam	Non-Executive - Independent Director
6	00110086	V Ravichandran	Non-Executive - Non Independent Director

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Srinidhi Sridharan & Associates**
Company Secretaries

CS Srinidhi Sridharan
C.P NO.17990
ACS.NO.47244
UIN: S2017TN472300

Place : Chennai
Date : May 3, 2019

General Shareholder Information

REGISTRATION DETAILS

Registered Office
'Dare House', No. 234, N S C Bose Road,
Chennai 600 001

Corporate Identification Number (CIN)
L65100TN1949PLC002905

ANNUAL GENERAL MEETING

Day	:	Thursday
Date	:	August 1, 2019
Time	:	3.00 pm
Venue	:	T T K Auditorium, The Music Academy, No.168 (Old No.306), T T K Road, Chennai - 600 014

FINANCIAL YEAR

April 1 to March 31

DATES OF BOOK CLOSURE

Friday - July 26, 2019 to Thursday - August 1, 2019

TENTATIVE CALENDAR FOR 2019-20

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

Results for the first quarter
Ending 30th June, 2019 - 1st August, 2019

Results for the second quarter / half-year
Ending 30th September, 2019 - 1st November, 2019

Results for the third quarter
Ending 31st December, 2019 - January / February, 2020

Results for the fourth quarter
Ending 31st March 2020 / Annual Results for FY 2019-20 - April / May, 2020

DIVIDEND

The Board at its meeting held on February 4, 2019, approved payment of interim dividend on the equity shares at the rate of 60% (₹ 0.60/- per equity share of ₹ 1/- each).

The Board has further recommended a final dividend at the rate of 65% (₹ 0.65 per equity share of ₹ 1/- each) for the year ended March 31, 2019 at its meeting held on May 3, 2019. The final dividend will be paid within 7 days from the date of declaration by the shareholders at the forthcoming Annual General Meeting.

LISTING ON STOCK EXCHANGES

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

Listing fee for the year ended March 31, 2020 has been paid to the above Stock Exchanges on time.

REGISTRAR AND SHARE TRANSFER AGENT

Karvy Fintech Private Limited (Karvy), is the Registrar and Share Transfer Agent (RTA) of the Company. Pursuant to a scheme of arrangement (amalgamation), the operations of Karvy Computershare Private Limited were transferred to Karvy Fintech Private Limited with effect from November 17, 2018. The shareholders are requested to address their share related requests / queries to the RTA.

Contact details of RTA

Karvy Fintech Private Limited
(Unit : Cholamandalam Financial Holdings Limited)
Karvy Selenium Tower B, Plot 31-32, Financial District,
Gachibowli, Hyderabad – 500 032, Telangana
Phone: 040-67161514, Fax: 040-23420814
Toll free: 1800-345-4001
E-mail: einward.ris@karvy.com; Website: www.karvyfintech.com

UNCLAIMED / UNPAID DIVIDEND

In terms of section 124 of the Companies Act, 2013, dividend that remains unclaimed / unpaid for a continuous period of seven years shall be transferred from the unpaid dividend account to the Investor Education and Protection Fund (IEPF) established by the Central Government. Details of dividend paid by the Company and the respective due dates for transfer of the unclaimed/ unencashed dividend to the IEPF is given in the table below.

Financial year to which dividend relates	Date of declaration	Due date of transfer to IEPF
2011-12 - Final	06.08.2012	11.09.2019
2012-13 - Interim - Final	31.01.2013 02.08.2013	08.03.2020 07.09.2020
2013-14 - Interim - Final	04.02.2014 06.08.2014	12.03.2021 11.09.2021

Financial year to which dividend relates	Date of declaration	Due date of transfer to IEPF
2014-15 - Interim - Final	04.02.2015 10.08.2015	12.03.2022 16.09.2022
2015-16 - Interim - Final	04.02.2016 08.08.2016	12.03.2023 13.09.2023
2016-17 - Interim	06.02.2017	14.03.2024
2017-18 - Interim - Final	05.02.2018 31.07.2018	12.03.2025 06.09.2025
2018-19 - Interim	04.02.2019	12.03.2026

The Company sends periodic intimation to the shareholders concerned, advising them to claim dividend from the Company. Further, the Company has published notices in newspaper regarding the due date for transfer of dividend and shares to the IEPF. Unclaimed / unpaid dividends up to the interim dividend of FY 2011-12 have been transferred to the IEPF. Details of unclaimed / unpaid dividend as on the date of the last annual general meeting, i.e. July 31, 2018, is available on the Company's website for the benefit of the shareholders. No claim shall lie against the Company for the amounts so transferred nor shall any payment be made in respect of such claims. Shareholders who have not claimed their dividend are requested to approach Karvy or the Company.

TRANSFER OF SHARES TO IEPF

Pursuant to Section 124(6) of the Companies Act, 2013 read with the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), shares in respect of which dividend remains unpaid or unclaimed for a continuous period of seven years or more, are required to be transferred to the Investors Education and Protection Fund. As per the aforesaid requirement, during the year the Company has transferred 40997 equity shares to the IEPF. After processing a shareholder's claim for 165 shares during the year, 659325 equity shares of the Company are lying in the demat account of the IEPF as on March 31, 2019. The unclaimed dividend and corresponding shares transferred to IEPF, including benefits accruing on such shares, if any, can be claimed back from the IEPF Authority following the procedure prescribed in the Rules.

INSTRUCTIONS TO SHAREHOLDERS

(a) Shareholders holding shares in physical form

Requests for change of address shall be sent to the Company's Registrar & Transfer Agent viz., M/s. Karvy Fintech Private Limited for facilitating them to forward the dividend warrants to the latest address of members. Members are also advised to intimate their bank account details to RTA, to enable incorporation of the same on dividend warrants. This would help to prevent fraudulent encashment of dividend warrants.

(b) Shareholders holding shares in demat form

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

SHARE TRANSFER AND INVESTOR SERVICE SYSTEM

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

As per SEBI mandate, effective April 1, 2019, securities of listed companies can be transferred only in dematerialised form. In view of this requirement and to avail various benefits of dematerialisation, intimation has been sent to members who hold shares in physical form, requesting them to get their shares dematerialised.

Details of complaints received and redressed

Nature of complaints	Received during the year	Resolved during the year	Pending as on end of the year
Non receipt of dividend	3	2	1*
Non receipt of share certificate after transfer / transmission	7	6	1*

**Both complaints have since been resolved and closed.*

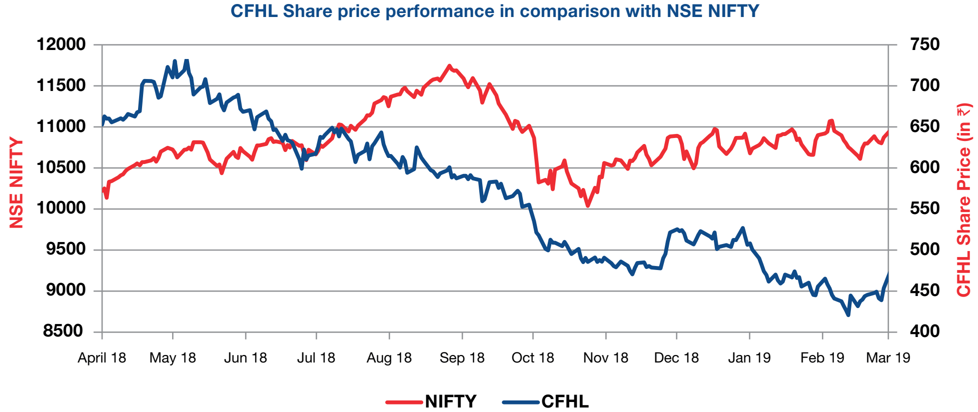
There were no complaints pending at the beginning of the financial year.

MARKET PRICE DATA AND COMPARISON

Monthly high and low price of the Equity Shares of the Company during 2018-19 are as follows:

Month	National Stock Exchange of India Ltd.			BSE Ltd.		
	High (In ₹)	Low (In ₹)	Volume	High (In ₹)	Low (In ₹)	Volume
Apr-18	722.45	651.90	24,35,793	719.25	652.25	6,44,246
May-18	732.50	669.60	11,04,830	726.55	670.00	1,76,483
Jun-18	669.85	598.35	14,91,945	671.75	598.00	5,92,834
Jul-18	648.30	606.35	21,99,822	656.00	603.50	2,29,540
Aug-18	624.30	586.60	10,74,768	620.00	584.00	2,92,282
Sep-18	590.60	551.90	12,63,169	589.85	552.90	24,545
Oct-18	554.65	484.70	21,39,434	553.25	481.50	25,725
Nov-18	520.85	469.65	12,42,173	517.10	472.55	5,29,699
Dec-18	526.20	500.45	20,87,517	524.50	496.35	99,522
Jan-19	515.90	444.30	11,47,132	517.35	439.05	1,20,405
Feb-19	464.65	420.10	16,66,434	460.15	419.00	20,206
Mar-19	499.55	452.70	11,89,731	495.95	454.95	5,65,853

CFHL Share price performance in comparison with NSE NIFTY



SHAREHOLDING PATTERN AS ON MARCH 31, 2019

Category	No. of shares held	% of shareholding
Promoter & Promoter Group	91531699	48.77
Mutual Funds /UTI	31743146	16.91
Banks, Financial Institutions, Insurance Companies	3862103	2.06
Foreign Institutional Investors	19554215	10.42
Bodies Corporate	9661467	5.15
Resident Individuals	23023079	12.27
Bank of New York Mellon (Depository for GDR holders)	2862253	1.52
NRI and Others	5454272	2.90
Total	**187692234**	**100.00**

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2019

Category (Shares)	No. of shareholders	% to holders	No. of shares	% to Equity
upto 1 - 5000	21121	96.21	9755066	5.20
5001 - 10000	315	1.43	2277915	1.21
10001 - 20000	189	0.86	2689918	1.43
20001 - 30000	65	0.30	1620212	0.86
30001 - 40000	41	0.19	1440883	0.77
40001 - 50000	21	0.10	962842	0.51
50001 - 100000	54	0.25	4020382	2.14
100001 & Above	147	0.67	164925016	87.87
Total	**21953**	**100.00**	**187692234**	**100.00**

Shareholding mode	No. of shareholders	% to shareholders	No. of shares	% to Equity
Physical	846	3.85	1309161	0.70
Demat / electronic	21107	96.14	186383073	99.30
Total	**21953**	**100.00**	**187692234**	**100.00**

NOMINATION FACILITY

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

DEMATERIALISATION OF SHARES

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

RECONCILIATION OF SHARE CAPITAL AUDIT

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

GDR DETAILS

As at March 31, 2019, 2862253 Global Depository Receipts (GDRs) were outstanding representing an equal number of underlying Equity Shares. The GDRs stand delisted / withdrawn for trading from Luxembourg Stock Exchange, effective May 18, 2011.

COMMODITY PRICE RISK / FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

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

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

Date of AGM	Whether any Special Resolution was passed	Particulars
August 4, 2016	Yes	Issue of Secured Redeemable Non-Convertible Debentures on private placement basis for a maximum sum of ₹ 400 Crore.
September 25, 2017	No	-
July 31, 2018	No	-

The shareholders approved the said special resolution with requisite majority.

POSTAL BALLOT

During the year approval of the shareholders was obtained through postal ballot in respect of special resolution for change in the name of the company on November 12, 2018. Mr. R Sridharan of M/s. R Sridharan & Associates, Practicing Company Secretaries, was the scrutiniser for the postal ballot process including e-voting. The voting results were declared on November 14, 2018. In supersession to the resolution passed on November 12, 2018, shareholders' approval through postal ballot was obtained for change in the name of the company from "TI Financial Holdings Limited" to "Cholamandalam Financial Holdings Limited" and consequential amendment to the memorandum and articles of association on February 23, 2019 vide special resolution. Mr. G Subramaniam of M/s. R Sridharan & Associates, Practicing Company Secretaries, was the scrutiniser for the postal ballot process including e-voting. The voting results were declared on February 25, 2019. The resolution passed on November 12, 2018 was rescinded and not given effect by the company. The voting results and the scrutiniser's report of the above postal ballots are available on the Company's website at http://www.cholafhl.com/postalballot. The postal ballots were carried out as per the provisions of sections 108 and 110 and other applicable provisions of the Act, read with the rules framed thereunder.

At present, there is no proposal to pass any resolution through postal ballot.

Voting pattern of the Special Resolutions passed through Postal Ballot

Particulars	Votes cast in favour of the resolution		Votes cast against the resolution		Invalid votes	
	No. of Votes	%	No. of Votes	%	No. of Votes	No. of Members
Special resolution passed on February 23, 2019	128888702	99.99	7204	0.006	7244	7
Special resolution passed on November 12, 2018	117802829	99.99	5277	0.005	927040	5

GENERAL BODY MEETING

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

Year	Date	Time	Venue
2015-16	August 4, 2016	3.30 PM	T T K Auditorium, The Music Academy, No. 168 (Old No.306), T T K Road, Chennai - 600 014
2016-17	September 25, 2017	11.30 AM	
2017-18	July 31, 2018	3.00 PM	

UNCLAIMED SHARES

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

S. No.	Particulars	No. of shareholders	No. of shares
1	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 01.04.2018	1155	1176306
2	Number of shareholders who approached for transfer of their shares from the Unclaimed Suspense Account during the year	36	94720
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	36	94720
4	Number of shareholders whose shares were transferred to the Investor Education & Protection Fund during the year	46	33090
5	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31.03.2019	1073	1048496

Shareholders who continue to hold the share certificates with face value of ₹ 10 / ₹ 2 each are entitled to claim the Equity Shares with face value of ₹ 1 from the Unclaimed Suspense Account. The voting rights on the shares outstanding in the suspense account as on March 31, 2019 shall remain frozen till the rightful owner of such share claims the shares. On receipt of the claim, the Company will, after verification, arrange to credit the Equity Shares to the demat account of the shareholder concerned or deliver the share certificate to the shareholder in physical mode after re-materialisation.

CONTACT DETAILS

For assisting and handling investor grievances:

Ms. E Krithika
Company Secretary
'Dare House', No. 234, NSC Bose Road, Chennai – 600 001
e-mail : investorservices@cfhl.murugappa.com, krithikae@cfhl.murugappa.com
Phone : 044 4090 7638, Fax : 044 4211 0404

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

ANNEXURE C

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

   Outline of the Company's CSR Policy

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

   The CSR policy of the Company inter alia provides for identification of CSR projects and programs, modalities of execution and monitoring process. The policy gives an overview of the projects or programs, which would be undertaken by the Company from time to time. The key focus areas during the year were: a) Improving access to education b) Provision of health care facilities c) Promotion of sports d) Promotion of arts and culture.

   CSR policy is available on the website of the Company at http://www.cholafhl.com/article/investors/467.

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

   Mr. M M Murugappan, Chairman

   Mr. Ashok Kumar Barat

   Mr. Sridharan Rangarajan

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

   ₹ 3593 Lakh

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

   ₹ 72 Lakh

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

   a. Total amount spent for the financial year: ₹ 73 Lakh

   b. Amount unspent, if any : Nil

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

S. No.	CSR Project Activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district where Project or Program was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs 1) Direct expenditure 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent - Direct (D) or through implementing agency (IA)
1a	Educational infrastructure & other support to TI Matriculation Higher Secondary School	Education	Chennai – Tamilnadu	26.0	14.0	14.0	IA (AMM Foundation)
1b	Infrastructure & other support to Sir Ivan Stedeford Hospital	Health			12.0	12.0	
2	Education to girl children in rural areas	Education	Mirzapur – Uttar Pradesh	11.0	11.0	11.0	IA (IIMPACT)
3	Scholarship to fine arts students	Art & Culture	Chennai – Tamilnadu	5.0	5.0	5.0	IA (Kalakshetra Foundation)
4	Mobile medical unit for senior citizens	Health	Chennai – Tamilnadu	26.0	26.0	26.0	IA (Helpage India)
5	Promotion of shooting sport	Sports	Chennai – Tamilnadu	5.0	5.0	5.0	IA (GoSports Foundation)
	Total			**73.0**	**73.0**	**73.0**	

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

   Not applicable.

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

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

On behalf of the Board

Place : Chennai
Date : May 3, 2019

Sridharan Rangarajan
Director

M M Murugappan
Chairman - CSR Committee

Mr. Ashok Kumar Barat and Mr. Sridharan Rangarajan were inducted as members of the Committee during the year.

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

(i) Details of employees in terms of remuneration drawn during the financial year 2018-19 as per Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name (Age)	Designation / Nature of duties	Gross remuneration paid (₹)	Qualification and experience (years)	Date of commencement of employment / deputation	Previous employment
N Ganesh (46)	Manager & Chief Financial Officer	71,16,270	B.Com, ACA (23 years)	August 9, 2017	Cholamandalam Investment and Finance Company Limited
E Krithika (39)	Company Secretary	19,79,129	M.Com, ACS (13 years)	August 9, 2017	Cholamandalam MS General Insurance Company Limited

Notes:

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

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

Name of the Director	Category	Ratio
Mr. M M Murugappan	Chairman	0.11
Mr. M B N Rao	Independent Director	0.11
Ms. Shubhalakshmi Panse	Independent Director	0.11
Mr. N Srinivasan	Non -Executive Director	0.11
Mr. Ashok Kumar Barat	Independent Director	0.11
Mr. B Ramaratnam	Independent Director	0.11
Mr. Sridharan Rangarajan	Non -Executive Director	0.11
Mr. V Ravichandran	Non -Executive Director	0.11

Note : Remuneration of directors is annualised and excludes sitting fees paid.

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

Directors : Not applicable. All directors are paid sitting fees at the same scale for attending Board and Committee meetings. In addition to the sitting fees, a fixed sum is paid as a commission to all directors, proportionate to their tenure on the Board.

KMPs: Manager & CFO - 20%; Company Secretary - 10%

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

Not applicable since there are no employees other than the managerial personnel, the details of which are disclosed in (iii) above.

(v) Number of permanent employees on the rolls of the Company as on 31.3.2019

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

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

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

(vii) Affirmation

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

On behalf of the Board

Place : Chennai
Date : May 3, 2019

M M Murugappan
Chairman

Business Responsibility Report

ANNEXURE E

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identification Number (CIN)	L65100TN1949PLC002905
2	Name of the Company	Cholamandalam Financial Holdings Limited (Formerly, TI Financial Holdings Limited)
3	Registered office address	'Dare House', No. 234, N S C Bose Road, Chennai – 600 001
4	Website	www.cholafhl.com
5	E-mail ID	investorservices@cfhl.murugappa.com
6	Financial Year reported	April 1, 2018 to March 31, 2019
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	**NIC Code**: K; **Group**: 6430; **Description**: Investment Activity
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Investment
9	Total number of locations where business activity is undertaken by the Company	1
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National locations	1
10	Markets served by the Company	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up capital (INR)	₹ 18.77 Crore
2	Total Turnover (INR)	₹ 73.52 Crore
3	Total profit after taxes (INR)	₹ 66.53 Crore
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.10%
5	List of activities in which expenditure in 4 above has been incurred	Please refer CSR Report.

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR:

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

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

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

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

2a. Details of compliance:

No.	Questions	P.1	P.2	P.3	P.4	P.5	P.6	P.7	P.8	P.9
1	Do you have policy/policies for....	√	√	√	√	√	√	√	√	√
2	Has the policy been formulated in consultation with the relevant stakeholders?	√	√	√	√	√	√	√	√	√
3	Does the policy conform to any national / international standards?	√	√	√	√	√	√	√	√	√
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	√	√	√	√	√	√	√	√	√
5	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	√	√	√	√	√	√	√	√	√
6	Indicate the link for the policy to be viewed online?	http://www.cholafhl.com/article/investors/688								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	√	√	√	√	√	√	√	√	√
8	Does the Company have in-house structure to implement the policy/policies?	√	√	√	√	√	√	√	√	√
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	√	√	√	√	√	√	√	√	√
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	X	X	X	X	X	X	X	X	X

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

No.	Questions	P.1	P.2	P.3	P.4	P.5	P.6	P.7	P.8	P.9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Ethics, Transparency & Accountability

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

Principle 2 - Safety and sustainability of goods & services

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

Principle 3 - Promotion of wellbeing of employees

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

Principle 4 - Responsiveness towards stakeholders

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

Principle 5 - Promoting human rights

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

Principle 6 - Protecting the environment

a)	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers/ Contractors/NGOs/others.	As a holding and an investment company with limited number of employees, the Company does not have a direct environmental impact.
b)	Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming etc.?	No
c)	Does the Company identify and assess potential environmental risks?	No

d)	Does the Company have any project related to Clean Development mechanism?	Not applicable
e)	Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. ?	No
f)	Are the emissions/wastes generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Not applicable
g)	Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.	Nil

Principle 7 - Responsibility towards public and regulatory policy

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

Principle 8 - Supporting inclusive growth and development

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

Principle 9 - Providing value to customers & consumers

a)	What percentage of customer complaints/consumer cases are pending as on the end of financial year?	Out of 10 complaints received from shareholders during the year, 2 complaints i.e. 20% complaints were pending as at end of the financial year. Both complaints have since been resolved and closed.
b)	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Not applicable, since the Company is into investment activity.
c)	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?	No
d)	Did your Company carry out any consumer survey/ consumer satisfaction trends?	No

Form No. MGT-9 Extract of Annual Return

ANNEXURE F

as on the financial year ended on March 31, 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
Investment Activity	6430	89.19

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Cholamandalam Investment and Finance Company Ltd.* "Dare House", No.2, N S C Bose Road Chennai – 600 001	L65993TN1978PLC007576	Associate	46.39	2(6)
2	Cholamandalam MS General Insurance Company Ltd. "Dare House", No.2, N S C Bose Road Chennai – 600 001	U66030TN2001PLC047977	Subsidiary	60.00	2(87)(ii)
3	Cholamandalam MS Risk Services Ltd. "Dare House", No.2, N S C Bose Road Chennai – 600 001	U74140TN1994PLC029257	Joint Venture	49.50	2(6)
4	Cholamandalam Health Insurance Ltd. "Dare House", No.2, N S C Bose Road Chennai – 600 001	U66020TN2017PLC117783	Subsidiary	99.86	2(87)(ii)

**Considered as a subsidiary under Ind-AS*

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

(i) Category-wise Shareholding

S.No	Category of Shareholders	No. of shares held at the end of the year (01-Apr-2018)				No. of shares held at the end of the year (31-Mar-2019)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	**PROMOTER AND PROMOTER GROUP***									
(1)	**INDIAN**									
(a)	Individual/HUF	16124727	-	16124727	8.60	13483452	-	13483452	7.18	(1.42)
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	73232265	-	73232265	39.05	72424485	-	72424485	38.59	(0.46)
(e)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(f)	Any other:	2135675	-	2135675	1.14	5606730	-	5606730	2.99	1.85
	Sub-Total A(1):	**91492667**	-	**91492667**	**48.79**	**91514667**	-	**91514667**	**48.76**	**(0.03)**
(2)	**FOREIGN**									
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Any other:	17032	-	17032	0.01	17032	-	17032	0.01	
	Sub-Total A(2):	17032	-	17032	0.01	17032	-	17032	0.01	-
	Total Shareholding of Promoter and Promoter Group (A)=(A1)+(A2)	**91509699**	-	**91509699**	**48.80**	**91531699**	-	**91531699**	**48.77**	**(0.03)**
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds / UTI	27479527	-	27479527	14.65	31743146	-	31743146	16.91	2.26
(b)	Banks / Financial Institutions	927652	7350	935002	0.50	903392	7350	910742	0.49	(0.01)
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	2936126	-	2936126	1.57	2936126	-	2936126	1.56	(0.01)
(g)	Foreign Institutional Investors / Foreign Portfolio Investors	21749938	236660	21986598	11.72	19317555	236660	19554215	10.42	(1.30)
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any other:	-	-	-	-	175	-	175	-	-
	Sub-Total B(1):	**53093243**	**244010**	**53337253**	**28.44**	**54900394**	**244010**	**55144404**	**29.38**	**0.94**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	9835598	4140	9839738	5.25	9672562	4140	9676702	5.15	(0.10)
(b)	Individuals									
	(i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	16852423	1237491	18089914	9.64	16719091	1003981	17723072	9.44	(0.21)

**Holdings regrouped within category.*

S.No	Category of Shareholders	No. of shares held at the end of the year (01-Apr-2018)				No. of shares held at the end of the year (31-Mar-2019)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	5136002	-	5136002	2.74	5300007	-	5300007	2.82	0.08
(c)	Any other:									
	Clearing Members	262128	-	262128	0.14	252252	-	252252	0.13	(0.01)
	Non Resident Indians	2451145	57030	2508175	1.34	2129388	57030	2186418	1.16	(0.18)
	Trusts	110437	-	110437	0.06	106046	-	106046	0.06	-
	Others	2509720	-	2509720	1.33	2909381	-	2909381	1.55	0.22
	Sub-Total B(2):	**37157453**	**1298661**	**38456114**	**20.50**	**37088727**	**1065151**	**38153878**	**20.33**	(0.17)
	Total Public Shareholding B = B(1)+B(2):	**90250696**	**1542671**	**91793367**	**48.94**	**91989121**	**1309161**	**93298282**	**49.71**	**0.76**
	Total (A+B):	**181760395**	**1542671**	**183303066**	**97.74**	**183520820**	**1309161**	**184829981**	**98.48**	**0.73**
(C)	**Shares held by custodians for GDRs & ADRs**									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	4223460	7170	4230630	2.26	2862253	-	2862253	1.52	(0.74)
	Sub-Total C:	**4223460**	**7170**	**4230630**	**2.26**	**2862253**	**-**	**2862253**	**1.52**	**(0.74)**
	GRAND TOTAL (A+B+C):	**185983855**	**1549841**	**187533696**	**100.00**	**186383073**	**1309161**	**187692234**	**100.00**	

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

(ii) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of shares	% of total shares of the company	% of the shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of the shares pledged/ encumbered to total shares	
1	M V Murugappan HUF	543330	0.29	-	543330	0.29	-	-
2	M V Murugappan (Jointly with M A Alagappan & M M Murugappan)	863980	0.46	-	863980	0.46	-	-
3	M V Subbiah	744150	0.40	-	744150	0.40	-	-
4	S Vellayan	430250	0.23	-	430250	0.23	-	-
5	A Vellayan	631900	0.34	0.02	631900	0.34	-	-
6	V Narayanan	281140	0.15	-	281140	0.15	-	-
7	V Arunachalam	338990	0.18	-	338990	0.18	-	-
8	A Venkatachalam	764610	0.41	0.02	764610	0.41	0.02	-
9	Arun Venkatachalam	198130	0.11	-	198130	0.11	-	-
10	M M Murugappan	1730535	0.92	-	842405	0.45	-	(0.47)
11	M M Veerappan	-	-	-	-	-	-	-
12	M M Muthiah	-	-	-	-	-	-	-
13	M M Venkatachalam	1167710	0.62	0.002	407900	0.21	0.002	(0.41)
14	M V Muthiah	-	-	-	-	-	-	-
15	M V Subramanian	-	-	-	-	-	-	-
16	M A Alagappan	840660	0.45	0.003	840660	0.45	0.003	-
17	Arun Alagappan	833090	0.44	-	833090	0.44	-	-
18	M A M Arunachalam	618820	0.33	-	618820	0.33	-	-

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of shares	% of total shares of the company	% of the shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of the shares pledged/ encumbered to total shares	
19	E.I.D. - Parry (India) Ltd.	-	-	-	-	-	-	-
20	Coromandel International Ltd. (Formerly known as Coromandel Fertilizers Ltd.)	-	-	-	-	-	-	-
21	New Ambadi Estates Private Ltd.	-	-	-	-	-	-	-
22	Tube Investments of India Ltd. (formerly, TI Financial Holdings Ltd.)	-	-	-	-	-	-	-
23	Ambadi Enterprises Ltd.	1058200	0.56	-	1058200	0.56	-	-
24	Ambadi Investments Ltd.#	70066595	37.36	-	70066595	37.33	-	(0.03)
25	Carborundum Universal Ltd.	1000	0.00	-	1000	0.00	-	-
26	Murugappa & Sons (M/s M V Murugappan, M A Alagappan & M M Murugappan hold shares on behalf of the firm)	-	-	-	-	-	-	-
	Total	**81113090**	**43.25**	**0.045**	**79465150**	**42.34**	**0.025**	**(0.91)**

Note : The above table does not include holdings of promoter group aggregating to 12066549 shares (6.43%) as at March 31, 2019.
 # Decrease in % of holding is on account of increase in share capital.

(iii) Change in Promoters' Shareholding

S.No	Date	Name of the shareholder	Shareholding at the beginning of the year		Increase/ Decrease in share holding	Cumulative shareholding during the year	
			No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	01/04/2018	M M Murugappan	1730535	0.92			
	31/12/2018				Decrease	(388130)	
	26/03/2019				Decrease	(500000)	
	31/03/2019					842405	0.45
2	01/04/2018	M M Venkatachalam	1167710	0.62		1167710	
	31/12/2018				Decrease	(379905)	
	25/03/2019				Decrease	(379905)	
	31/03/2019					407900	0.21

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

S.No.	Shareholder's Name	Shareholding at the beginning (01-Apr-2018) / end of the year (31-Mar-2019)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-Apr-2018 to 31-Mar-2019)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	HDFC Trustee Company Limited - A/C HDFC Balanced Fund	12715490	6.78				12715490	6.78
				08/06/2018	3930000	Purchase	16645490	8.87
				08/06/2018	(3930000)	Sale	12715490	6.78
				14/12/2018	(3000)	Sale	12712490	6.77
				08/02/2019	(73000)	Sale	12639490	6.73
				15/03/2019	(198600)	Sale	12440890	6.63
				22/03/2019	(500)	Sale	12440390	6.63
				29/03/2019	(203000)	Sale	12237390	6.52
		12237390	6.52	31/03/2019			12237390	6.52

S.No.	Shareholder's Name	Shareholding at the beginning (01-Apr-2018) / end of the year (31-Mar-2019)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-Apr-2018 to 31-Mar-2019)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
2	Reliance Capital Trustee Co Ltd. A/C Reliance Balanced Advantage Fund	4516312	2.41				4516312	2.41
				04/05/2018	5877	Purchase	4522189	2.41
				25/05/2018	5980	Purchase	4528169	2.41
				25/05/2018	(150000)	Sale	4378169	2.33
				01/06/2018	150000	Purchase	4528169	2.41
				29/06/2018	577000	Purchase	5105169	2.72
				27/07/2018	537000	Purchase	5642169	3.01
				12/10/2018	107040	Purchase	5749209	3.06
				02/11/2018	25000	Purchase	5774209	3.08
				09/11/2018	33594	Purchase	5807803	3.09
				16/11/2018	216406	Purchase	6024209	3.21
				23/11/2018	6120	Purchase	6030329	3.21
				30/11/2018	20630	Purchase	6050959	3.22
				07/12/2018	364	Purchase	6051323	3.22
				14/12/2018	408892	Purchase	6460215	3.44
				21/12/2018	27000	Purchase	6487215	3.46
				28/12/2018	2059	Purchase	6489274	3.46
				18/01/2019	100000	Purchase	6589274	3.51
				25/01/2019	100611	Purchase	6689885	3.56
				01/02/2019	1571	Purchase	6691456	3.57
				08/02/2019	13	Purchase	6691469	3.57
				15/02/2019	121846	Purchase	6813315	3.63
				22/02/2019	244401	Purchase	7057716	3.76
				01/03/2019	100023	Purchase	7157739	3.81
				08/03/2019	17262	Purchase	7175001	3.82
				15/03/2019	866	Purchase	7175867	3.82
				22/03/2019	230	Purchase	7176097	3.82
				29/03/2019	200826	Purchase	7376923	3.93
		7376923	3.93	31/03/2019			7376923	3.93
3	The Bank of New York Mellon	4230630	2.26				4230630	2.26
				11/05/2018	(932341)	Sale	3291119	1.75
				18/05/2018	(428866)	Sale	2862253	1.53
		2862253	1.52	31/03/2019			2862253	1.52
4	Gagandeep Credit Capital Pvt Ltd	3371256	1.80		no movement		3371256	1.80
		3371256	1.80	31/03/2019			3371256	1.80
5	Franklin India Equity Hybrid Fund	-	-				-	-
				13/04/2018	404704	Purchase	404704	0.22
				20/04/2018	106900	Purchase	511604	0.27
				18/05/2018	26583	Purchase	538187	0.29
				01/06/2018	33852	Purchase	572039	0.30
				08/06/2018	170313	Purchase	742352	0.40
				20/07/2018	100000	Purchase	842352	0.45
				27/07/2018	66344	Purchase	908696	0.48
				03/08/2018	5386	Purchase	914082	0.49
				12/10/2018	470238	Purchase	1384320	0.74
				19/10/2018	245746	Purchase	1630066	0.87
				26/10/2018	26000	Purchase	1656066	0.88
				16/11/2018	200000	Purchase	1856066	0.99
				30/11/2018	351732	Purchase	2207798	1.18
				14/12/2018	68762	Purchase	2276560	1.21
				28/12/2018	565659	Purchase	2842219	1.51
				11/01/2019	240000	Purchase	3082219	1.64
				01/02/2019	150000	Purchase	3232219	1.72
		3232219	1.72	31/03/2019			3232219	1.72

S.No.	Shareholder's Name	Shareholding at the beginning (01-Apr-2018) / end of the year (31-Mar-2019)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-Apr-2018 to 31-Mar-2019)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
6	L&T Mutual Fund Trustee Limited - L&T Emerging Businesses Fund	2962002	1.58				2962002	1.58
				13/04/2018	100000	Purchase	3062002	1.63
				03/08/2018	(150000)	Sale	2912002	1.55
				10/08/2018	(104663)	Sale	2807339	1.50
				31/08/2018	(70200)	Sale	2737139	1.46
				07/09/2018	(242858)	Sale	2494281	1.33
				14/09/2018	(61215)	Sale	2433066	1.30
				12/10/2018	(608298)	Sale	1824768	0.97
				16/11/2018	(327000)	Sale	1497768	0.80
				23/11/2018	(16203)	Sale	1481565	0.79
				30/11/2018	(266231)	Sale	1215334	0.65
				01/02/2019	(155000)	Sale	1060334	0.56
				08/02/2019	(72000)	Sale	988334	0.53
				15/02/2019	(265804)	Sale	722530	0.38
				15/03/2019	(209920)	Sale	512610	0.27
				29/03/2019	(220000)	Sale	292610	0.16
		292610	0.16	31/03/2019			292610	0.16
7	Life Insurance Corporation of India	2936046	1.57		no movement		2936046	1.57
				31/03/2019			2936046	1.56
8	Toyota Tsusho Corporation	2700000	1.44		no movement		2700000	1.44
				31/03/2019			2700000	1.44
9	UTI (Multi Asset Fund)	2638952	1.41				2638952	1.41
				06/04/2018	7979	Purchase	2646931	1.41
				06/04/2018	(5176)	Sale	2641755	1.41
				13/04/2018	6298	Purchase	2648053	1.41
				20/04/2018	9610	Purchase	2657663	1.42
				27/04/2018	10247	Purchase	2667910	1.42
				04/05/2018	2145	Purchase	2670055	1.42
				11/05/2018	11785	Purchase	2681840	1.43
				18/05/2018	43841	Purchase	2725681	1.45
				18/05/2018	(3287)	Sale	2722394	1.45
				08/06/2018	12000	Purchase	2734394	1.46
				15/06/2018	42454	Purchase	2776848	1.48
				15/06/2018	(25593)	Sale	2751255	1.47
				06/07/2018	21205	Purchase	2772460	1.48
				06/07/2018	(25550)	Sale	2746910	1.46
				13/07/2018	22791	Purchase	2769701	1.48
				13/07/2018	(7791)	Sale	2761910	1.47
				20/07/2018	10000	Purchase	2771910	1.48
				27/07/2018	67000	Purchase	2838910	1.51
				27/07/2018	(2024)	Sale	2836886	1.51
				03/08/2018	28675	Purchase	2865561	1.53
				10/08/2018	110983	Purchase	2976544	1.59
				24/08/2018	5156	Purchase	2981700	1.59
				24/08/2018	(25000)	Sale	2956700	1.58
				31/08/2018	60000	Purchase	3016700	1.61
				07/09/2018	142013	Purchase	3158713	1.68
				14/09/2018	51874	Purchase	3210587	1.71
				14/09/2018	(7673)	Sale	3202914	1.71
				21/09/2018	65537	Purchase	3268451	1.74
				28/09/2018	30579	Purchase	3299030	1.76
				05/10/2018	33955	Purchase	3332985	1.78

S.No.	Shareholder's Name	Shareholding at the beginning (01-Apr-2018) / end of the year (31-Mar-2019)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-Apr-2018 to 31-Mar-2019)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				12/10/2018	65696	Purchase	3398681	1.81
				12/10/2018	(65000)	Sale	3333681	1.78
				19/10/2018	11640	Purchase	3345321	1.78
				19/10/2018	(10060)	Sale	3335261	1.78
				26/10/2018	(14814)	Sale	3320447	1.77
				02/11/2018	(139005)	Sale	3181442	1.70
				09/11/2018	(19124)	Sale	3162318	1.68
				16/11/2018	(75409)	Sale	3086909	1.64
				30/11/2018	70452	Purchase	3157361	1.68
				21/12/2018	(200048)	Sale	2957313	1.58
				18/01/2019	12559	Purchase	2969872	1.58
				08/02/2019	1890	Purchase	2971762	1.58
				22/03/2019	(46735)	Sale	2925027	1.56
		2925027	1.56	31/03/2019			2925027	1.56
10	Shamyak Investment Private Limited	2348880	1.25		no movement		2348880	1.25
		2348880	1.25	31/03/2019			2348880	1.25
11	Aditya Birla Sun Life Trustee Private Limited A/C	915610	0.49				915610	0.49
				06/04/2018	84390	Purchase	1000000	0.53
				18/05/2018	50000	Purchase	1050000	0.56
				25/05/2018	4200	Purchase	1054200	0.56
				20/07/2018	23525	Purchase	1077725	0.57
				27/07/2018	10000	Purchase	1087725	0.58
				03/08/2018	150000	Purchase	1237725	0.66
				17/08/2018	4490	Purchase	1242215	0.66
				24/08/2018	10000	Purchase	1252215	0.67
				31/08/2018	17619	Purchase	1269834	0.68
				07/09/2018	130166	Purchase	1400000	0.75
				21/09/2018	10000	Purchase	1410000	0.75
				28/09/2018	55700	Purchase	1465700	0.78
				05/10/2018	64300	Purchase	1530000	0.82
				26/10/2018	7200	Purchase	1537200	0.82
				02/11/2018	62800	Purchase	1600000	0.85
				09/11/2018	25000	Purchase	1625000	0.87
				23/11/2018	8013	Purchase	1633013	0.87
				30/11/2018	15987	Purchase	1649000	0.88
				07/12/2018	51000	Purchase	1700000	0.91
				14/12/2018	67000	Purchase	1767000	0.94
				21/12/2018	5600	Purchase	1772600	0.94
				28/12/2018	255000	Purchase	2027600	1.08
				28/12/2018	(472600)	Sale	1555000	0.83
				31/12/2018	250000	Purchase	1805000	0.96
				04/01/2019	37501	Purchase	1842501	0.98
				11/01/2019	4500	Purchase	1847001	0.98
				18/01/2019	10200	Purchase	1857201	0.99
				25/01/2019	9799	Purchase	1867000	0.99
				01/02/2019	10418	Purchase	1877418	1.00
				08/02/2019	13400	Purchase	1890818	1.01
				22/02/2019	2190	Purchase	1893008	1.01
				01/03/2019	18916	Purchase	1911924	1.02
				15/03/2019	10000	Purchase	1921924	1.02
				29/03/2019	12076	Purchase	1934000	1.03
		1934000	1.03	31/03/2019			1934000	1.03
12	Mayank Jashwantlal Shah	1560000	0.83				1560000	0.83
				07/09/2018	(70000)	Sale	1490000	0.79
				23/11/2018	(1000)	Sale	1489000	0.79
				30/11/2018	(5008)	Sale	1483992	0.79
				07/12/2018	(2678)	Sale	1481314	0.79
		1481314	0.79	31/03/2019			1481314	0.79

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Mr. M M Murugappan, Chairman (Non-Executive Director)**				
	At the beginning of the year	1730535	0.92	-	-
	Date-wise decrease in shareholding during the year: - 31.12.2018 - 26.03.2019	 (388130) (500000)	 (0.21) (0.27)	 - -	 - -
	At the end of the year	842405	0.45	842405	0.45
2	**Mr. N Srinivasan, Non-Executive Director***				
	At the beginning of the year	69467	0.04	-	-
	Date-wise increase in shareholding during the year	-	-	-	-
	At the end of the year	Not applicable			
3	**Mr. V Ravichandran, Non-Executive Director@**				
	At the beginning of the year	Not applicable			
	Date-wise increase in shareholding during the year	-	-	-	-
	At the end of the year	4951	0.002	4951	0.002

Note: None of the other Directors or Key Managerial Personnel hold shares in the Company.
**Ceased to be a director from August 1, 2018*
@Appointed as a director from March 18, 2019

V. INDEBTEDNESS

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

Particulars	Secured	Short Term - Unsecured	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
i) Addition	-	-	-	-
ii) Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**

Note: The Company does not have borrowings.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Manager

(₹ in Crore)

S.No.	Particulars of Remuneration	Manager
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) of Income tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of Profit - others, specify	-
5	Others (deputation cost)*	0.71
	Total (A)	**0.71**
	Overall Ceiling as per the Act	**3.55**

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

B. Remuneration to the other Directors

(₹ in Crore)

Particulars of Remuneration	Name of the Director				Total Amount
Independent Directors	**Mr. M B N Rao@**	**Ms. Shubhalakshmi Panse**	**Mr. Ashok Kumar Barat#**	**Mr. B Ramaratnam***	
Fees for attending Board/ Committee Meetings	0.015	0.034	0.023	0.002	0.074
Commission@@	0.017	0.050	0.033	0.002	0.102
Others, please specify	-	-	-	-	-
Total (1)	**0.032**	**0.084**	**0.056**	**0.004**	**0.176**
Other Non-Executive Directors	**Mr. M M Murugappan**	**Mr. N Srinivasan$**	**Mr. Sridharan Rangarajan^**	**Mr. V Ravichandran***	**Total Amount**
Fees for attending Board/ Committee Meetings	0.026	0.013	0.016	-	0.055
Commission@@	0.050	0.017	0.029	0.002	0.098
Others, please specify	-	-	-		
Total (2)	**0.076**	**0.030**	**0.045**	**0.002**	**0.153**
Total (B) = (1)+(2)					**0.329**
Overall Ceiling as per the Act					**0.709**

@@ Commission payable for FY 2018-19
@ Retired on July 31, 2018
$ Ceased to be a director from August 1, 2018
 # Appointed as a director from August 1, 2018
** Appointed as a director from March 18, 2019*
^ Appointed as a director from August 30, 2018

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

(₹ in Crore)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total Amount
1	Gross Salary	-	0.18	**0.18**
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of Profit - others, specify	-	-	-
5	Others (deputation cost)*	0.71	-	**0.71**
	Total	**0.71**	**0.18**	**0.89**

**Represents the deputation cost paid / payable to Cholamandalam Investment & Finance Company Limited (includes remuneration as Manager).*

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

Secretarial Audit Report

ANNEXURE G

for the financial year ended 31st March, 2019

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

To the Members,
CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED
(Formerly known as "TI Financial Holdings Limited")
Dare House, No.234, N S C Bose Road, Chennai - 600001

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 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, 2019 according to the provisions of:

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

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

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

(iv) The Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under FEMA and hence, the requirement of complying with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under does not arise;

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

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

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

c) During the year under review, the Company has not issued any new securities mandating compliance of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

e) The Company has not issued any debentures during the period under review, and hence the requirement of compliance of the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 does not arise;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Company has not de-listed its Securities from any of the Stock Exchanges in which it is listed during the period under review and hence the question of complying with the provisions of the Securities and Exchange Board of India (De-listing of Equity Shares) Regulations, 2009 does not arise; and

h) The Company has not bought back any Securities during the period under review and hence the question of complying with the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 does not arise;

(vi) We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company and categorized under the following major heads/groups:

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

b) Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

c) NBFC Auditors Report Reserve Bank Directions, 1998.

d) NBFC Public Deposits RBI Directions 1998.

(vii) The Company has filed an application for registration as a Core Investment Company, (Non-Deposit Accepting) with Reserve Bank of India (RBI) under section 45 IA of the RBI Act, 1934.

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

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

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

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

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

We further report that

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

Adequate notice is given to all the directors before schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meeting are complied with. There are certain businesses that can be transacted through Video Conferencing / Audio Visual means as provided for under the Companies Act, 2013 and the relevant Rules made there under. The Company has properly convened & recorded in compliance with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014 businesses that have been transacted through Video Conferencing / Audio Visual means.

Based on the verification of the records and minutes, the decisions at the Board / Committee Meetings were taken with the consent of the Board of Directors / Committee Members and no Director / Member had dissented on any of the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting and proceedings of Postal Ballot, the voting results including number of votes cast against the resolutions have been recorded.

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

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

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

Obtained approval of Shareholders by way of Postal Ballot for change of its name from “TI Financial Holdings Limited” to “Cholamandalam Financial Holdings Limited”. Pursuant to the application filed with the Central Government, fresh Certificate of incorporation was issued by the Registrar of Companies, Chennai on 27th March, 2019 for changing its name from existing “TI Financial Holdings Limited” to the new name “Cholamandalam Financial Holdings Limited”.

For **Srinidhi Sridharan & Associates**
Company Secretaries

CS Srinidhi Sridharan
C.P NO.17990
ACS.NO.47244
UIN: S2017TN472300

Place : Chennai
Date : May 3, 2019

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited and hereinafter referred to as "the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements for the year ended March 31, 2019. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS Financial Statements.

Key audit matters	How our audit addressed the key audit matter
a) Change in financial reporting framework – First time adoption of Indian Accounting Standards *(as described in Note 1.1 of the Standalone Ind AS Financial Statements)*	
In accordance with the roadmap for implementation of Ind AS for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Company has adopted Ind AS from April 1, 2018 with an effective date of April 1, 2017 for such transition. For periods up to and including the year ended March 31, 2018, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). In order to give effect of the transition to Ind AS these financial statements for the year ended March 31, 2019, together with the comparative financial information for the previous year ended March 31, 2018 and the transition date balance sheet as at April 1, 2017 have been prepared under Ind AS. The transition to Ind AS, has involved changes in the Company's policies and processes relating to financial reporting. Further, the management has also exercised judgement (wherever applicable) in giving effect to various principles of Ind AS in its first-time adoption. In specific, management has also performed control evaluation over various investees as per Ind AS which also requires significant judgment. In view of the complexity and the resultant risk of a material misstatement arising from an error or omission in correctly implementing the principles of Ind AS at the transition date, which could result in a misstatement of one or more periods presented in these Standalone Ind AS Financials Statements, this has been an area of key focus in our audit.	Our audit procedures included the following: • Reading the Ind AS impact assessment performed by the management to identify areas which were impacted on account of Ind AS transition; • Understanding the financial statement closure process and the controls established by the Company for transition to Ind AS; • Reading and assessing the changes made to the accounting policies due to the requirements of the new financial reporting framework; • Assessing the judgements exercised by the management in applying the first-time adoption principles of Ind AS 101 especially in respect of fair valuation of assets as at transition date and the evaluation of the Company's control over various investees; • Testing accounting adjustments posted as at the transition date, and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS; and • Assessing the disclosures included in the Standalone Ind AS Financial Statements in accordance with the requirements of Ind AS (including with respect to the previous periods presented).

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

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

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

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements for the year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in Paragraphs 3 and 4 of the Order.

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

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

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;

(d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its Manager and directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 22 to the Standalone Ind AS Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Subramanian Suresh**
Partner
Membership Number: 083673

Place : Chennai
Date : May 3, 2019

ANNEXURE 1 REFERRED TO IN OUR REPORT OF EVEN DATE

Re: Cholamandalam Financial Holdings Limited (Formerly known as TI Financial Holdings Limited) ("the Company")

(i) The Company does not have any Property, Plant and Equipment and, accordingly, the requirements under clause 3(i) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Income tax and Goods and Service Tax (GST). The provisions relating to provident fund, employees' state insurance, duty of custom, cess, wealth tax, and duty of excise are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax and goods and services tax were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, there are no dues of income tax and Goods and Service Tax which have not been deposited on account of any dispute.

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instrument and term loans hence, reporting under clause (ix) of the Order is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, we report that the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Subramanian Suresh**
Partner
Membership Number: 083673

Place : Chennai
Date : May 3, 2019

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

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

We have audited the internal financial controls over financial reporting of Cholamandalam Financial Holdings Limited (Formerly known as "TI Financial Holdings Limited" or the "Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Subramanian Suresh**
Partner
Membership Number: 083673

Place : Chennai
Date : May 3, 2019

Balance Sheet

As at March 31, 2019

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

Particulars	Note No.	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Assets				
Financial Assets				
Cash and Cash Equivalents	3	0.42	55.33	-
Bank balances other than cash and cash equivalents	3	111.33	27.17	2.47
Investments	4	955.70	939.76	915.23
Other Financial Assets	5	-	0.04	-
		1,067.45	**1,022.30**	**917.70**
Non-Financial Assets				
Current tax assets (Net)		0.01	0.02	-
Deferred Tax Asset (Net)		0.26	0.17	-
Other Non-Financial Assets	6	0.06	0.07	55.00
		0.33	0.26	55.00
Total Assets		**1,067.78**	**1,022.56**	**972.70**
Equity And Liabilities				
Financial Liabilities				
Trade Payables				
i) Total outstanding dues of micro and small enterprises		-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		0.34	0.36	-
Other Financial Liabilities	7	2.25	2.20	2.49
		2.59	**2.56**	**2.49**
Non Financial Liabilities				
Non Financial Liabilities	8	0.67	0.47	-
		0.67	**0.47**	**-**
Equity				
Equity Share Capital	9	18.77	18.75	18.75
Other Equity	10	1,045.75	1,000.78	951.46
Total Equity		**1,064.52**	**1,019.53**	**970.21**
Total Equity And Liabilities		**1,067.78**	**1,022.56**	**972.70**
Summary of significant accounting policies	2			

The accompanying notes are forming part of the financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

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

Sridharan Rangarajan
Director

M M Murugappan
Chairman

Place : Chennai
Date : May 3, 2019

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Statement of Profit and Loss

For the year ended March 31, 2019

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

Particulars	Note No.	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Revenue from Operations	11		
- Interest income		6.32	0.31
- Dividend income		58.09	57.91
- Net gain on fair value change on financial instrument		1.16	3.41
- Service income		7.93	3.02
Total Revenue from operations (I)		**73.50**	**64.65**
Other Income (II)	12	0.02	0.02
Total Income (III)=(I)+(II)		**73.52**	**64.67**
Expenses			
Employee Benefits Expense	13	0.91	0.62
Other Expenses	14	1.70	2.61
Total Expense (IV)		**2.61**	**3.23**
Profit Before Tax (V)=(III)-(IV)		**70.91**	**61.44**
Income Tax			
- Current Tax	15	4.38	2.05
Net tax Expenses (VI)		**4.38**	**2.05**
Profit for the year (VII)=(V)-(VI)		**66.53**	**59.39**
Other Comprehensive Income			
Net (loss) / gain in Fair value on Equity Instruments at Fair Value Through Other Comprehensive Income (FVTOCI)		(0.77)	0.45
Income tax effect of above items		0.09	0.17
Other Comprehensive Income/(loss) for the year, net of tax (VIII)		**(0.68)**	**0.62**
Total Comprehensive Income for the year, net of tax (VII+VIII)		**65.85**	**60.01**
Earnings per Equity Share of ₹ 1 each			
Basic		3.55	3.17
Diluted		3.55	3.16
Summary of significant accounting policies	2		

The accompanying notes are forming part of the financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

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

Sridharan Rangarajan
Director

M M Murugappan
Chairman

Place : Chennai
Date : May 3, 2019

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Statement of Changes in Other Equity

For the year ended March 31, 2019

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

a) Equity Share Capital

Balances as on April 1, 2017	18.75
Balances as on March 31, 2018	18.75
Add: Issue of share capital	0.02
Balances as on March 31, 2019	18.77

b) Other Equity (Refer Note 10)

Particulars	Share application money pending allotment	Reserve and Surplus						Other Comprehensive Income	Total attributable to equity holders
		Statutory Reserve	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	General Reserve	Retained earnings		
Opening Balance as at April 01, 2017	**-**	**7.30**	**19.97**	**6.15**	**199.04**	**346.30**	**371.18**	**1.52**	**951.46**
Profit for the year							59.39		**59.39**
Other Comprehensive Income for the year, net of income tax								0.62	**0.62**
Addition during the year					0.68				**0.68**
Dividend including Dividend Distribution Tax							(11.37)		**(11.37)**
Transfer to reserves from retained earnings during the year		11.90					(11.90)		**-**
Closing balance as at March 31, 2018	**-**	**19.20**	**19.97**	**6.15**	**199.72**	**346.30**	**407.30**	**2.14**	**1,000.78**
Profit for the year							66.53		**66.53**
Other comprehensive income for the year, net of income tax								(0.68)	**(0.68)**
Dividend including Dividend Distribution Tax							(26.06)		**(26.06)**
Addition during the year	0.30				4.88	-			**5.18**
Transfer to reserves from retained earnings during the year		13.31					(13.31)		**-**
Closing balance as at March 31, 2019	**0.30**	**32.51**	**19.97**	**6.15**	**204.60**	**346.30**	**434.46**	**1.46**	**1,045.75**

Cash Flow Statement

For the year ended March 31, 2019

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

Particulars	Year ended 31-Mar-2019		Year ended 31-Mar-2018	
Cash Flow from Operating Activities				
Profit Before Tax		**70.91**		**61.44**
Adjustments for:				
Net gain on fair value changes on financial instruments at Fair Value Through Statement of Profit and Loss (FVTPL)	(1.16)		(3.41)	
Interest income on Deposits	(6.32)		(0.31)	
		(7.48)		(3.72)
Operating Profit Before Working Capital Changes		**63.43**		**57.72**
Adjustments for:				
(Increase)/Decrease in operating Assets				
- Financial Assets	0.04		(0.04)	
- Non Financial Assets	0.01		54.93	
- Investment in Bank Fixed Deposits / Unpaid dividend accounts (net of withdrawals)	(84.16)		(24.68)	
- Investment in Subsidiaries	(39.82)		(0.05)	
- Investment in Financial Instruments at FVTPL	(68.66)		(269.43)	
- Proceeds from Sale of Financial Instruments at FVTPL	94.19	(98.40)	248.83	9.56
Increase/(Decrease) in operating liabilities				
- Financial Liabilities	0.05		(0.29)	
- Trade Payables	(0.02)		0.36	
- Non Financial Liabilities	0.20	0.23	0.47	0.54
Cash Flow generated used in Operations		**(34.75)**		**67.82**
Interest Received on Bank Deposits	5.22		0.31	
Income taxes paid	(4.37)	0.85	(2.07)	(1.76)
Net Cash generated in Operating Activities (A)		**(33.90)**		**66.06**
Cash Flow from Financing Activities				
Proceeds from issue of Share Capital (Including Securities Premium and Share application money received)		5.20		0.68
Dividends Paid (Including Distribution Tax and Unpaid dividends pertaining to earlier periods)		(25.96)		(11.67)
Net Cash used in Financing Activities (B)		**(20.76)**		**(10.99)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B)		**(54.65)**		**55.07**
Cash and Cash Equivalents at the Beginning of the Period		55.07		-
Cash and Cash Equivalents at the End of the Period (Refer Note 3 (a))		0.42		55.07

The accompanying notes are forming part of the financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

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

Sridharan Rangarajan
Director

M M Murugappan
Chairman

Place : Chennai
Date : May 3, 2019

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Notes to Financial Statements

1. Background and Corporate Information

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

Pursuant to a scheme of arrangement ("the Scheme") the manufacturing business undertaking of the Company was vested in/ transferred to Tube Investments of India Limited ("the Resulting Company") vide the order of the National Company Law Tribunal, Chennai ("NCLT") dated July 17, 2017. The Scheme had an appointed date of April 1, 2016 and came into effect from August 1, 2017. Consequently, the Company became a Core Investment Company. The Company's application for registration as a Core Investment Company is pending with the Reserve Bank of India ('RBI').

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

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

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 03, 2019.

1.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31 March 2019 are the first the Company has prepared in accordance with Ind AS. Refer to notes for information on how the Company adopted Ind AS.

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

1.2 Presentation of financial statements

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

2. Significant accounting policies

2.1 Financial instruments – initial recognition

2.1.1 Date of recognition

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

2.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments.

Notes to Financial Statements

Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at Fair Value Through Profit & Loss (FVTPL), transaction costs are added to, or subtracted from, this amount.

2.1.3 Measurement categories of financial assets and liabilities

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

- Amortised cost
- FVTPL
- FVTOCI

2.2 Financial Assets and Liabilities

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

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

The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

2.2.2 Business model assessment

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

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

(i) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

(ii) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed

(iii) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

(iv) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

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

2.2.3 The SPPI Test

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

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

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

2.3 Equity instruments (other than investments in subsidiaries, joint ventures and associates as referred to in Note 2.11) at Fair Value Through Other Comprehensive Income (FVTOCI)

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company 's management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading.

Notes to Financial Statements

Such classification is determined on an instrument-by-instrument basis.

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

2.4 Derecognition of financial assets and liabilities

2.4.1 Financial assets

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

2.4.2 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 the statement of profit & loss.

2.5 Recognition of Income

A. Revenue (other than Interest Income and dividend Income covered by Ind AS 109-Financial Instruments) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

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

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

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

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

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

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

2.5.1 Brand fee

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

Interest income and dividend income covered by Ind AS 109:

2.5.2 Interest income

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

2.5.3 Dividend Income

Dividend income (including from FVTOCI investments) is recognised when the Company's right to receive

Notes to Financial Statements

the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

2.6 Taxes

2.6.1 Current tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.6.2 Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- In respect of taxable temporary differences associated with investments in subsidiaries, where the *timing* of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from 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/(loss) (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.7 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/ stock options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the 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.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

2.8 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

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

2.9 Dividends on ordinary shares

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.10 Determination of Fair value

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

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

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

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

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

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

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

Notes to Financial Statements

- **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.

2.11 Equity Investment in Subsidiaries and Joint Ventures

Investment in Subsidiaries and Joint Ventures are carried at Cost in the Separate Financial Statements as permitted under Ind AS 27.

2.12 Cash and Cash Equivalents

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

2.13 Cash Flow Statement

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

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

2.14 Input Tax credit (Service Tax/ Goods and Service Tax)

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

2.15 Earnings Per Share

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

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

Notes to Financial Statements

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

Note 3 - Cash and Cash Equivalents

Particulars	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Balances with banks:			
- In Current Accounts	0.42	0.07	-
- In Deposit Accounts - with original maturity of less than 3 months	-	55.26	-
Total	**0.42**	**55.33**	**-**
Bank balances other than cash and cash equivalents			
- In Deposit Accounts - Original maturity more than 3 months	109.07	25.02	-
- In Unpaid dividend accounts	2.26	2.15	2.47
Total	**111.33**	**27.17**	**2.47**
Note: 3 (a)			
Cash and Cash equivalents as per Balance Sheet	0.42	55.33	-
Interest accrued but not due on Bank deposits	-	(0.26)	-
Cash and Cash equivalents as per statement of cash flows	**0.42**	**55.07**	**-**

Note 4 - Financial assets

Particulars	Number			Amount		
	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Investments - Equity						
Investments at Cost:						
Trade Investments						
Investment in Subsidiary Companies at Cost						
Equity Shares (Fully Paid) - Unquoted						
Cholamandalam MS General Insurance Company Limited	17,92,82,861	17,92,82,861	17,92,82,861	265.24	265.24	265.24
Cholamandalam Health Insurance Limited	49,940	49,930	49,930	0.05	0.05	-
Equity Shares (Fully Paid) - Quoted						
Cholamandalam Investment and Finance Company Limited (Refer Note 20)	7,25,33,019	7,22,33,019	7,22,33,019	685.65	645.83	645.83
Investment in Jointly Venture at cost						
Equity Shares (Fully Paid) - Unquoted						
Cholamandalam MS Risk Services Limited	9,89,979	9,89,979	9,89,979	0.99	0.99	0.99

Notes to Financial Statements

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

Particulars	Number			Amount		
	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Investments at Fair Value Through Other Comprehensive Income (FVTOCI):						
Equity Shares (Fully Paid) - Quoted						
Coromandel Engineering Co. Ltd.	4,33,481	4,33,481	4,33,481	1.24	2.06	1.69
Carborundum Universal Limited	6,000	6,000	6,000	0.25	0.21	0.17
Kartik Investments Trust Limited	33,790	33,790	33,790	0.04	0.04	0.04
Equity Shares (Fully Paid) - Unquoted						
Murugappa Management Services Limited	42,677	42,677	42,677	1.32	1.31	1.27
Indo Oceanic Shipping Company Limited (Cost ₹ 1 only)	50,000	50,000	50,000	-	-	-
Chennai Willingdon Corporate Foundation (Cost ₹ 100 only)	10	10	10	-	-	-
Total investments - Equity (I)				**954.78**	**915.73**	**915.23**

Note: The Company has designated its equity investments as FVTOCI on the basis that these are not held for trading and held for strategic purposes.

Investments-Mutual Fund Units

Particulars	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Unquoted securities (FVTPL)			
L&T Liquid Fund Direct Plan - Growth	-	6.00	-
UTI Money Market Fund - Institutional Plan - Direct Plan - Growth	-	6.01	-
Aditya Birla Sunlife Cash plus-Growth-Direct Plan	0.92	6.01	-
Reliance Liquid Fund-Treasury Plan-Direct Growth Plan	-	6.01	-
HDFC Liquid Fund - Direct Plan - Growth Option	-	-	-
Total Investments in Mutual Fund (II)	**0.92**	**24.03**	**-**
Total Investments - (I + II)	**955.70**	**939.76**	**915.23**
(i) Market value of Quoted Investments - Investment in Subsidiary	10,534.70	10,477.04	6,970.85

Notes to Financial Statements

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

Note 5 - Other Financial Assets

Particulars	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Unsecured - considered good (unless otherwise stated)	-	-	-
At amortised cost	-	-	-
Accrued income	-	0.03	-
Other deposits	-	0.01	-
Total	**-**	**0.04**	**-**

Note 6 - Other Non Financial Assets

Particulars	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Unsecured - considered good (unless otherwise stated)			
Prepaid expenses	0.02	0.02	-
Others	0.04	0.05	55.00
Total	**0.06**	**0.07**	**55.00**

Note 7 - Other Financial Liabilities

Particulars	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Unpaid Dividends	2.25	2.15	2.47
Others	-	0.05	0.02
Total	**2.25**	**2.20**	**2.49**

Note 8 - Other Non Financial Liabilities

Particulars	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Statutory Liabilities	0.67	0.47	-
Total	**0.67**	**0.47**	**-**

Note 9 - Equity Share Capital

Particulars	As at 31-Mar-2019		As at 31-Mar-2018		As at 01-Apr-2017	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
Authorised						
Equity Shares of ₹ 1 each	43,00,00,000	43.00	43,00,00,000	43.00	43,00,00,000	43.00
Total		**43.00**		**43.00**		**43.00**
Issued, Subscribed and Paid up						
Equity Shares of ₹ 1 each	18,76,92,234	18.77	18,75,33,696	18.75	18,74,47,871	18.75
Total		**18.77**		**18.75**		**18.75**

Notes to Financial Statements

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

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

Particulars	As at 31-Mar-2019		As at 31-Mar-2018		As at 01-Apr-2017	
Equity Shares	**Nos.**	**Amount**	**Nos.**	**Amount**	**Nos.**	**Amount**
At the beginning of the year	18,75,33,696	18.75	18,74,47,871	18.75	18,73,46,537	37.47
Issued during the year (Refer Note below)	1,58,538	0.02	85,825	-	1,01,334	0.02
Capital Reduction pursuant to Scheme of Arrangement	-	-	-	-	-	(18.74)
Outstanding at the end of the year	**18,76,92,234**	**18.77**	**18,75,33,696**	**18.75**	**18,74,47,871**	**18.75**

Note: The Company has received an amount of ₹ 0.009 crore on allotment of shares under Employee Stock Options for the year ended March 31, 2018.

b) Terms / rights attached to Equity shares

The Company has only one class of equity shares having a par value of ₹ 1 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.

c) Equity Shares held by Holding Company

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Ambadi Investments Limited	7,00,66,595	7,00,66,595	6,40,54,680

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

Equity Shares	As at 31-Mar-2019		As at 31-Mar-2018		As at 01-Apr-2017	
	Nos.	% holding in the class	Nos.	% holding in the class	Nos.	% holding in the class
Ambadi Investments Limited	7,00,66,595	37.33	7,00,66,595	37.36	6,40,54,680	34.17

e) Status on Global Depository Receipts (GDR)

The aggregate number of GDRs outstanding as at 31st March 2019 is 28,62,253 (as at 31st March 2018 - 42,30,630) each representing one Equity Share of ₹1 face value (Previous Year ₹1 face value). GDR % against total number of shares is 1.52% (as at 31st March 2018 - 2.26%). The GDRs carry the same terms / rights attached to Equity Shares of the Company.

Note 10 - Other Equity

Particulars	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Retained earnings	434.46	407.30	371.18
Other reserves			
Capital Reserve	19.97	19.97	19.97
Capital Redemption Reserve	6.15	6.15	6.15
Securities Premium Account	204.60	199.72	199.04
Statutory Reserve	32.51	19.20	7.30
General Reserve	346.30	346.30	346.30
FVTOCI reserve	1.46	2.14	1.52
Share Application Pending Allotment	0.30	-	-
Total other equity	**1,045.75**	**1,000.78**	**951.46**

Notes to Financial Statements

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

Nature and Purpose of reserve

10.1 General Reserve

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	346.30	346.30
Additions during the year	-	-
Balance at the end of the year	**346.30**	**346.30**

10.2 Retained Earnings

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	**407.30**	**371.18**
Profit for the period	66.53	59.39
Dividend payout for the year - Equity (including payment of DDT)	(26.06)	(11.37)
Transfer to Statutory Reserve	(13.31)	(11.90)
Balance at the end of the year	**434.46**	**407.30**

10.3 FVTOCI Reserve

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	2.14	1.52
Fair Valuation of FVTOCI Investments	(0.68)	0.62
Balance at the end of the year	**1.46**	**2.14**

10.4 Statutory Reserve

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	19.20	7.30
Transfer into reserve	13.31	11.90
Balance at the end of the year	**32.51**	**19.20**

Notes to Financial Statements

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

10.5 Securities Premium Account

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	199.72	199.04
Additions pursuant to shares issued on account of exercise of ESOP	4.88	0.68
Balance at the end of the year	**204.60**	**199.72**

10.6 Capital Reserve

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	19.97	19.97
Additions during the year	-	-
Balance at the end of the year	**19.97**	**19.97**

10.7 Capital Redemption Reserve

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	6.15	6.15
Additions during the year	-	-
Balance at the end of the year	**6.15**	**6.15**

10.8 Share Application Pending Allotment

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

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	-	-
Additions during the year	0.30	-
Balance at the end of the year	**0.30**	**-**

Proposed dividend

The Board of Directors of the Company have recommended a final dividend of 65% being ₹ 0.65 per share on the equity shares of the Company, for the year ended March 31, 2019 (₹ 0.65 per share - March 31, 2018) 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 to Financial Statements

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

Note 11 - Revenue from Operations

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Interest Income on:		
- Fixed Deposits	6.32	0.31
Dividend Income from		
- Subsidiaries	57.84	57.71
- Jointly Venture	0.25	0.20
- Others (₹ 7,500 only, previous year ₹ 6,000)	-	-
Net gain on fair value changes on Investment FVTPL-Income from Mutual Fund units [including unrealised gain of ₹ 0.04 crores (₹ 0.03 crores March 31, 2018)]	1.16	3.41
Service Income		
- Income that are recognised over a period of time (Refer Note (a) below)	7.93	3.02
Total	**73.50**	**64.65**
Note (a) - Type of Service		
Brand fee		
Total revenue from contracts with customers	7.93	3.02
Geographical markets		
- India	7.93	3.02
- Outside India	-	-
Total revenue from contracts with customers	7.93	3.02
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	7.93	3.02

For the income that has been received during the year, there are no contract assets / contract liabilities that are outstanding as at March 31, 2019.

Information about Company's performance obligation

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

Note 12 - Other Income

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Other Income	0.02	0.02
Total	**0.02**	**0.02**

Note 13 - Employee Benefit Expense

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Salaries, Wages and Bonus	0.91	0.62
Total	**0.91**	**0.62**

Notes to Financial Statements

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

Note 14 - Other Expense

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Rent	0.01	-
Insurance	0.02	0.02
Rates and Taxes	-	0.05
Travelling and Conveyance	-	0.01
Advertisement Expenses	0.02	0.02
Communication	0.05	0.11
Printing, Stationery	0.05	0.11
Auditors' Remuneration (Refer Note - (a))	0.14	0.21
Professional & Legal Expenses	0.12	0.24
Listing and Filing Fee	0.07	-
Information Technology Expenses	0.00	0.02
Expenditure on Corporate Social Responsibility (Refer Note - (b))	0.73	1.34
Directors Fees, allowances and expenses	0.37	0.40
Other Expenses	0.12	0.08
Total	**1.70**	**2.61**

Note - (a)

Auditor Remuneration

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
As Auditor:		
Statutory Audit	0.07	0.07
Audit of Consolidated Financial Statements	0.04	0.04
Tax Audit	0.01	0.01
Limited Reviews	0.02	0.02
Other Services / Certification	-	0.07
Total	**0.14**	**0.21**

Note - (b)

Corporate Social Responsibility

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
(i) Gross amount required to be spent during the year	0.72	1.32
(ii) Amount spent during the year	0.73	1.34
- Education & Health	0.63	0.74
- Others	0.10	0.60

Notes to Financial Statements

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

Note 15 - Fair value of financial instruments not measured at fair value

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

Particulars	Carrying Value			Fair Value		
	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Financial Assets						
Cash and Cash Equivalents	0.42	55.33	-	0.42	55.33	-
Bank balances Other than above	111.33	27.17	2.47	111.33	27.17	2.47
Other Financial Assets	-	0.04	-	-	0.04	-
Total	**111.75**	**82.54**	**2.47**	**111.75**	**82.54**	**2.47**
Financial Liabilities						
Payables						
i) Trade Payables	-	-	-	-	-	-
ii) Other Payables	0.34	0.36	-	0.34	0.36	-
Other Financial Liabilities	2.25	2.20	2.48	2.25	2.20	2.49
Total	**2.59**	**2.56**	**2.48**	**2.59**	**2.56**	**2.49**

The management assessed that cash and cash equivalents including Bank balances, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

i. The fair values of quoted equity investments are derived from quoted market prices in active markets.

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

Note 15.1 - Fair Values Hierarchy

a) Financial Assets carried at Fair Values

This note provides information about how the Company determines fair value of various financial assets. Fair value of the Company's financial assets that are measured at fair value on a recurring basis.

Some of the Company's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used).

Particulars	Fair Value as at			Fair Value Hierarchy	Valuation Techniques & key inputs used
	31-Mar-2019	31-Mar-2018	01-Apr-2017		
Asset measured at fair value:					
- Investments in quoted equity instruments at FVTOCI	2.45	26.34	1.90	Level 1	Quoted bid price in an active market. Refer Note (a)
- Investments in unquoted equity instruments at FVTOCI	1.32	1.31	1.27	Level 3	Fair Valuation through methods prescribed under Ind AS 109. Refer Note (b)

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

Notes to Financial Statements

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

Note:

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

(b) These investment in equity are not significant in value and hence additional disclosures are not presented.

Note 15.2 Summary of Financial assets and liabilities which are recognised at amortised cost

Particulars	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Financial Assets			
Cash and Cash Equivalents	0.42	55.33	-
Bank balances other than cash and cash equivalents	111.33	27.17	2.47
Other Financial Assets	-	0.04	-
Financial Liabilities			
Trade Payables	0.34	0.36	-
Other Financial Liabilities	2.25	2.20	2.49

Note 16 - Maturity Analysis

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

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

Notes to Financial Statements

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

Particulars	Amount	Maturity	
		Current	Non -Current
Non Financial Liabilities			
Non Financial Liabilities	0.67	0.67	-
Total Non Financial Liabilities	**0.67**	**0.67**	**-**
As on March 31, 2018			
Financial Assets			
Cash and Cash Equivalents	55.33	55.33	
Bank balances	27.17	27.17	
Investments	939.76	-	939.76
Other Financial Assets	0.04	0.04	-
Total Financial Assets	**1,022.30**	**82.54**	**939.76**
Non Financial Assets			
Current tax assets (Net)	0.02	-	0.02
Deferred Tax Asset (Net)	0.17	-	0.17
Other Non-Financial Assets	0.07	0.07	-
Total Non Financial Assets	**0.26**	**0.07**	**0.19**
Financial Liabilities			
Payables			
i) Trade Payables	-	-	-
ii) Other Payables	0.36	0.36	-
Other Financial Liabilities	2.20	2.20	-
Total Financial Liabilities	**2.56**	**2.56**	**-**
Non Financial Liabilities			
Non Financial Liabilities	0.47	0.47	-
Total Non Financial Liabilities	**0.47**	**0.47**	**-**
As on April 1, 2017			
Financial Assets			
Cash and Cash Equivalents	-	-	-
Bank balances	2.47	2.47	-
Investments	915.23	-	915.23
Other Financial Assets	-	-	-
Total Financial Assets	**917.70**	**2.47**	**915.23**
Non Financial Assets			
Current tax assets (Net)	-	-	-
Deferred Tax Asset (Net)	-	-	-
Other Non-Financial Assets	55.00	55.00	-
Total Non Financial Assets	**55.00**	**55.00**	**-**
Financial Liabilities			
Payables			
i) Trade Payables	-	-	-
ii) Other Payables	-	-	-
Other Financial Liabilities	2.48	2.48	-
Total Financial Liabilities	**2.48**	**2.48**	**-**

Notes to Financial Statements

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

Note 16.1 - Analysis of Financial Assets and Financial Liabilities by remaining contractual maturities

Particulars	Upto 1 Month	1 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
As on March 31, 2019						
Financial Assets						
Cash and Cash Equivalents	0.42	-	-	-	-	0.42
Bank balances Other than above	2.26	109.07	-	-	-	111.33
Investments	-	-	-	-	955.70	955.70
Other Financial Assets	-	-	-	-	-	-
Total Financial Assets	**2.68**	**109.07**	**-**	**-**	**955.70**	**1,067.45**
Financial Liabilities						
Payables						
i) Trade Payables	-	-	-	-	-	-
ii) Other Payables	0.34	-	-	-	-	0.34
Other Financial Liabilities	2.25	-	-	-	-	2.25
Total Financial Liabilities	**2.59**	**-**	**-**	**-**	**-**	**2.59**
As on March 31, 2018						
Financial Assets						
Cash and Cash Equivalents	55.33	-	-	-	-	55.33
Bank balances	2.15	25.02	-	-	-	27.17
Investments	-	-	-	-	939.76	939.76
Other Financial Assets	0.04	-	-	-	-	0.04
Total Financial Assets	**57.52**	**25.02**	**-**	**-**	**939.76**	**1,022.30**
Financial Liabilities						
Payables						
i) Trade Payables	-	-	-	-	-	-
ii) Other Payables	0.36	-	-	-	-	0.36
Other Financial Liabilities	2.20	-	-	-	-	2.20
Total Financial Liabilities	**2.56**	**-**	**-**	**-**	**-**	**2.56**
As on April 1, 2017						
Financial Assets						
Cash and Cash Equivalents	-	-	-	-	-	-
Bank balances	2.47	-	-	-	-	2.47
Investments	-	-	-	-	915.23	915.23
Other Financial Assets	-	-	-	-	-	-
Total Financial Assets	**2.47**	**-**	**-**	**-**	**915.23**	**917.70**
Financial Liabilities						
Payables						
i) Trade Payables	-	-	-	-	-	-
ii) Other Payables	-	-	-	-	-	-
Other Financial Liabilities	2.49	-	-	-	-	2.49
Total Financial Liabilities	**2.49**	**-**	**-**	**-**	**-**	**2.49**

Notes to Financial Statements

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

Note 17 - First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP)

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April 2017, the company's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions/ exceptions:

i) **Classification and measurement of financial assets:**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

ii) **Impairment of financial assets:**

The Company has applied the exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognized and compared that to the credit risk as at April 1, 2017.

iii) **Share Based Payments:**

Ind AS 102 Share based Payment has not been applied to equity instruments in share-based payment transactions for the options that have vested before 1st April, 2017.

iv) **Investment in Subsidiaries, Joint ventures and associates:**

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

v) **Business combinations:**

In accordance with Ind AS transitional provisions, the Company has elected to apply Ind AS relating to business combinations prospectively from April 01, 2017. As such, previous GAAP balances relating to business combinations entered into before that date, have been carried forward without adjustment.

vi) **Estimates:**

The estimates are consistent with those made in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from FVTOCI - equity shares and Impairment of financial assets based on expected Credit loss model where application of Indian GAAP did not require estimation.

Notes to Financial Statements

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

Note 17.1 - First time adoption Ind AS reconciliation

A. Reconciliation of Balance Sheet

Particulars	Foot Note	As at 31-Mar-2018			As at 01-Apr-2017		
		Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Assets							
Financial assets							
(a) Cash and Cash Equivalents	1	57.22	(1.89)	55.33	2.47	-	2.47
(b) Bank balances	1	25.00	2.17	27.17	-	-	-
(c) Investments	1,2,3	913.75	26.01	939.76	913.70	1.53	915.23
(d) Other Financial Assets	1	24.32	(24.28)	0.04	-	-	-
Total		**1,020.29**	**2.01**	**1,022.30**	**916.17**	**1.53**	**917.70**
Non Financial assets							
(a) Current tax assets (Net)		0.02	-	0.02	-	-	-
(b) Deferred tax assets (Net)	2	-	0.17	0.17	-	-	-
(c) Other Non-Financial Assets		0.07	-	0.07	55.00	-	55.00
Total		**0.09**	**0.17**	**0.26**	**55.00**	**-**	**55.00**
Total Assets		**1,020.38**	**2.18**	**1,022.56**	**971.17**	**1.53**	**972.70**

Particulars	Foot Note	As at 31-Mar-2018			As at 01-Apr-2017		
		Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Equity & Liabilities							
Financial Liabilities							
(a) Trade payables							
i) Total outstanding dues to micro and small enterprises		-	-	-	-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		0.36	-	0.36	-	-	-
(b) Other Financial Liabilities		2.17	0.03	2.20	2.48	0.01	2.49
Total		**2.53**	**0.03**	**2.56**	**2.48**	**0.01**	**2.49**
Non-Financial Liabilities							
(a) Other Non-Financial Liabilities		0.47	-	0.47			-
Total		**0.47**	**-**	**0.47**	**-**	**-**	**-**
Equity							
(a) Equity share capital		18.75		18.75	18.75		18.75
(b) Other Equity		998.63	2.15	1,000.78	949.94	1.52	951.46
Total		**1,017.38**	**2.15**	**1,019.53**	**968.69**	**1.52**	**970.21**
Total Equity & Liabilities		**1,020.38**	**2.18**	**1,022.56**	**971.17**	**1.53**	**972.70**

Notes to Financial Statements

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

B. Reconciliation of total comprehensive income for the year ended March 31, 2018

Particulars	Foot Note	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Revenue from Operations				
- Dividend Income		57.91	-	57.91
- Interest Income		0.31	-	0.31
- Net gain on fair value changes	1, 4	3.38	0.03	3.41
- Service Income		3.02	-	3.02
Total Revenue from operations (I)		64.62	0.03	64.65
- Other income (II)		0.02	-	0.02
Total Income (III) = (I) + (II)		**64.64**	**0.03**	**64.67**
Expenses				
- Employee benefits expense		0.62	-	0.62
- Other expenses		2.61	-	2.61
Total expenses (IV)		**3.23**	**-**	**3.23**
Profit before tax (V) = (III) - (IV)		**61.41**	**0.03**	**61.44**
Tax expense				
- Current tax				
- Pertaining to profit for the current period		2.05	-	2.05
- Deferred tax		-	-	-
Net tax expense (VI)		**2.05**	**-**	**2.05**
Profit for the period (VII) = (V) - (VI)		**59.36**	**0.03**	**59.39**
Other Comprehensive Income/(loss) (VIII)				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Gain on fair valuation of Equity instruments	1, 2	**-**	0.45	0.45
Tax on above adjustments		**-**	0.17	0.17
Total Comprehensive Income (IX) = (VII) + (VIII)		**59.36**	**0.65**	**60.01**

C. Effects of Ind AS adoption on Total Equity

Particulars	Foot Note	As at 31-Mar-2018	As at 01-Apr-2017
Net Worth under IGAAP		**1,017.38**	**968.69**
Adjustments on account of fair value of Financial Instruments through FVTOCI and FVTPL	1, 2	1.98	1.52
Tax adjustment on above item		0.17	-
Net Worth under Ind AS		**1,019.53**	**970.21**

Notes to Financial Statements

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

D. Effects of IND AS adoption on Cash Flows for the year ended 31 March 2018

The transition from Indian GAAP to Ind AS had no material impact on cash flows generated by the Company.

Footnote to the transition to Ind AS for assets and liabilities

1. Reclassification: The assets and liabilities as of April 1, 2017 have been re-grouped / re-classified, wherever necessary to comply with accounting policies of the Company under Ind AS.

2. FVTOCI Financial Assets: Under Indian GAAP, long term investments in non group quoted equity shares were accounted as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, such investments have been designated as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. The difference between the instrument's fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes as at April 1, 2017 / March 31, 2018.

3. FVTPL Short-term investments: Under Ind AS, investments in mutual funds are valued at fair value and such fair value differences as on the date of transition and for the comparative periods are recognised in the statement of Profit and Loss Account (FVTPL).

   Under Indian GAAP, the Company reports the value of such investments at cost or Net Realisable Value whichever was lesser.

Note 18 - Significant accounting judgements, estimates and assumptions

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

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

Fair value of financial instruments

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

Note 19 - Standard issues but not yet effective

There is no significant impact to the Company on account of the various standards / amendments to the standards that have been issued but not yet effective owing to the nature of business and operations. The amendments are effective ponly from 1 April 2019.

Notes to Financial Statements

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

Note 20 - Disclosure in respect of Related Parties

a) List of Related Parties

I. Subsidiary Companies

a. Cholamandalam Investment and Finance Company Limited (CIFCL)* and its Subsidiaries

i. Cholamandalam Home Finance Limited (formerly known as Cholamandalam Distribution Services Limited)

ii. Cholamandalam Securities Limited

iii. White Data Systems India Private Limited (Subsidiary upto September, 2018 and Associate thereafter)

b. Cholamandalam MS General Insurance Company Limited

c. Cholamandalam Health Insurance Limited

II. Entity having Significant influence

a. Ambadi Investments Limited

III. Subsidiaries of Entity having significant influence

a. Parry Enterprises Limited

b. Parry Agro Limited

IV. Joint Venture

a. Cholamandalam MS Risk Services Limited

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

Mr. N Ganesh - Manager & Chief Financial Officer

Ms. E Krithika - Company Secretary

VI. Non-Executive Directors

a. Mr. M M Murugappan

b. Ms. Shubhalakshmi Panse

c. Mr. Ashok Kumar Barat (w.e.f August 1, 2018)

d. Mr. B Ramaratnam (w.e.f March 18, 2019)

e. Mr. V Ravichandran (w.e.f March 18, 2019)

f. Mr. Sridharan Rangarajan (w.e.f August 30, 2018)

g. Mr. M B N Rao (till July 31, 2018)

h. Mr. N Srinivasan (till July 31, 2018)

* The Company holds 46.39% of the total shareholding in CIFCL as at March 31, 2019 (46.22% as at March 31, 2018) and has de-facto control as per the principles of Ind AS 110 and accordingly CIFCL has been referred to as a subsidiary in Ind AS Financial Statements.

Notes to Financial Statements

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

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

Transaction	Related Party	2018-19	2017-18
Dividend Received	Cholamandalam Investment and Finance Company Limited	47.09	46.95
	Cholamandalam MS General Insurance Company Limited	10.76	10.76
	Cholamandalam MS Risk Services Limited	0.20	0.20
Dividend Payment	Ambadi Investments Limited Directors and their relatives	4.20 0.16	4.20 0.16
Reimbursement of Expenses – Deputation charges for KMP	Cholamandalam MS General Insurance Company Limited Cholamandalam Investment and Finance Company Limited	- 0.71	0.01 0.38
Remuneration to Key Management Personnel	Ms. E Krithika	0.20	0.08
Expense reimbursed	Cholamandalam Investment and Finance Company Limited	0.02	-
Reimbursement received	Cholamandalam MS General Insurance Company Limited	0.008	-
Payment for services availed	Parry Enterprises Limited Cholamandalam Securities Limited	0.03 0.003	- 0.003
Brand fee Income	Cholamandalam MS General Insurance Company Limited	7.93	3.02
Purchase of equity shares of CIFCL	Ambadi Investments Limited	39.82	-
Commission and sitting fees	Non-Executive Directors	0.33	0.29

Note 21 - Earnings Per Share

Particulars	2018-19	2017-18
Profit after Tax - ₹ in Crores	66.53	59.39
Weighted Average Number of Shares		
- Basic	18,76,55,191	18,74,92,370
- Dilutive Impact on account of Options	28,861	1,56,624
- Diluted	18,76,84,052	18,76,48,994
Earnings per Share of ₹ 1 each		
- Basic	3.55	3.17
- Diluted	3.55	3.16

Note 22 - Contingent Liabilities

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

Note 23 - Amount Remitted in Foreign Currency on account of Dividend Payment to Non Resident Shareholders

Particulars	2018-19	2017-18
Dividend * ₹ in Crores	0.008	0.003
Number of Non-Resident Shareholders	1	1
Number of Equity Shares held	56,700 of ₹ 1/- each	56,700 of ₹ 1/- each
Year for which Dividend Remitted	2018-19 Interim & 2017-18 Final	2017-18 Interim

Notes to Financial Statements

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

Note 24 - Deferred tax arising out of fair valuation of equity instruments is recognised in Other Comprehensive Income.

Note 25 - Reconciliation of Tax Expense and the Accounting Profit multiplied by Corporate Income Tax Rate applicable for March 31, 2019 and March 31, 2018:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting Profit before income tax	70.91	61.44
Corporate tax on Accounting Profit before tax 29.12% (Previous year 33.064%)	20.65	20.30
Adjustments to accounting profit:		
Dividend Income – Exempt from tax	(58.09)	(57.91)
Donation – Exempt from tax	(0.39)	(0.53)
Disallowance u/s 14A of the Income tax Act	2.63	3.23
Total adjustments to accounting profit	(55.85)	55.21
Tax on above total adjustments	(16.27)	(18.25)
Net Effective Income Tax	4.38	2.05

Note 26 - Stock Options

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

Employee Stock Option Plan 2007

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

Employee Stock Option Plan 2016

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

Notes to Financial Statements

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

Employee Stock Option Plan 2007

Grant No.	Date of Grant	Weighted Average Exercise Price (₹)	Vesting Commences on	Options Granted	Options Exercised	Options Forfeited / lapsed	Options Outstanding at the end of the year		Weighted Average Remaining Contractual Life (in Years)
							Vested	Yet to vest	
1	31-Oct-07	43.37	31.10.08	6,00,120	3,63,624	2,36,496	-	-	
2	31-Jan-08	45.61	30.01.09	1,05,460	81,324	24,136	-	-	
3									
Tr I	24-Mar-08	39.19	31.10.09	26,55,260	15,39,971	11,15,289	-	-	
Tr II	24-Mar-08	27.04	31.10.09	34,241	34,241	-	-		
4									
Tr I	31-Jul-08	30.67	31.07.09	3,86,900	2,84,961	1,01,939	-	-	
Tr II	31-Jul-08	21.16	31.07.09	9,344	2,000	-	7,344	-	
5	31-Oct-08	16.73	31.10.09	54,000	30,240	23,760	-	-	
6	30-Jan-09	21.42	30.01.10	28,100	23,323	4,777	-	-	
7									
Tr I	29-Jan-11	96.63	29.01.12	4,25,400	2,38,404	1,86,996	-	-	
Tr II	29-Jan-11	66.67	29.01.12	21,280	4,864		16,416	-	1.33
Tr III	29-Jan-11	66.67	29.01.12	15,112	10,336	-	4,776	-	0.83
8	29-Jan-11	96.63	29.01.12	1,92,400	80,916	1,11,484	-	-	
9	29-Jan-11	96.63	29.01.12	13,900	-	13,900	-	-	
10	02-May-11	96.91	02.05.12	55,000	19,680	35,320	-	-	
11	01-Aug-11	110.23	01.08.12	33,600	-	33,600	-	-	
12									
Tr I	02-Nov-11	98.74	02.11.12	1,26,800	48,148	78,652	-	-	
Tr II	02-Nov-11	68.13	02.11.12	51,516	20,022	-	31,494	-	1.18

Employee Stock Option Plan 2016

Grant No	Date of Grant	Exercise Price (₹)	Vesting Commences on	Options Granted	Options Exercised & allotted	Options Cancelled / lapsed	Options vested and Outstanding at the End of the Year	Options unvested and Outstanding at the End of the Year	Weighted Average Remaining Contractual Life (in Years)
							Vested	Yet to vest	
Tr I	15-Mar-17	416.86	15-Mar-18	2,37,960	-	2,37,960	-	-	-
Tr II	15-Mar-17	416.86	15-Mar-18	2,32,270	1,06,420	16,770	1,09,080	-	3.96

The Fair Value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grants using Black-Scholes model by an independent consultant. The related compensation costs, if any, is being accounted for by the Resulting Company.

Notes to Financial Statements

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

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

Employee Stock Option plan 2007

Grant No.	Vesting Commences on	Risk Free Interest Rate (%)	Expected Life (Years)	Expected Volatility of Share Price (%)	Dividend Yield (%)	Price of the underlying Share in the Market at the time of Option Grand (₹)	Fair Value of the Option (₹)
1	31.10.08	7.71	2.50	39.11	3.43	43.37	11.34
2	30.01.09	7.44	2.50	42.02	3.43	45.61	12.50
3							
Tr I	31.10.09	8.22 - 8.25	1.62 - 2.62	31.56 - 37.07	1.86	39.19	73.92 - 74.89
Tr II	31.10.09	8.22 - 8.25	1.62 - 2.62	31.56 - 37.07	1.86	39.19	73.92 - 74.89
4							
Tr I	31.07.09	0.00 - 8.24	0.00 - 2.99	0.00 - 39.82	1.86	30.67	80.83 - 81.68
Tr II	31.07.09	0.00 - 8.24	0.00 - 2.99	0.00 - 39.82	1.86	30.67	80.83 - 81.68
5	31.10.09	8.21 - 8.31	0.12 - 3.24	32.28 - 42.55	1.86	16.73	92.20 - 94.76
6	30.01.10	8.21 - 8.31	0.24 - 3.49	28.04 - 43.77	1.86	21.42	88.54 - 90.00
7							
Tr I	29.01.12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
Tr II	29.01.12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
Tr III	29.01.12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
8	29.01.12	8.21 - 8.26	1.24 - 4.48	31.69 - 43.79	1.86	96.63	27.22 - 52.67
9	29.01.12	8.21 - 8.26	1.24 - 3.48	31.69 - 43.79	1.86	96.63	27.22 - 46.62
10	02.05.12	8.21 - 8.25	1.37 - 5.74	31.38 - 47.27	1.86	96.63	27.90 - 56.06
11	01.08.12	8.21 - 8.25	1.49 - 5.99	31.76 - 47.01	1.86	110.23	21.93 - 53.00
12							
Tr I	02.11.12	8.21 - 8.24	1.74 - 6.24	32.74 - 46.93	1.86	98.74	30.05 - 57.75
Tr II	02.11.12	8.21 - 8.24	1.74 - 6.24	32.74 - 46.93	1.86	98.74	30.05 - 57.75

Employee Stock Option Plan 2016

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

Note 27 - Financial Risk Management

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

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

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

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

Notes to Financial Statements

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

a. Credit risk

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

b. Liquidity Risk

The Company's principal sources of liquidity are "cash and cash equivalents" and cash flows that are generated from operations. The Company believes that its working capital is sufficient to meet the financial liabilities within maturity period. The Company has no borrowings. Additionally, the Company has invested its surplus funds in fixed income securities or instruments of similar nature thereby ensuring safety of capital and availability of liquidity as and when required. Hence, the Company carries a negligible liquidity risk.

c. Interest rate risk

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

d. Price risk

The Company's exposure to equity securities risk arises from investments held by the Company and classified in the balance sheet as fair value through OCI (see note 2).

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

Majority of the Company's investment are publicly traded and are included in the NSE Nifty 100 index.

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

Capital Management

Objectives, policies and processes of capital management

The Company is cash surplus and has only equity capital. The Company operates as an Investment Company and is an Non-Banking Financial Institution – Core Investment Company.

The cash surpluses are currently invested in income generating debt instruments (including through mutual funds), money market instruments and bank deposits depending on economic conditions. Safety of capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on the surplus funds. The Company does not have any borrowings.

Note 28 - Segment reporting

The Company's main business is to invest in securities of Group Companies for strategic purposes. All other activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments.

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn No.101049W/E300004

For and on behalf of the Board of Directors

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

Sridharan Rangarajan
Director

M M Murugappan
Chairman

Place : Chennai
Date : May 3, 2019

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Cholamandalam Finance Holdings Limited (hereinafter referred to as "the Holding Company" and formerly known as TI Financial Holdings Limited), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and its joint venture comprising of the Consolidated Balance sheet as at March 31 2019, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries and joint venture, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements for the year ended March 31, 2019. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS Financial Statements.

Key audit matters	How our audit addressed the key audit matter
a) Change in financial reporting framework – First time adoption of Indian Accounting Standards *(as described in Note 4.1 of the Consolidated Ind AS Financial Statements)*	
In accordance with the roadmap for implementation of Ind AS for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Group has prepared its Consolidated financial statements under Ind AS from April 1, 2018 with an effective date of April 1, 2017 for such transition. For periods up to and including the year ended March 31, 2018, the Group had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). In order to give effect of the transition to Ind AS, these Consolidated Financial Statements for the year ended March 31, 2019, together with the comparative financial information for the previous year ended March 31, 2018 and the transition date balance sheet as at April 1, 2017 have been prepared under Ind AS. The basis of preparation of the Group's Consolidated Ind AS Financial Statements is more fully described in Note 4.1. In specific, one of the subsidiary which in the general insurance business and whose financial statements and other financial information are prepared under Statutory GAAP, has been converted to Ind AS by management for the purpose of inclusion in the Consolidated Ind AS Financial Statements. The transition to Ind AS has involved changes in the Group's policies and processes relating to financial reporting. Further, the management has also exercised judgement (wherever applicable) in giving effect to various principles of Ind AS in its first-time adoption. In specific, management has also performed control evaluation over various investees as per Ind AS which also requires significant judgment. In view of the complexity and the resultant risk of a material misstatement arising from an error or omission in correctly implementing the principles of Ind AS at the transition date, which could result in a misstatement of one or more periods presented in these Consolidated Ind AS financials statements, this has been an area of key focus in our audit.	Our audit procedures included the following: o Reading the Ind AS impact assessment performed by the management to identify areas which were impacted on account of Ind AS transition; o Understanding the financial statement closure process and the controls established by the Group for transition to Ind AS; o Reading and assessing the changes made to the accounting policies due to the requirements of the new financial reporting framework; o Assessing the judgements exercised by the management in applying the first-time adoption principles of Ind AS 101 especially in respect of fair valuation of financial assets and the evaluation of the Company's control over various investees; o Testing accounting adjustments posted as at the transition date, and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS; and o Assessing the disclosures included in the Consolidated Ind AS financial statements in accordance with the requirements of Ind AS (including with respect to the previous periods presented).

<table>
<tr><th colspan="2">In connection with the Subsidiary Company – Cholamandalam Investment and Finance Company Limited ('CIFCL')</th></tr>
<tr><th colspan="2">(A) <u>Significant adjustments pursuant to adoption of Ind AS</u></th></tr>
<tr><td>
The key adjustments made to the financial statements on first-time adoption of Ind AS by CIFCL for the year ended March 31, 2019 are as follows:

1. CIFCL earns certain income and incurs certain expenses which are directly attributable to the origination of loans disbursed by it. Under Ind AS, the accounting for these upfront charges and interest income are based on the effective interest rate method for loans which is based on the loan cash flows.

2. Under the Previous GAAP, the identification of delinquent accounts and consequent provisions for loan losses were made on the loans based on the guidelines prescribed by the Reserve Bank of India ('RBI') in this regard. Under Ind AS, estimates regarding the impairment provision against financial assets are based on the expected credit loss model developed by the Company based on the principles prescribed under Ind AS 109.

3. CIFCL from time to time enters into securitisation and assignment transactions for transfer of financial assets under arrangements which have different terms and conditions. Under Ind AS, Management has performed an evaluation of whether the financial asset meets the de-recognition criteria prescribed in Ind AS 109 is satisfied on a case to case basis and based on such evaluation, related accounting adjustments are recorded in the financial statements.

Additionally, regarding the matter discussed in Sl. No. 2, as explained in the notes to the Consolidated Ind AS Financial Statements for the year ended March 31, 2019, the impairment provision based on the expected credit loss model requires the management to make significant judgments in connection with related computation. These include:

(a) Segmentation of the loan portfolio into homogenous pool of borrowers;

(b) Identification of exposures where there is a significant increase in credit risk and those that are credit impaired;

(c) Determination of the 12 month and life-time probability of default for each of the segments identified; and

(d) Loss given default for various exposures based on past recoveries, management estimates etc.,
</td><td>
Our audit procedures with regard to the key adjustments pursuant to 1st time adoption of Ind AS included assessing the judgements applied by the management in this regard.

<u>Specific procedures in connection with Sl. No. 1</u>:

Our audit response included (as applicable in each case):

• Assessing the items which has been considered as part of effective interest rate as well as the related computation on a test basis; and

• Assessing the related IT system and manual controls implemented for effective interest rate accounting.

<u>Specific procedures on the matter discussed in Sl. No. 2</u>:

We gained an understanding of the Company's key credit processes comprising granting, recording and monitoring of loans as well as impairment provisioning. In addition,

• We read and assessed the Company's impairment provisioning policy as per Ind AS 109;

• Obtained an understanding of the Company's Expected Credit Loss ('ECL') methodology, the underlying assumptions and performed sample tests to assess the staging of outstanding exposures;

• We assessed the Exposure at Default used in the impairment calculations on a test basis;

• Obtained an understanding of the basis and methodology adopted by management to determine 12 month and life-time probability of defaults for various homogenous segments and performed test checks;

• Obtained an understanding of the basis and methodology adopted by management to determine Loss Given Defaults for various homogenous segments based on past recovery experience, qualitative factors etc., and performed test checks;

• Assessed the items of loans and advances, credit related contingent items as at the reporting date which are considered in the impairment computation as at the reporting date;

• Assessed the data used in the impairment computation (including the data integrity of information extracted from the Company's IT systems);

• Enquired with the management regarding significant judgments and estimates involved in the impairment computation;
</td></tr>
</table>

Note 5.4.1 to the Consolidated Ind AS Financial Statements explains the various considerations that the management considers for developing this expected credit loss model. As at March 31, 2019, CIFCL has made a provision for impairment loss aggregating to ₹ 930.71 Crores against the loans. Due to the significance of the judgments used in both classification of loans and advances into various stages as well as the computation of expected credit losses on such financial assets as per Ind AS 109, this has been considered as an area of significance for our audit.	• Assessed analytical reviews of disaggregated data to observe any unusual trends warranting additional audit procedures; and • Read the financial statement disclosures made as per Ind AS 109 and Ind AS 107. <u>Specific procedures in relation to Sl. no 3</u>: • Obtained and read a sample of agreements entered for securitisation of financial assets and assignment transactions to assess management's determination of the satisfaction of de-recognition conditions as per Ind AS 109; • Assessed the management estimates used to determine the gain on financial assets derecognised during the year; • Assessed business model evaluation under Ind AS 109 in respect of portfolio of loans where financial assets are de-recognised during the year.

(B) Audit in an Information Technology (IT) enabled environment – including considerations on exceptions identified in IT environment	
Pursuant to various reporting requirements such as reporting on the internal controls over financial reporting, we place significant emphasis on the information systems and the controls and process around such information systems and the usage of information from such systems for the purpose of financial reporting by the Management. CIFCL has information technology applications which are used across various class of transactions in its operations through the automated and IT dependent manual controls that are embedded in them. Hence, our audit procedures have focus on IT systems and controls in them due the pervasive nature and complexity of the IT environment, operational volume across numerous locations daily and the reliance on automated and IT dependent manual controls.	In assessing the reliability of electronic data processing, we included specialized IT auditors in our audit team. Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting: • Assessing the information systems and the applications that is available in the Company in two phases: (i) IT General Controls and (ii) Application level embedded controls; • The aspects covered in the IT systems General Control audit were (i) User Access Management (ii) Change Management (iii) Other related ITGCs; - to understand the design and the operating effectiveness of such controls in the system; • Understanding of the changes that were made to the IT landscape during the audit period and assessing changes that have impact on financial reporting; • Performed tests of controls (including over compensatory controls wherever applicable) on the IT Application controls and IT dependent manual controls in the system. • Wherever applicable, we also assessed through direct sample tests, the information produced from these systems which were relied upon for our audit.

<table>
<tr><td colspan="2">(C) <u>Pending litigations with tax authorities</u></td></tr>
<tr><td>CIFCL operates in a complex tax environment and is required to discharge direct and indirect tax obligations under various legislations such as Income Tax Act, 1961 and the Finance Act, 1994 and VAT Acts of various states.

The tax authorities under these legislations have raised certain tax demands on CIFCL in respect of the past periods. CIFCL has disputed such demands and has appealed against them at appropriate forums. As at March 31, 2019 the Company has an amount of ₹ 636.67 crore involved in various pending tax litigations.

Ind AS 37 requires management to perform an assessment of the probability of economic outflow on account of such disputed tax matters and determine whether any particular obligation needs to be recorded as a provision in the books of account or to be disclosed as a contingent liability. Considering the significant degree of judgement applied by the management in making such assessments and the resultant impact on the financial statements, we have considered it to be an area of significance for our audit.</td><td>In assessing the exposure of CIFCL for the tax litigations, we have performed the following procedures:
• Obtained an understanding of the process laid down by the management for performing their assessment taking into consideration past legal precedents, changes in laws and regulations, expert opinions obtained from external tax / legal experts (as applicable);
• Assessed the processes and entity level controls established by CIFCL to ensure completeness of information with respect to tax litigations;
• Along with our tax experts, we undertook the following procedures:
  • Reading communications with relevant tax authorities including notices, demands, orders, etc., pertinent to the pending litigations, as made available to us by the management;
  • Testing the accuracy of disputed amounts from the underlying communications received from tax authorities and responses filed by CIFCL;
  • Considered the submissions made to appellate authorities and expert opinions obtained by the Company from external tax / legal experts (wherever applicable) which form the basis for management's assessment;
  • Assessed the positions taken by the management in the light of the aforesaid information and based on the examination of the matters by our tax experts.
• Read the disclosures included in the Consolidated Ind AS financial statements in accordance with Ind AS 37.</td></tr>
</table>

<table>
<tr><td colspan="2">In connection with Subsidiary Company - Cholamandalam MS General Insurance Company Limited</td></tr>
<tr><td colspan="2">(A) <u>Valuation of Investments</u></td></tr>
<tr><td>The auditors of Cholamandalam MS General Insurance Company Limited ("CMSGICL"), a subsidiary of the Holding Company have reported that the management's assessment of the value of investments as on the reporting date involves judgement which can materially impact the impairment loss, if any and the carrying value of investments.</td><td>The audit response to this Key Audit Matter that has been identified by the auditors of CMSGICL are as follows:
• Reviewing the accounting policies used by the Company for accounting and disclosing Investments for compliance with the accounting framework / IRDA regulation.
• Assessing the adequacy of internal controls, evaluated the design and tested the operating effectiveness of such controls for initial recognition, measurement, subsequent valuation and disclosure of investments as on the reporting date as per application regulations.
• Tracing the opening balance with audited closing balance of investment from previous year financial statements. Verified the movement in investment during the year on a test check basis using direct third-party confirmation, bank statements and other substantive procedures.</td></tr>
</table>

	• Reviewing the process followed by the management in valuing the investments and independently re-performed the valuation check on a sample basis to confirm their appropriateness. • Investments identified for impairment/write off by the management are verified on a 100% basis by independently assessing the risk of impairment loss and probability of realisation of investment value by considering publicly available information about the investee, directions issued by regulators, Government, IRDA. The auditors of CMSGICL have also reviewed the basis of assessment used by the Company's Investment committee and discussed the same with the head of Investment committee. The auditors of CMSGICL have also checked the compliance with IRDA prudential norms for the assessment of impairment provision / write off.
(B) Valuation of outstanding claims ("OC") including claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER)	
The auditors of CMSGICL have reported that the total Outstanding Claims including IBNR and IBNER provisions has been considered as a key audit matter by the auditors since the valuation of Outstanding Claims including IBNR and IBNER are significant in magnitude and requires use of judgements and estimates. OC including IBNR/ IBNER are estimates for settlement of claims in future which are impacted by number of factors which includes the trends in severity of historical claims, frequency of historical claims and IRDA regulations. In particular, the claims arising from death or disability covered under motor insurance contracts involves complex and subjective judgements about future events, both internal and external to the business, for which small changes in assumptions can materially impact the valuation of these liabilities.	The audit response to this Key Audit Matter that has been identified by the auditors of CMSGICL are as follows: • Assessing and testing the operating effectiveness of key controls relating to the claims handling and reserving process, including controls over completeness and accuracy of the claim estimates recorded; • Performing substantive tests on the amounts recorded for a sample of OC which are material, to assess whether claims are appropriately estimated and recorded; • Evaluating the competence, objectivity and independence of the independent actuary appointed by the management to review the adequacy of OC including IBNR and IBNER; • Testing the completeness and accuracy of underlying insurance data provided by the management to the Actuary on a sample basis; • Assessing the adequacy of Company's related disclosures by reference to relevant accounting standards and IRDA Regulations.
(C) Contingent Liabilities	
The auditors of CMSGICL have reported that contingent liabilities as at March 31, 2019 as a key audit matter as CMSGICL has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.	The audit response to this Key Audit Matter that has been identified by the auditors of CMSGICL are as follows: • Reviewing the details of pending tax demands as at March 31, 2019; • Involving their internal experts to consider legal precedence and other rulings in evaluating the Management's position on these uncertain tax positions; • Reviewing CMSGICL's correspondences with tax authorities, legal counsels, grounds of appeal filed with various appellate authorities and industry position on various tax disputes; • Verifying the adequacy of disclosures in the financial statements in this respect.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Chairman's message, Performance in FY 19, Board's Report and Management Discussion and Analysis, Form AOC-1, General Shareholder Information and Business Responsibility report included in the Annual report, but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group, its associate and its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group, its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, its associate and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group, its associate and its joint venture are responsible for assessing the ability of the Group, its associate and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its associate and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its associate and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its associate and joint venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements for the year ended March 31, 2019 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

(a) We did not audit the financial statements and other financial information, in respect of two Subsidiaries, whose Ind AS Financial Statements include total assets of ₹ 57.26 Crores as at March 31, 2019, and total revenues of ₹ 38.73 Crores and net cash outflows of ₹ 22.43 Crores. for the year ended on that date. These Ind AS Financial Statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The Consolidated Ind AS Financial Statements also include the Group's share of net profit of ₹ 1.47 Crores for the year ended March 31, 2019, as considered in the Consolidated Ind AS Financial Statements, in respect of one joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the Consolidated Ind AS Financial

Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the report(s) of such other auditors. Our opinion is not modified in respect of this matter.

(b) We did not audit the financial statements and other financial information in respect of one subsidiary whose financial statements and other financial information include total assets of ₹ 9,094.32 Crores as at March 31, 2019, and total revenues of ₹ 3,587.63 Crores and net cash outflows of ₹ 3.72 Crores for the year ended on that date. These financial statements have been prepared in accordance with Insurance Act, 1938 as amended, the Insurance Regulatory and Development Authority Act, 1999 (as amended), the Insurance Regularity and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, Circulars / Orders / Directions issued by the IRDAI in this regard, and the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 ("Statutory GAAP"), and have been audited by other auditors under generally accepted auditing standards applicable in India and whose reports have been furnished to us by the Management. The other auditors of this subsidiary in their report have reported that they have relied on the subsidiary's appointed actuary's certificate on the estimate of claims Incurred but Not Reported [IBNR] and claims Incurred but Not Enough Reported [IBNER]. The appointed actuary has certified to the Subsidiary that the assumptions used for such valuation are appropriate and are in accordance with the requirements of the Insurance Regulatory and Development Authority of India ('IRDAI') and Institute of Actuaries of India in concurrence with IRDAI.

The Subsidiary's management has converted the financial statements of such subsidiary from Statutory GAAP to comply with the requirements of Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended including incorporating necessary adjustments relating to liability adequacy test and disclosures relating to insurance liabilities as per Ind AS 104 on Insurance Contracts based on the appointed actuary's certificate. We have audited these conversion adjustments made by the management and have relied upon the appointed actuary's certificate in this regard.

Our opinion in so far as it relates to the balances and affairs of such Subsidiary is based on the report of other auditors, the reliance on the appointed actuary's certificate and the conversion adjustments prepared by the management of the Company and audited by us. Our opinion is not modified in respect of this matter.

(c) The Consolidated Ind AS Financial Statements also include the Group's share of net loss of ₹ 0.35 Crores for the year ended March 31, 2019, as considered in the Consolidated Ind AS financial statements, in respect of one associate whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group. Our opinion is not modified in respect of this matter.

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

Report on Other Legal and Regulatory Requirements

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

(a) We / the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;

(d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries companies and its joint venture, none of the directors of the Group's companies and its joint venture incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements of the Holding Company and its subsidiary companies and its joint venture incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been provided by the Holding Company, its subsidiaries and its joint venture incorporated in India to its Manager / directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other matter' paragraph:

   i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint venture in its Consolidated Ind AS Financial Statements – Refer Note 41(a) to the Consolidated Ind AS Financial Statements;

   ii. Provision has been made in the Consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 7 to the Consolidated Ind AS financial statements in respect of such items as it relates to the Group and joint venture;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its joint venture incorporated in India during the year ended March 31, 2019.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Subramanian Suresh
Partner
Membership Number: 083673

Place : Chennai
Date : May 3, 2019

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

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited) as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Cholamandalam Financial Holdings Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and joint venture which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies and joint venture which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Subramanian Suresh
Partner
Membership Number: 083673

Place : Chennai
Date : May 3, 2019

Consolidated Balance Sheet

As at March 31, 2019

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

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
Financial Assets				
Cash and Cash Equivalents	6A	3,281.93	486.33	328.11
Bank balances other than Cash and Cash Equivalents	6B	663.54	722.53	1,087.49
Derivative financial instruments	7	88.69	5.99	-
Receivables				
i) Trade Receivables	8(i)	41.28	68.85	38.71
ii) Other Receivables	8(ii)	39.08	55.77	45.04
iii) Insurance Contract Assets	9	444.16	555.25	326.69
iv) Reinsurance Assets	10A	1,378.91	1,542.72	1,013.51
Loans	11	52,610.77	42,243.96	33,214.39
Investment in Associate & Joint Venture	12A	35.56	8.90	7.83
Other Investments	12B	7,516.71	6,201.70	4,570.02
Other Financial Assets	13	262.79	175.64	262.64
		66,363.42	**52,067.64**	**40,894.43**
Non- Financial Assets				
Current tax assets (Net)		246.92	228.92	141.04
Deferred tax assets (Net)	14	608.07	438.75	360.58
Goodwill on Consolidation		42.72	49.73	49.73
Investment Property	15	29.29	28.87	28.88
Intangible Assets under development		13.97	3.80	0.04
Property, Plant and Equipment	16	196.99	194.04	178.60
Intangible assets	17	36.94	38.36	33.26
Other Non-Financial Assets	18	398.89	356.50	233.70
		1,573.79	**1,338.97**	**1,025.83**
TOTAL		**67,937.21**	**53,406.61**	**41,920.26**
EQUITY AND LIABILITIES				
Financial Liabilities				
Derivative financial instruments	7	8.41	76.55	101.03
Payables				
(I) Trade Payables				
i) Total outstanding dues of micro and small enterprises		-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		231.45	214.03	132.46
(II) Other Payables				
i) Total outstanding dues of micro and small enterprises		0.18	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		223.15	220.68	132.81

Consolidated Balance Sheet

As at March 31, 2019

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

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(III) Other Insurers				
i) Total outstanding dues of micro and small enterprises		-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		401.63	595.18	219.66
Debt Securities	19	13,961.82	14,140.54	13,379.42
Borrowings(Other than Debt Securities)	20	32,126.78	20,169.40	13,744.38
Subordinated Liabilities	21	4,358.68	3,890.03	2,946.31
Insurance Contract Liabilities	10	5,317.00	4,569.32	3,398.63
Other Financial Liabilities	22	290.56	270.04	217.24
		56,919.66	**44,145.77**	**34,271.94**
Non-Financial Liabilities				
Provisions	23	87.13	74.97	63.09
Other Non-Financial Liabilities	24	3,065.96	2,596.87	2,043.60
		3,153.09	**2,671.84**	**2,106.69**
Equity				
Equity Share Capital	25	18.77	18.75	18.75
Other Equity	26	3,924.83	3,290.84	2,752.97
		3,943.60	**3,309.59**	**2,771.72**
Non Controlling Interest		3,920.86	3,279.41	2,769.91
		7,864.46	**6,589.00**	**5,541.63**
TOTAL		**67,937.21**	**53,406.61**	**41,920.26**
Summary of significant accounting policies	5			

The accompanying notes are forming part of the consolidated financial statements

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn No.101049W/E300004

For and on behalf of the Board of Directors

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

Sridharan Rangarajan
Director

M M Murugappan
Chairman

Place : Chennai
Date : May 3, 2019

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

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

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Operations			
- Interest Income	27A	7,065.47	5,652.44
- Dividend Income	27D	2.97	2.41
- Net gain on derecognition of financial instruments under amortised cost category		86.70	-
- Premium income (net of re-insurance)	27C	3,049.10	2,823.14
- Fee & Commission income	27B	469.73	293.09
- Net gain on Fair value change on financial instrument	27E	127.31	3.25
- Service Income	27F	124.35	134.95
Total Revenue from operations (I)		**10,925.63**	**8,909.28**
Other income (II)	28	21.18	0.62
Total Income (III) = (I) + (II)		**10,946.81**	**8,909.90**
Expenses			
- Finance costs	29	3,586.87	2,654.88
- Insurance Claims (net of re-insurance)	30	2,340.84	2,048.35
- Impairment of Financial Instruments	31	350.24	308.72
- Employee benefits expense	32	723.15	668.01
- Depreciation and amortisation expense	15,16 & 17	77.91	70.37
- Other expenses	33	1,733.01	1,465.03
Total Expenses (IV)		**8,812.02**	**7,215.36**
Profit before tax (V) = (III) - (IV)		**2,134.79**	**1,694.54**
Tax expense/(benefit)			
Current tax			
- Pertaining to profit for the current period		875.32	650.41
- Adjustment of tax relating to earlier periods		16.56	(0.66)
Deferred tax		(170.81)	(81.02)
Net tax expense (VI)		**721.07**	**568.73**
Profit before share of profit/(loss) of Associate and Joint Venture - A = (V) - (VI)		**1,413.72**	**1,125.81**
Share of profit/(loss) of Associate & Joint Venture (Net) - after taxes (B)		1.11	1.07
Profit for the year - (C) = (A) + (B)		**1,414.83**	**1,126.88**

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

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

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Other Comprehensive Income:			
i)Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains and (losses) on defined benefit obligations (net)		(8.02)	(2.40)
Tax on above adjustments		2.78	0.85
Net (loss)/gain on FVTOCI equity securities		(6.96)	0.51
Tax on above adjustments		0.09	0.14
ii)Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Hedge Reserve		13.06	11.00
Tax on above adjustments		(4.36)	(3.84)
Other comprehensive income/(loss) for the year (D)		**(3.41)**	**6.26**
Total comprehensive income for the year (C + D)		**1411.42**	**1133.14**
Profit for the year attributable to			
Equity holders of the parent		696.70	549.91
Non-controlling interest		718.13	576.97
Other comprehensive income for the year, net of tax			
Equity holders of the parent		(2.03)	2.95
Non-controlling interest		(1.38)	3.31
Total comprehensive income for the year, net of tax			
Equity holders of the parent		694.67	552.86
Non-controlling interest		716.75	580.28
Earnings per equity share of ₹ 1 each	34		
- Basic (₹)		37	29
- Diluted (₹)		37	29
Summary of significant accounting policies	5		

The accompanying notes are forming part of the consolidated financial statements

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn No.101049W/E300004

For and on behalf of the Board of Directors

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

Sridharan Rangarajan
Director

M M Murugappan
Chairman

Place : Chennai
Date : May 3, 2019

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

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

a) **Equity Share Capital**

Balances as on April 1, 2017	18.75
Add: Issue of share Capital	-
Balances as on March 31, 2018	18.75
Add: Issue of share Capital	0.02
Balances as on March 31, 2019	18.77

b) **Other Equity (Refer Note 26)**

Particulars	Share application money pending allotment	Reserve and Surplus									Items of other comprehensive income		Total	Total non-controlling interest	Total attributable to equity holders of the parent
		Statutory Reserve	Capital Reserve	Capital Redemption Reserve	Capital Reserve on Consolidation	Debenture Redemption Reserve	Securities Premium Account	General Reserve	Retained earnings	Share based payments reserve	Fair valuation of Investment	Effective portion of cashflow hedge			
Opening Balance as at April 01, 2017	0.18	627.76	20.01	39.15	-	-	1,389.12	2,040.73	1,215.50	1.84	13.28	(27.93)	5,319.64	2,769.91	2,752.97
Profit for the year									1,126.88				1,126.88	576.97	549.91
Other Comprehensive income for the year, net of income tax									(1.55)		0.65	7.16	6.26	3.31	2.95
Additions during the year							3.27			8.62			11.89	6.03	5.86
Adjustments on account of change in equity interest in subsidiaries/associate													-	(2.39)	2.41
Dividend including DDT									(97.50)				(97.50)	(74.41)	(23.09)
Application money transferred on allotment	(0.18)												(0.18)	(0.01)	(0.17)
Transfer to reserves from retained earnings during the year		211.90				10.00		650.00	(871.90)				-	-	-
Closing balance as at March 31, 2018	-	839.66	20.01	39.15	-	10.00	1,392.39	2,690.73	1,371.43	10.46	13.93	(20.77)	6,366.99	3,279.41	3,290.84
Profit for the year									1,414.83				1,414.83	718.13	696.70
Other Comprehensive income for the year, net of income tax									(5.24)		(6.87)	8.70	(3.41)	(1.38)	(2.03)
Additions during the year	0.30						6.58			8.15			15.03	5.28	9.75
Adjustments on account of change in equity interest in subsidiaries/associate					(39.82)								(39.82)	(6.25)	(32.25)
Dividend including DDT									(112.51)				(112.51)	(74.33)	(38.18)
Transfer to reserves from retained earnings during the year		253.31				10.00		700.00	(963.31)				-		-
Closing balance as at March 31, 2019	0.30	1,092.97	20.01	39.15	(39.82)	20.00	1,398.97	3,390.73	1,705.20	18.61	7.06	(12.07)	7,641.11	3,920.86	3,924.83

Consolidated Cash Flow Statement

for the year ended March 31, 2019

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

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Cash Flow from Operating Activities				
Profit Before Tax		**2,134.79**		**1,694.54**
Adjustments for :-				
Depreciation and amortisation expense	77.91		70.37	
Provisions/(reversal of provisions)				
- Impairment of financial instruments	350.24		308.72	
Finance Costs	3,586.87		2,654.88	
Loss on Sale of Property plant and equipment (Net)	0.08		0.14	
Fair value gain on loss of control in Subsidiary	(20.29)		-	
Interest Income on deposits	(89.37)		(73.89)	
Share based payment expense	8.11		8.62	
		3,913.55		2,968.84
Operating Profit Before Working Capital Changes		**6,048.34**		**4,663.38**
Adjustments for :-				
(Increase)/Decrease in operating Assets				
- Loans	(11,860.90)		(9,337.98)	
- Trade Receivables	29.16		(40.87)	
- Insurance assets	274.90		(757.77)	
- Other Financial Assets	(87.15)		87.00	
- Investments carried at fair value	(1,295.39)		101.63	
- Other Non Financial Assets	(43.40)	(12,982.78)	(125.48)	(10,073.47)
Proceeds from de-recognition of financial assets recognised at amortised cost		1,182.20		-
Increase/(Decrease) in operating liabilities				
- Payables		(161.58)		542.56
- Other Financial liabilities		20.29		53.03
- Provisions		12.39		11.88
- Insurance Contracts liabilities		747.68		1,170.69
- Other Non-Financial liabilities		469.69		553.57
Cash Flow used in Operations		(4,663.77)		(3,078.66)
Finance Costs paid		(3,686.45)		(2,569.67)
Interest Received on Bank Deposits and Other Investments		51.07		83.78
Income tax paid (Net of refunds)		(909.88)		(737.63)
Net Cash Used in Operating Activities (A)		**(9,209.03)**		**(6,302.18)**

Consolidated Cash Flow Statement

for the year ended March 31, 2019

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

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment and Intangible Assets	(84.68)		(91.51)	
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	3.08		3.18	
Intangible assets under development	(11.57)		(3.76)	
Purchase of Debt securities designated at amortised cost	(423.19)		(2,024.21)	
Redemption of Debt securities designated at amortised cost	358.00		291.10	
Net Cash Used in Investing Activities (B)		**(158.36)**		**(1,825.20)**
Cash Flow from Financing Activities				
Proceeds from issue of Share Capital (Including Securities Premium)		6.90		3.09
Proceeds from issue of Debt securities	17,096.61		13,933.27	
Redemption of Debt securities	(17,365.33)		(13,031.48)	
Borrowing - Other than debt securities	29,850.62		13,218.99	
Repayment of borrowing - Other than debt securities	(18,005.01)		(6,838.64)	
Proceeds from issue of subordinated liabilities	821.00		818.04	
Repayment of subordinated liabilities	(186.50)		(75.00)	
Purchase of shares in subsidiary from non-controlling interest	(39.82)		-	
		12,171.57		8,025.18
Investment in Fixed Deposits (Net of withdrawals)		104.42		356.76
Dividends Paid (Including Distribution Tax)		(112.27)		(97.74)
Net Cash Flow From Financing Activities (C)		**12,170.62**		**8,287.29**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		**2,803.23**		**159.91**
Cash and Cash Equivalents at the Beginning of the year		476.43		316.52
Less: Cash and bank balances on loss of control in subsidiary during the year		(0.50)		-
Cash and Cash Equivalents at the End of the year		**3,279.16**		**476.43**

The accompanying notes are forming part of the consolidated financial statements

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn No.101049W/E300004

For and on behalf of the Board of Directors

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

Sridharan Rangarajan
Director

M M Murugappan
Chairman

Place : Chennai
Date : May 3, 2019

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Notes to Consolidated Financial Statements

1. Corporate Information

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

Pursuant to a scheme of arrangement ("the Scheme") the manufacturing business undertaking of the Company was vested in/ transferred to Tube Investments of India Limited ("the Resulting Company") vide the order of the National Company Law Tribunal, Chennai ("NCLT") dated July 17, 2017. The Scheme had an appointed date of April 1, 2016 and came into effect from August 1, 2017. Consequently, the Company became a Core Investment Company. The Company's application for registration as a Core Investment Company with the Reserve Bank of India ('RBI').

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

The Consolidated Financial Statements are presented for the first time under Ind AS and the amounts are given in Indian Rupees which is also functional currency of the Group.

The Consolidated Financial Statements were authorised for issue in accordance with a resolution of the directors on May 03, 2019.

2. Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company, its subsidiaries (being the entities that it controls (including de facto control)) and its Joint Venture as at 31 March 2019. Control is evidenced when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its

Notes to Consolidated Financial Statements

subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

Investments in Associate and Joint Venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

Notes to Consolidated Financial Statements

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the impairment loss with respect to the Group's investment in an associate or joint venture.

Note 3 - Particulars of consolidation

The financial statements of the following subsidiaries/Associate/Joint Venture (all incorporated in India) have been considered for consolidation:

Name of the Company	Percentage of voting Power as on	
	March 31, 2019	March 31, 2018
Subsidiary -Cholamandalam Investment and Finance Company Limited (CIFCL)	46.39%	46.22%
Subsidiaries of CIFCL (% Holding of CIFCL)		
- Cholamandalam Home Finance Limited (CHFL) (formerly known as Cholamandalam Distribution Services Limited)	100.00% 100.00%	100.00% 100.00%
- Cholamandalam Securities Limited (CSEC)	63.00%	63.00%
- White Data Systems India Private Limited (Upto Sep 2018)		
Associate of CIFCL (% Holding of CIFCL)		
- White Data Systems India Private Limited (from Oct 2018)	30.87%	-
Subsidiary - Cholamandalam MS General Insurance Company Limited (CMSGICL)	60%	60.00%
Subsidiary - Cholamandalam Health Insurance Limited	99.86%	99.86%
Joint Venture - Cholamandalam MS Risk Services Limited (CMSRSL)	49.50%	49.50%

Notes to Consolidated Financial Statements

Note 4 - Basis of Preparation

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31 March 2019 are the first the Company has prepared in accordance with Ind AS. Refer to notes for information on how the Company adopted Ind AS.

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

4.1 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

Note 5 - Significant accounting policies

5.1 Financial instruments – initial recognition

5.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, and borrowings are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Loans are recognised when fund transfers are initiated to the customers' account or cheques for disbursement have been prepared by the Group (as per the terms of the agreement with the borrowers). The Group recognises debt securities and borrowings when funds reach the Group.

5.1.2 Initial measurement of financial instruments

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

5.1.3 Measurement categories of financial assets and liabilities

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

- Amortised cost
- FVTPL
- FVTOCI

5.2 Financial assets and liabilities

5.2.1 Bank balances, Loans and Trade receivables at amortised cost

The Group measures *Bank balances, Loans* and Trade receivables at amortised cost if both of the following conditions are met:

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

Notes to Consolidated Financial Statements

The details of these conditions are outlined below.

5.2.2 Business model assessment

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

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

The expected frequency, value and timing of sales are also important aspects of the Group's assessment

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

5.2.3 The SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

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

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

5.2.4 Debt Instruments

Amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation and losses arising from impairment are recognised in the statement of profit and loss.

FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

5.2.5 Equity instruments at FVOCI

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

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

5.2.6 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on funds borrowed, and costs that are an integral part of the EIR.

5.2.7 Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the Expected Credit Loss (ECL) requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these commitments together with the corresponding ECLs are disclosed in notes.

5.2.8 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line or changes the business model for managing those assets except where such sales are insignificant considering the size of the operations or exceptional situation for liquidating the assets in accordance with the Asset Liability Management policy of the Group. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations which is evident to external parties. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The Group did not reclassify any of its financial assets or liabilities in 2018-19 and 2017-18.

5.3 Derecognition of financial assets and liabilities

5.3.1 Derecognition of financial assets other than due to substantial modification

5.3.1.1 Financial assets

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

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset (or) it retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Notes to Consolidated Financial Statements

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.

5.3.1.2 Financial liabilities

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

5.4 Impairment of financial assets

5.4.1 Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Group's policies for determining if there has been a significant increase in credit risk are set out below.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its financial instruments into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1:

When financial instruments are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2:

When a financial instrument 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 financial instrument has been reclassified from Stage 3.

Stage 3:

Financial instruments considered credit-impaired. The Group records an allowance for the LTECLs.

The calculation of ECLs

The Group calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The key elements of ECL are as follows:

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 financial instrument has not been previously derecognised and is still in the portfolio.

EAD:

The *Exposure at Default* is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

LGD:

The *Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value

The mechanics of the ECL method are summarised below:

Stage 1:

The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:

When a financial instrument 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 financial instruments considered credit-impaired, the Group recognises the lifetime expected credit

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losses. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitment:

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provision.

5.4.2 Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Unemployment rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments.

5.5 Collateral repossessed

In connection with recovery of outstanding dues from borrowers, the Group from time to time and in the normal course of business, resorts to regular repossession of collateral provided against vehicle loans and in certain cases, also exercises its right over property through legal procedures which include seizure of the property (wherever applicable). Such assets repossessed are not used for the internal operations. As per the Group's accounting policy, repossessed assets are not recorded in the balance sheet, and instead their estimated realisable value is considered in determining the ECL allowance for the related Stage 3 financial assets.

5.6 Write-offs

Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument in the consolidated statement of profit and loss.

5.7 Restructured, rescheduled and modified loans

The Group sometimes makes concessions or modifications to the original terms of loans such as changing the instalment value or changing the tenor of the loan, as a response to the borrower's request. The Group considers the modification of the loan only before the loans gets credit impaired.

When the loan has been renegotiated or modified but not derecognised, the Group also reassesses whether there has been a significant increase in credit risk. The Group also considers whether the assets should be classified as Stage 3. Once an asset has been classified as restructured, it will remain restructured for a period of year from the date on which it has been restructured.

5.8 Insurance Contracts

5.8.1 Determination of Insurance contract

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

5.8.2 Revenue Recognition

Gross premiums

(i) Premium (net of GST/service tax) is recognised as income on assumption of risk covered as per the terms of the policy, after adjusting for unexpired risk at each contract entered into with the customer. Any cancellations or changes in premium are accounted for in the period in which they occur.

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(ii) Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a daily pro rata basis.

The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

Reinsurance ceded and Commission received on reinsurance

(i) Reinsurance premium ceded is accounted in the year of commencement of risk in accordance with the treaty arrangements with the reinsurers. In case of re-insurance contracts of long term policies, cession is accounted for the proportionate period to which reinsurance cover is provided as per the treaty. Any related reinsurance cost is recognised when incurred and included in the premium on reinsurance ceded.

(ii) Unearned reinsurance premiums are those proportions of premiums ceded in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies.

(iii) Reinsurance premiums and claims have been presented as negative items within premiums and net benefits and claims, respectively, because this is consistent with how the business is managed.

(iv) Commission on reinsurance ceded (including for long term policies) is recognised as income on ceding of reinsurance premium In case of treaties having sliding scale commission, initial recognition would be as per treaty terms and the same is reviewed as at each reporting period. Profit commission under reinsurance treaties wherever applicable, is accrued based on the computation as per their treaty terms and the same is included in Commission on reinsurance ceded.

5.8.3 Benefits and claims

Gross benefits and claims

General insurance claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

Reinsurance claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Reinsurance Recovery:

Reinsurance Recovery is recognised for all insurance contract liabilities based on contractual agreements with the re-insurer.

5.8.4 Insurance Contract Acquisition costs

Long Term Policies: Direct costs relating to acquisition of new / renewal of insurance contracts are expensed over the policy period.

Other than Long Term Policies: Direct costs relating to acquisition of new / renewal of insurance contracts are expensed in the year in which they are incurred.

5.8.5 Insurance contract liabilities

Insurance contract liabilities include the outstanding claims provision, the provision for unearned premium and the provision for premium deficiency. The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and a reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims. Therefore, the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques based on directives/ regulations applicable to actuaries issued by Insurance Regulatory Development Authority (IRDA) time to time. The liability is not discounted for the time value of money as per IRDA regulations. The liabilities are derecognised when the obligation to pay a claim is discharged or is repudiated.

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognised when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

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At each reporting date, the Company reviews its unexpired risk and a liability adequacy test is performed in accordance with the requirements of Ind AS 104 to determine whether there is any overall excess of expected claims and expenses of Management including deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums (less related prepaid expenses) is inadequate, the deficiency is recognised in the statement of profit or loss by setting up a provision for premium deficiency.

The main assumption underlying claim projection techniques is that the past claims development experience can be used to project future claims development and hence ultimate claim costs. As such, these methods extrapolate the development of paid and incurred losses to calculate the expected ultimate claim cost.

5.8.6 Reinsurance ceded to reinsurance counterparties

The Company cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. The impairment loss is recorded in the statement of profit or loss.

Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders.

5.8.7 Insurance Receivables

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of profit or loss.

5.8.8 Insurance Payables

Insurance payables are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using EIR method.

5.8.9 Reinsurance-Off-setting

Reinsurance assets and income or expense from reinsurance contracts are not offset against related insurance liabilities and the expense or income from the related insurance contracts, respectively.

5.9 Hedge accounting

The Group makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

5.9.1 Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve).

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the profit and loss statement.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss

5.10 Recognition of interest income

The effective interest rate method

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

5.11 Taxes

5.11.1 Current Tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

5.11.2 Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- In respect of taxable temporary differences associated with investments in subsidiaries, and interest in joint venture where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5.11.3 Minimum Alternative Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

5.12 Investment in Property

Investment property represents property held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on building classified as investment property has been provided on the straight-line method over a period of 60 years based on the Group’s estimate of their useful lives taking into consideration technical factors, which is the same as the period prescribed in Sch II to the Companies Act 2013.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

5.13 Property, plant and equipment

Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated

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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 (see below). Land is not depreciated.

Asset description	Estimated Useful Life
Buildings	60 years
Computer Equipment	3 years
Leasehold improvements	Lease period or 5 years whichever is lower
Furniture and Fixtures	5 years
Vehicles	4-5 years
Other Equipment	2 to 5 years
Membership card of stock exchanges	10 years
Electrical Equipments	4 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

5.14 Intangible Assets

The Group's intangible assets mainly include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group. Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight line basis over a 3 year period or the license period whichever is lower. The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

5.15 Impairment of non–financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country

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or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

5.16 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Employees' State Insurance: The Group contributes to Employees State Insurance Scheme and recognizes such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

Superannuation: The Group contributes a sum equivalent to 15% of eligible employees' salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India ("LIC"). The Group has no liability for future Superannuation Fund benefits other than its contribution and recognizes such contributions as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

The Group makes contribution to a Gratuity Fund administered by trustees and managed by LIC. The Group accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year by an independent actuary using the Projected Unit Credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

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- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

5.17 Share Based Payments

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Group are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Group and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves/ stock options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled, in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

5.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Provision for Claw Back of Commission Income

The estimated liability for claw back of commission income is recorded in the period in which the underlying revenue is recognised. These estimates are established using historical information on the nature, frequency and expected average cost of claw back and management estimates regarding possible future incidence. The estimates used for accounting of claw back claims are reviewed periodically and revisions are made as required.

5.19 Dividends on ordinary shares

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013 in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

5.20 Determination of Fair value

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

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

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

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments –** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments –** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.
- **Level 3 financial instruments –** Those that include one or more unobservable input that is significant to the measurement as whole.

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

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

5.21 Recognition of Income

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

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

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

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

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

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

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

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Also refer 5.8.2 for revenue recognition on insurance contracts and 5.10 for recognition of interest income.

5.21.1 Interest on overdue balances and Other Charges

Overdue interest in respect of loans is recognised upon realisation.

5.21.2 Service Income

a) Fee income from loans are recognised upon satisfaction of following:

   i) Completion of service and

   ii) Certainty over realisation of the fee income.

b) Servicing and collections fees on assignment are recognised upon completion of service.

c) Advertising income is recognised over the contract period as and when related services are rendered.

d) Revenue from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed). These include brokerage fees which is charged per transaction executed. Insurance contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods based on completion of such service.

5.21.3 Dividend Income

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

5.22 Input Tax credit (Service Tax/ Goods and Service Tax)

Input Tax Credit is accounted for in the books in the period when the underlying service / supply received is accounted, and when there is no uncertainty in availing / utilising the same. In certain circumstances, the Group can avail 50% of the input credit as per the applicable regulatory requirement hence it expenses off the balance 50% to the respective expense.

5.23 Foreign Currency transactions

The Group's financial statements are presented in Indian Rupees (INR) which is also the Group's functional currency.

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Income and expenses in foreign currencies are initially recorded by the Group at the exchange rates prevailing on the date of the transaction.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

5.24 Earnings Per Share

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

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

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period is adjusted for the effects of all dilutive potential equity shares.

5.25 Segment Information

The accounting policies adopted for Segment reporting are in line with the accounting policies of the Group with the following additional policies:

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the Segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

Assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Assets and liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Un-allocable".

5.26 Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

5.27 Cash Flow Statement

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

For the purpose of the Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts as they are considered an integral part of cash management of the Group.

5.28 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. tLeases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

5.29 Trade receivable

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

5.30 Terorrism and Nuclear Pool

Premium received from customers on account of Terrorism cover and towards Nuclear policies has been ceded to General Insurance Corporation of India (GIC) Terrorism Pool and Nuclear Pool Account. The Company's share in the Terrorism Pool Account and Nuclear Pool Account with GIC, based on the statements of account received during the current year for the period upto December 31, 2018 and September 30, 2018 respectively.

The resultant surplus/ deficit is reflected as RI Receivable/ Payable on Terrorism and Nuclear Pool. The Company's share in the Terrorism Pool Account with GIC for the period January 1, 2019 to March 31, 2019 will be accounted on receipt of the relevant statements of account from GIC. The Company's share in the Nuclear Pool Account with GIC for the period October 1, 2018 to March 31, 2019 will be accounted on receipt of the relevant statements of account from GIC.

5A. Significant accounting judgements, estimates and assumptions

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

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

i. De-recognition of Financial instruments

The Group enters into securitisation transactions where financial assets are transferred to a structured entity for a consideration. The financial assets transferred qualify for derecognition only when substantial risk and rewards are transferred.

This assessment includes judgements reflecting all relevant evidence including the past performance of the assets transferred and credit risk that the Group has been exposed to. Based on this assessment, the Group believes that the credit enhancement provided pursuant to the transfer of financial assets under securitisation are higher than the loss incurred on the similar portfolios of the Group hence it has been concluded that securitisation transactions entered by the Group does not qualify de-recognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

ii. Fair value of financial instruments

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

iii. Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting estimates include:

- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of temporary adjustments as qualitative adjustment or overlays based on broad range of forward looking information as economic inputs

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

iv. Provisions and other contingent liabilities

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be possible or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

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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.

v. Evaluation of De-facto Control in the case of control over Cholamandalam Investment and Finance Company Limited ("CIFCL")

The Group based on the nature and extent of holding in CIFCL, has evaluated the applicability of de-facto control over CIFCL as per the guidelines of Ind AS 110. In accordance with such guidelines, the control assessment is done in the context of the dispersion of the holdings of the other shareholders who have the right to vote, past experience/trends of voting pattern and the current ability of the group to direct the relevant activities unilaterally.

Accordingly, CIFCL has been identified as a subsidiary based on the defacto control that the group is able to exercise.

vi. Insurance Contract Liabilities

For Insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date Incurred But Not Recorded (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the statement of financial position.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder.

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Similar judgements, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgement is also required in determining whether the pattern of insurance service provided by a contract requires amortisation of unearned premium on a basis other than time apportionment.

5B. Standards Issued but not Effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's Financial Statements as applicable to the Group are given below:

Ind AS 116 – Leases

Ind AS 116 Leases was notified in March 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group is currently evaluating the available transition methods and its contractual arrangements. The Group has established an implementation team to implement Ind AS 116 related to the recognition of ROU asset and lease liability and it continues to evaluate

Notes to Consolidated Financial Statements

the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

Ind AS 12 – Uncertain Tax Positions

Appendix C in Ind AS 12 is effective from 1st April 2019 and sets out the principles on recognition and measurement when there is uncertainty over income tax treatments. An entity shall evaluate whether it is probable that the tax authority shall accept an uncertain tax treatment. If it is probable, the tax base shall be consistent with that of the items used in its income tax filings. If not probable, the Group shall reflect the effect of uncertainty by using either the most likely amount method or expected value method. If the uncertain tax treatment affects current and deferred tax, the entity shall make consistent judgement and estimates for current and deferred tax.

The interpretation is effective for annual reporting periods beginning on or after 1st April 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. The Group is in the process of evaluating the changes and reliable estimate of the quantitative impact will be possible on completion of the study.

Ind AS 19 – Employee Benefits

Ind AS 19 has been amended to factor the impact relating to benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement in determining the past service cost, current service cost and net interest cost or income. The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1st April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

Notes to Consolidated Financial Statements

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

Note 6A - Cash And Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	50.07	25.41	36.38
Balances with banks			
- In Current Accounts	401.45	259.05	239.49
- In Deposit Accounts - Original maturity 3 months or less	2,742.62	159.82	1.45
Cheques, drafts on hand	85.02	32.15	39.20
On other bank balances			
- On client and exchange related accounts	2.77	9.90	11.59
Total	**3,281.93**	**486.33**	**328.11**
Cash and cash equivalents	3,281.93	486.33	328.11
Less: Other bank balances	2.77	9.90	11.59
Cash and cash equivalents for cashflow statement	**3,279.16**	**476.43**	**316.52**

Note 6B - Bank Balances Other Than Cash And Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
- In Deposit Accounts - Original maturity more than 3 months	131.78	112.33	410.10
- Non current bank balances	8.19	8.11	-
- In earmarked accounts			
- In Unpaid Dividend Accounts	2.94	2.70	2.93
- Deposits with Banks under lien	520.55	599.31	674.38
- Other deposit Account on amalgamation of Cholamandalam Factoring Limited	0.08	0.08	0.08
Total	**663.54**	**722.53**	**1,087.49**

Note 7 - Derivative financial instruments

Part I	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Notional amounts	Fair Value -Assets	Fair Value -Liabilities	Notional amounts	Fair Value -Assets	Fair Value -Liabilities	Notional amounts	Fair Value -Assets	Fair Value -Liabilities
(i) Derivatives - Cross Currency Interest Rate Swap	2,261.50	88.69	8.41	3,015.00	5.99	76.55	2,374.00	-	101.03
Total Derivative financial Instruments	**2,261.50**	**88.69**	**8.41**	**3,015.00**	**5.99**	**76.55**	**2,374.00**	**-**	**101.03**
Part II									
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
Cash flow hedging:									
Cross currency interest rate swap	2,261.50	88.69	8.41	3,015.00	5.99	76.55	2,374.00	-	101.03
Total Derivative financial Instruments	**2,261.50**	**88.69**	**8.41**	**3,015.00**	**5.99**	**76.55**	**2,374.00**	**-**	**101.03**

The Group has a Board approved policy for entering into derivative transactions. Derivative transaction comprises of Currency and Interest Rate Swaps. The Group undertakes such transactions for hedging borrowings. The Asset Liability Management Committee and Business Committee of the respective companies periodically monitors and reviews the risks involved.

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

Note 8 - Receivables (Unsecured)

Particulars	As at March 31,2019	As at March 31,2018	As at April 1,2017
(i)Trade Receivables			
Considered Good	41.28	68.85	38.71
Doubtful	-	-	-
Subtotal (i)	**41.28**	**68.85**	**38.71**
(ii)Other Receivables			
Considered Good	39.08	55.77	45.04
Doubtful	-	-	-
Subtotal (ii)	**39.08**	**55.77**	**45.04**
Total (i)+(ii)	**80.36**	**124.62**	**83.75**

Note 9 - Insurance Contract Assets

Particulars	As at March 31,2019	As at March 31,2018	As at April 1,2017
Due from Insurers	18.16	34.01	46.91
Terrorism Pool Receivables	130.15	115.32	100.72
Less: Provision for Impairment	(0.55)	-	-
Terrorism Pool Receivables (Net of Provision)	129.60	115.32	100.72
Nuclear Pool Receivables	3.04	2.04	0.99
Premium Receivable			
- Considered Good	242.10	352.62	126.81
- Assets in which significant increase in credit risk	55.87	55.87	55.87
Less: Provision for Impairment	(4.61)	(4.61)	(4.61)
- Assets in which significant Increase in Credit risk (Net of Provisions)	51.26	51.26	51.26
- Credit impaired assets	-	-	-
Less: Provision for Impairment	-	-	-
- Credit Impaired Assets (Net of Provisions)	-	-	-
Total	**444.16**	**555.25**	**326.69**

Movement in Provision for Impairment

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
At the beginning of the year	4.61	4.61
Movement in Expected credit loss allowances on receivables	0.55	-
At the end of the year	5.16	4.61

Notes to Consolidated Financial Statements

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

Note 10 - Insurance Contract Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Claims Outstanding (Refer (i) below)	5,269.94	4,277.93	3,073.86
Provision for premium deficiency (Refer (ii) below)	23.60	271.42	301.30
Unclaimed Amount of policy Holders (Refer (iii) below)	4.88	7.98	15.68
Agent's balances (Refer (iv) below)	18.58	11.99	7.79
Total	**5,317.00**	**4,569.32**	**3,398.63**

(i) Movement in Claims Outstanding

Particulars	As at March 31, 2019	As at March 31, 2018
At the Beginning of the year	**4,277.93**	**3,073.86**
Claims incurred in the current accident year	2,733.83	2,649.26
Adjustment to claims in prior accident years	420.28	258.67
Less: Claims paid during the year	2,162.10	1,703.86
At the End of the year	**5,269.94**	**4,277.93**

(ii) Movement in Provision for Premium deficiency

Particulars	As at March 31, 2019	As at March 31, 2018
At the Beginning of the year	271.42	301.30
Recognised during the year	247.82	29.88
At the End of the year	23.60	271.42

(iii) Movement in Unclaimed Amount of policy Holders

Particulars	As at March 31, 2019	As at March 31, 2018
At the Beginning of the year	**7.98**	**15.68**
Adjustments during the year	(3.10)	(7.70)
At the End of the year	**4.88**	**7.98**

(iv) Movement in Agent's balances

Particulars	As at March 31, 2019	As at March 31, 2018
At the Beginning of the year	**11.99**	**7.79**
Adjustments during the year	6.59	4.20
At the End of the year	**18.58**	**11.99**

Notes to Consolidated Financial Statements

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

Note 10A Reinsurance Asset	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Recoverable arising from Claims Outstanding (Refer (i) below)	957.68	955.53	492.51
Recoverable arising from Provision for premium deficiency (Refer (ii) below)	18.24	271.42	301.30
Recoverable arising from Provision for unearned premiums (Refer (iii) below)	402.99	315.77	219.70
Total	**1,378.91**	**1,542.72**	**1,013.51**

(i) Movement in recoverable arising from Claims outstanding

Particulars	As at March 31, 2019	As at March 31, 2018
At the Beginning of the year	**955.53**	**492.51**
Claims incurred during the current accident year	629.49	743.16
Adjustment to claims in prior accident years	189.14	116.43
Claims paid during the year	(816.48)	(396.57)
At the End of the year	**957.68**	**955.53**

(ii) Movement in recoverable arising from provision for premium deficiency

Particulars	As at March 31, 2019	As at March 31, 2018
At the Beginning of the year	271.42	301.30
Premium Recognised during the year	(253.18)	(29.88)
At the End of the year	**18.24**	**271.42**

(iii) Movement in recoverable arising from provision for unearned premiums

Particulars	As at March 31, 2019	As at March 31, 2018
At the Beginning of the year	315.77	219.70
Premiums written in the year	1,094.58	920.99
Premium Recognised during the year	(1007.36)	(824.92)
At the End of the year	**402.99**	**315.77**

Notes to Consolidated Financial Statements

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

Note 11 - Loans

(At amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Bills Discounted	88.41	135.09	147.17
(ii) Term loans	53,453.07	42,971.46	33,892.98
Total (A) Gross	**53,541.48**	**43,106.55**	**34,040.15**
Less: Impairment Allowance for (i) & (ii)	(930.71)	(862.59)	(825.76)
Total (A) Net	**52,610.77**	**42,243.96**	**33,214.39**
(B) (i) Secured by tangible assets	**53,031.06**	**42,601.73**	**33,736.22**
(ii) Unsecured	**510.42**	**504.82**	**303.93**
Total (B) - Gross	**53,541.48**	**43,106.55**	**34,040.15**
Less: Impairment Allowance	**(930.71)**	**(862.59)**	**(825.76)**
Total (B) - Net	**52,610.77**	**42,243.96**	**33,214.39**

All loans are in India granted to individuals or entities other than public sector.

Secured means exposures secured wholly or partly by hypothecation of automobile assets and / or pledge of securities and / or equitable mortgage of property and / or corporate guarantees or personal guarantees and / or undertaking to create a security.

Term loans includes unsecured short term loan to an associate. The same has been classified under Stage 1 Category as at March 31, 2019 and related impairment provision, if any, as per the Group's accounting policy has been created. The details of the same are disclosed below:

Particulars	As at March 31, 2019
Loan - Outstanding Value	
White Data System India Private Limited - Associate	3.40
Impairment Provision	
White Data System India Private Limited - Associate	-

Note 11.1 Loans

An analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans

Particulars	Gross Carrying amount				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Bill discounted								
Opening as on April 1, 2018	103.16	8.50	23.43	135.09	0.28	0.62	12.70	13.60
New assets originated / Increase in existing assets (Net)	53.49	0.39	8.92	62.80	0.14	0.03	5.96	6.13
Exposure de-recognised / matured / repaid	(100.24)	(7.80)	(0.67)	(108.71)	(0.25)	(0.57)	(0.41)	(1.23)
Transfer to Stage 3	(2.96)	(0.69)	3.65	-	(0.01)	(0.05)	0.06	-
Impact on account of exposures transferred during the year between stages	-	-	-	-	-	-	3.29	3.29
Impact of changes on items within the same stage	0.03	-	(0.80)	(0.77)	-	-	9.97	9.97
Closing as on March 31, 2019	**53.48**	**0.40**	**34.53**	**88.41**	**0.16**	**0.03**	**31.57**	**31.76**

Notes to Consolidated Financial Statements

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

Particulars	Gross Carrying amount				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Term loans								
Opening as on April 1, 2018	39,568.38	1,941.88	1,461.20	42,971.46	198.10	206.93	443.96	848.99
New assets originated / Increase in existing assets (Net)	27,361.24	289.58	53.32	27,704.14	88.82	28.48	18.67	135.97
Exposure de-recognised / matured / repaid	(15,268.40)	(1,131.91)	(558.53)	(16,958.84)	(18.41)	(39.55)	(60.74)	(118.70)
Transfer to Stage 1	564.48	(498.71)	(65.77)	-	62.06	(46.42)	(15.64)	-
Transfer to Stage 2	(1,715.30)	1,782.74	(67.44)	-	22.98	(8.50)	(14.48)	-
Transfer to Stage 3	(449.07)	(256.31)	705.38	-	(2.50)	(24.81)	27.31	-
Impact on account of exposures transferred during the year between stages	0.03	2.00	18.25	20.28	(60.68)	105.96	149.19	194.47
Impact of changes on items within the same stage	-	-	41.44	41.44	(36.67)	(14.57)	28.85	(22.39)
Write off	(90.24)	(58.25)	(176.92)	(325.41)	(7.29)	(19.20)	(112.89)	(139.38)
Closing as on March 31, 2019	**49,971.12**	**2,071.02**	**1,410.93**	**53,453.07**	**246.41**	**188.32**	**464.23**	**898.96**
Bills Discounted								
Opening as on April 1, 2017	130.98	2.97	13.22	147.17	0.31	0.27	2.27	2.85
New assets originated / Increase in existing assets (Net)	103.16	8.50	2.73	114.39	0.26	0.62	0.54	1.42
Exposure de-recognised / matured / repaid	(125.60)	(0.64)	(0.23)	(126.47)	(0.29)	(0.06)	-	(0.35)
Transfer to Stage 3	(5.38)	(2.33)	7.71	-	-	(0.21)	0.21	-
Impact on account of exposures transferred during the year between stages (net)	-	-	-	-	-	-	9.68	9.68
Impact of changes on items within the same stage	-	-	-	-	-	-		-
Closing as on March 31, 2018	**103.16**	**8.50**	**23.43**	**135.09**	**0.28**	**0.62**	**12.70**	**13.60**
Term Loans								
Opening as on April 1, 2017	29,711.09	2,397.16	1,784.73	33,892.98	110.98	195.98	515.95	822.91
New assets originated / Increase in existing assets (Net)	22,409.92	268.63	56.98	22,735.53	88.19	28.92	16.41	133.52
Exposure de-recognised / matured / repaid	(11,590.59)	(1,134.08)	(601.47)	(13,326.14)	(12.79)	(36.03)	(65.20)	(114.02)
Transfer to Stage 1	993.50	(830.39)	(163.11)	-	101.33	(65.27)	(36.06)	-
Transfer to Stage 2	(1,473.24)	1,599.90	(126.66)	-	(5.91)	33.66	(27.75)	-
Transfer to Stage 3	(408.40)	(294.56)	702.96	-	26.20	(1.81)	(24.39)	-
Impact on account of exposures transferred during the year between stages (net)	0.71	2.62	20.13	23.46	(98.41)	77.62	146.02	125.23
Impact of changes on items within the same stage	-	-	37.12	37.12	(4.44)	(9.68)	66.91	52.79
Write off	(74.61)	(67.40)	(249.48)	(391.49)	(7.05)	(16.46)	(147.93)	(171.44)
Closing as on March 31, 2018	**39,568.38**	**1,941.88**	**1,461.20**	**42,971.46**	**198.10**	**206.93**	**443.96**	**848.99**

ECL across stages have been computed on collective basis.

Notes to Consolidated Financial Statements

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

Note 12 A - Investments in Associate & Joint Venture

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investment in Equity Instruments			
a) Associate	25.19	-	-
b) Joint Venture	10.37	8.90	7.83
Total (A)	**35.56**	**8.90**	**7.83**

Note 12 B - Other Investments

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) Debt Securities - At amortised cost	4,061.80	4,025.65	2,237.08
b) Debt Securities - FVTPL	3,230.26	1,765.39	2,133.10
c) Equity Instruments - FVTPL	149.46	140.59	144.72
d) Equity Instruments - FVOCI	19.16	26.34	27.11
e) Mutual funds - FVTPL	72.92	244.28	28.25
Total Other Investments (Gross)	**7,533.60**	**6,202.25**	**4,570.26**
Less: Impairment allowance	(16.89)	(0.55)	(0.24)
Total Other Investments (Net)	**7,516.71**	**6,201.70**	**4,570.02**

All Investments represented above are made in India

The Group has designated certain unquoted investments at FVOCI on the basis that these are not held for trading.

An analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to Investment at Amortised Cost

Particulars	Gross Carrying amount				Impairment allowance			Total
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	
Opening as on April 1, 2018	3,917.33	108.32	-	4,025.65	0.51	0.04	-	0.55
New assets originated	427.24	-	-	427.24	2.00	(0.01)	-	1.99
Exposure de-recognised or matured	(369.09)	-	-	(369.09)	(0.15)	-	-	(0.15)
Transfer to Stage 1	-	-	-	-	-	-		-
Transfer to Stage 2	(107.02)	107.02	-	-	(0.21)	0.21		-
Transfer to Stage 3	(166.91)	-	166.91	-			14.50	14.50
Investments Written off	-	-	(22.00)	(22.00)				-
Closing as on March 31, 2019	**3,701.55**	**215.34**	**144.91**	**4,061.80**	**2.15**	**0.24**	**14.50**	**16.89**
Opening as on April 1, 2017	2,159.17	77.91	-	2,237.08	0.24	-	-	0.24
New assets originated	2,013.07	-	-	2,013.07	0.27	-		0.27
Exposure de-recognised or matured	(190.38)	(34.12)	-	(224.50)	-	-	-	-
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	(64.53)	64.53	-	-	-	0.04	-	0.04
Transfer to Stage 3	-	-	-	-	-	-	-	-
Closing as on March 31, 2018	**3,917.33**	**108.32**	**-**	**4,025.65**	**0.51**	**0.04**	**-**	**0.55**

Notes to Consolidated Financial Statements

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

Note 13 - Other Financial Asset (at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unsecured - considered good (unless otherwise stated)			
Security Deposits	40.45	41.93	30.48
Other Deposits	-	0.40	0.01
Interest Only Strip receivable	90.62	41.07	97.35
Accrued Income Debt securities of FVTPL	85.33	51.88	68.73
Other Advances	46.39	40.36	66.07
	262.79	**175.64**	**262.64**

Note 14 - Deferred Tax

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Deferred Tax Assets			
Impairment on financial instrument	335.02	289.51	281.06
Unexpired Premium Reserve (UPR) difference	149.59	74.09	68.28
Provision for Contingencies and undrawn commitments	15.66	13.89	13.02
Provision for Claw back	0.05	-	0.02
Provision for Compensated Absences and Gratuity	17.16	13.24	12.46
Impact of Effective interest rate adjustment on Financial Assets	97.61	62.07	55.88
Contract liabilities as per IND AS 115	9.95	9.95	-
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	6.82	7.86	4.80
Carry forward of tax losses	2.99	-	-
MAT credit entitlement	3.27	3.63	2.36
Others	4.03	2.94	2.43
(A)	**642.15**	**477.18**	**440.31**
Deferred Tax Liability			
Impact of Effective interest rate adjustment on Financial Liabilities	8.56	11.84	15.16
Fair value changes relating to Debt instruments-FVTPL	13.71	1.03	20.77
Fair value changes relating to Equity-FVTPL	5.04	4.91	7.04
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	-	1.67	2.53
Gain on de-recognition of loans	-	14.04	33.70
Other Comprehensive income	6.55	4.57	0.53
Others	0.22	0.37	-
(B)	**34.08**	**38.43**	**79.73**
Net Deferred Tax Assets (A) - (B)	**608.07**	**438.75**	**360.58**

Notes to Consolidated Financial Statements

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Income Statement	OCI	Income Statement	OCI
Deferred Tax Assets				
Impairment on financial instrument	45.51	-	8.45	-
Unexpired Premium Reserve (UPR) difference	75.50	-	5.81	-
Provision for Contingencies and undrawn commitments	1.77	-	0.87	-
Provision for Claw back	0.05	-	(0.02)	-
Provision for Compensated Absences and Gratuity	3.92	-	0.78	-
Impact of Effective interest rate adjustment on Financial Assets	35.54	-	6.19	-
Contract Liability as per IND AS 115	-	-	9.95	-
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	(1.04)	-	3.06	-
Re-measurement gains / (losses) on defined benefit plans (Net)	-	0.09	-	0.14
Carry forward of tax losses	2.99	-	-	-
Others	0.24	-	0.59	-
(A)	**164.48**	**0.09**	**35.68**	**0.14**
Deferred Tax Liability				
Impact of Effective interest rate adjustment on Financial Liabilities	(3.28)	-	(3.32)	-
Fair value changes relating to Debt instruments-FVTPL	12.68	-	(19.74)	-
Fair value changes relating to Equity-FVTPL	0.13	-	(2.13)	-
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	(1.67)	-	(0.86)	-
Gain on de-recognition of loans	(14.04)	-	(19.66)	-
Others	(0.15)	-	0.37	-
Cashflow Hedge Reserve	-	4.36	-	3.84
(B)	**(6.33)**	**4.36**	**(45.34)**	**3.84**
Net Deferred Tax Assets (A) - (B)	**170.81**	**(4.27)**	**81.02**	**(3.70)**

Note 15 - Investment Properties

Particulars	Total
Deemed cost as at April 01, 2017	**28.88**
Additions	**-**
Disposals	**-**
Gross carrying amount as at March 31, 2018	**28.88**
Additions*	**0.41**
Disposals	**-**
Gross carrying amount as at March 31, 2019	**29.29**
Accumulated depreciation and impairment	
Balance as at April 01, 2017	**-**
Depreciation for the year	**-**
Depreciation on disposals	**-**
Balance as at March 31, 2018	**-**

Notes to Consolidated Financial Statements

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

Particulars	Total
Depreciation for the year	-
Depreciation on disposals	-
Balance as at March 31, 2019	-
Net Carrying amount	
As at April 01, 2017	**28.88**
As at March 31, 2018	**28.88**
As at March 31, 2019	**29.29**
Useful Life of the asset (In Years)	60.00
Method of depreciation	Straight line method

Note: The Group has elected to continue with the carrying value for all of its property as recognised in the financial statements as at the date of transition to Ind AS i.e. April 1, 2017, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The carrying value as at April 1, 2017 amounting to ₹ 28.88 crores of Investment Property represents gross cost of ₹ 28.95 crores net of accumulated depreciation of ₹ 0.07 crores as at March 31, 2017.

*Additions represents transfer from Property plant and Equipment

The Group's investment property consists of 4 properties as at March 31, 2019 of which 1 property is a vacant site. The Group has let one property out of other 3 properties as of March 31, 2019.

i) Income earned and expense incurred in connection with Investment Property Particulars	Year ended March 31,2019	Year ended March 31,2018
Rental Income	0.29	0.30
Direct Operating expense for property that generated rental income	0.01	0.02
Direct Operating expense for 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	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Investment Property	29.55	29.47	31.54

v) Sensitivity analysis

Valuation technique	Significant unobservable inputs	Sensitivity of the input fair value	Fair value	Sensitivity
Professional valuer	Price per Sq. feet	5% sensitivity 2018-19 Rate per Sq. ft- 5%	3.87	15
Professional valuer	Price per Sq. feet	5% sensitivity 2017-18 Rate per Sq. ft- 5%	3.79	15
Professional valuer	Price per Sq. feet	5% sensitivity 2016-17 Rate per Sq. ft- 5%	3.71	15

Notes to Consolidated Financial Statements

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

Note 16 - Property, Plant and Equipment

Particulars	Freehold Land	Buildings (Refer Note below) *	Computer Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicles	Total Tangible asset
Deemed cost as at April 1, 2017	**45.36**	**59.10**	**31.73**	**10.41**	**6.60**	**15.90**	**9.50**	**178.60**
Additions	-	0.11	23.41	8.62	8.18	18.96	7.25	66.53
Disposals	-	-	4.13	0.31	0.22	0.42	4.36	9.44
Gross carrying amount as at March 31, 2018	**45.36**	**59.21**	**51.01**	**18.72**	**14.56**	**34.44**	**12.39**	**235.69**
Additions	-	-	23.17	6.87	5.32	10.76	7.31	53.43
Disposals	-	0.42	1.54	1.05	0.76	1.51	4.58	9.86
Gross carrying amount as at March 31, 2019	**45.36**	**58.79**	**72.64**	**24.54**	**19.12**	**43.69**	**15.12**	**279.26**
Accumulated depreciation / amortisation and impairment								
Balance as at April 1, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	-	1.08	20.97	5.91	7.09	9.40	3.40	47.85
Depreciation on disposals	-	-	2.47	0.22	0.19	0.38	2.94	6.20
Balance as at March 31, 2018	**-**	**1.08**	**18.50**	**5.69**	**6.90**	**9.02**	**0.46**	**41.65**
Depreciation for the year	-	1.18	22.14	5.65	5.18	9.28	4.14	47.57
Depreciation on disposals	-	-	0.80	0.85	0.68	1.37	3.25	6.95
Balance as at March 31, 2019	**-**	**2.26**	**39.84**	**10.49**	**11.40**	**16.93**	**1.35**	**82.27**
Net Carrying amount								
As at April 1, 2017	**45.36**	**59.10**	**31.73**	**10.41**	**6.60**	**15.90**	**9.50**	**178.60**
As at March 31, 2018	**45.36**	**58.13**	**32.51**	**13.03**	**7.66**	**25.42**	**11.93**	**194.04**
As at March 31, 2019	**45.36**	**56.53**	**32.80**	**14.05**	**7.72**	**26.76**	**13.77**	**196.99**
Useful Life of the asset (In Years)		60	3	5	5	5	5	
Method of depreciation		Straightline method						

Note :

The Group has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS i.e. April 1, 2017, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The carrying value as at April 1, 2017 is ₹ 178.60 Crores of Property, plant and equipment .

Details of Immovable properties of land and buildings whose title deeds have been pledged in favour of Trustees for the benefit of debenture holders as security has been explained in Note 19.1.

* Disposal represents transfer to Investment property.

Notes to Consolidated Financial Statements

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

Note 17 - Intangible Assets

Particulars	Computer Software
Deemed cost as at April 01, 2017	**33.26**
Additions	27.70
Disposals	0.08
Gross carrying amount as at March 31, 2018	**60.88**
Additions	30.03
Disposals	1.11
Gross carrying amount as at March 31, 2019	**89.80**
Accumulated Amortization and impairment	
Balance as at April 01, 2017	**-**
Amortization for the year	22.52
Amortization on disposals	-
Balance as at March 31, 2018	**22.52**
Amortization for the year	30.34
Amortization on disposals	-
Balance as at March 31, 2019	**52.86**
Net Carrying amount	
As at April 01, 2017	**33.26**
As at March 31, 2018	**38.36**
As at March 31, 2019	**36.94**
Useful Life of the asset (In Years)	3
Method of depreciation	Straight line method

The Group has elected to continue with the carrying value for all of its intangible assets as recognised in the financial statements as at the date of transition to Ind AS i.e. April 1, 2017, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The carrying value as at April 1, 2017 is ₹ 33.26 Crores of intangible assets.

Note 18 - Other Non Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Unsecured - considered good (unless otherwise stated)			
Prepaid expenses	244.48	202.87	82.04
Capital Advances	3.85	2.63	5.35
Deposits with others	-	0.29	0.16
Balance with Government authorities	-	0.48	0.23
Other assets	150.56	150.23	145.92
	398.89	**356.50**	**233.70**

Notes to Consolidated Financial Statements

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

Note 19 - Debt Securities (at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Redeemable Non-Convertible Debentures			
Medium-Term - Secured	10,321.96	11,840.38	10,812.39
Commercial Papers - Unsecured	3,639.86	2,300.16	2,567.03
	13,961.82	**14,140.54**	**13,379.42**

All debt securities in India

19.1 Security

(i) Redeemable Non-Convertible Debentures - Medium-term is secured by way of specific charge on assets under hypothecation relating to Vehicle Finance, Home Equity, Bills discounted and other loans and pari passu charge on immovable property situated at Ahmedabad and Chennai.

(ii) The Group has not defaulted in the repayment of dues to its lenders.

(iii) Details of repayment such as date of repayment, interest rate and amount to be paid have been disclosed in Note 19.2 based on Contractual term basis.

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, 2019	March 31, 2018		
250	10,00,000	25.00	25.00	Nov-26	8.55
1,500	10,00,000	150.00	-	Apr-24	8.65
3,523	10,00,000	352.30	-	Sep-23	8.80
1,400	10,00,000	140.00	140.00	Nov-22	8.00
3,523	10,00,000	352.30	-	Sep-22	8.70
1,050	10,00,000	105.00	5.00	Mar-22	8.35 to 9.06
3,523	10,00,000	352.30	-	Sep-21	8.45
2,550	10,00,000	255.00	-	Jul-21	8.97 to 9.06
1,900	10,00,000	190.00	190.00	Jun-21	8.52
4,770	10,00,000	477.00	477.00	Apr-21	8.09
600	10,00,000	60.00	-	Feb-21	9.09
4,650	10,00,000	465.00	195.00	Dec-20	8.00 to 9.15
1,750	10,00,000	175.00	175.00	Oct-20	7.75
2,200	10,00,000	220.00	150.00	Jun-20	8.10 to 9.10
4,800	10,00,000	480.00	80.00	May-20	8.12 to 8.90
750	10,00,000	75.00	75.00	Apr-20	8.10 to 9.02
500	10,00,000	50.00	50.00	Mar-20	9.02
9,850	10,00,000	985.00	400.00	Feb-20	8.02 to 8.85
5,500	10,00,000	550.00	550.00	Dec-19	7.97
2,750	10,00,000	275.00	275.00	Nov-19	8.10 to 9.10
5,750	10,00,000	575.00	575.00	Oct-19	8.05 to 8.20
5,850	10,00,000	585.00	835.00	Sep-19	8.06 to 8.46

Notes to Consolidated Financial Statements

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

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Rate of interest %
		March 31, 2019	March 31, 2018		
2,250	10,00,000	225.00	225.00	Aug-19	7.50 to 9.90
7,300	10,00,000	730.00	730.00	Jul-19	7.80 to 9.90
2,750	10,00,000	275.00	275.00	Jun-19	9.13 to 9.90
6,750	10,00,000	675.00	675.00	May-19	8.03 to 9.20
1,100	10,00,000	110.00	100.00	Apr-19	8.00 to 9.20
8,800	10,00,000	-	880.00	Mar-19	7.65 to 9.20
5,200	10,00,000	-	520.00	Feb-19	7.96 to 8.05
2,000	10,00,000	-	200.00	Dec-18	8.20
2,350	10,00,000	-	235.00	Nov-18	7.80 to 10.35
6,400	10,00,000	-	640.00	Sep-18	8.27 to 11.00
500	10,00,000	-	50.00	Aug-18	9.03
5,450	10,00,000	-	545.00	Jun-18	8.95 to 9.13
11,430	10,00,000	-	1,143.00	May-18	8.96 to 10.13
400	10,00,000	-	40.00	Apr-18	9.94 to 9.95
		8,908.90	**10,455.00**		

(ii) Secured Redeemable Non-Convertible Debentures - Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Redemption price ₹	Premium ₹
		March 31, 2019	March 31, 2018			
1100	10,00,000	110.00	-	May-21	12,94,211	2,94,211
1000	10,00,000	100.00	100.00	Mar-21	12,76,583	2,76,583
2050	10,00,000	205.00	205.00	May-20	12,63,916	2,63,916
190	10,00,000	19.00	19.00	Apr-20	12,56,100	2,56,100
500	10,00,000	50.00	50.00	Apr-20	13,54,976	3,54,976
800	10,00,000	80.00	80.00	Apr-20	12,74,682	2,74,682
750	10,00,000	75.00	75.00	Sep-19	12,66,148	2,66,148
80	10,00,000	8.00	8.00	Jul-19	12,98,729	2,98,729
500	10,00,000	50.00	50.00	Jul-19	13,63,101	3,63,101
80	10,00,000	8.00	8.00	Apr-19	13,08,150	3,08,150
250	10,00,000	25.00	25.00	Apr-19	13,13,730	3,13,730
250	10,00,000	-	25.00	Mar-19	16,23,240	6,23,240
100	10,00,000	-	10.00	Mar-19	16,19,345	6,19,345
160	10,00,000	-	16.00	Feb-19	16,35,566	6,35,566
580	10,00,000	-	58.00	Nov-18	13,57,496	3,57,496
100	10,00,000	-	10.00	Jul-18	13,02,320	3,02,320
150	10,00,000	-	15.00	Jul-18	12,59,970	2,59,970
100	10,00,000	-	10.00	May-18	15,80,260	5,80,260
250	10,00,000	-	25.00	Apr-18	13,01,077	3,01,077
60	10,00,000	-	6.00	Apr-18	12,95,193	2,95,193
		730.00	**795.00**			

Notes to Consolidated Financial Statements

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

(iii) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Put option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Put option date	Rate of interest %
		March 31, 2019	March 31, 2018			
15	10,00,000	2.00	-	Mar-21	Feb-20	8.85
10	10,00,000	1.00	-	Aug-23	Jul-21	9.06
500	10,00,000	-	50.00	Mar-19	Feb-18	8.90
2500	10,00,000	-	250.00	Sep-19	Sep-18	8.20
		3.00	**300.00**			

(iv) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Call option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Call option date	Rate of interest %
		March 31, 2019	March 31, 2018			
3,250	10,00,000	325.00	325.00	Aug-19	Aug-18	7.85
		325.00	**325.00**			

Note 20 - Borrowings (Other than Debt Securities) at amortised cost

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
a) Term Loans			
i) a) From Banks - Secured			
Rupee Loans	21,625.92	9,444.28	5,404.14
Foreign Currency Loans	2,004.67	2,968.30	2,303.46
External Commercial Borrowings	346.29	-	-
i) b) From Banks - Unsecured			
Rupee Loans	500.00	420.00	-
ii) From Other Parties - Secured			
Financial Institutions - Rupee Loans	934.81	750.00	-
Securitisation - Rupee Loans	5,492.61	5,622.44	5,373.64
b) Loan repayable on demand - Secured			
from Banks - Rupee Loans	1,222.48	964.38	663.14
	32,126.78	**20,169.40**	**13,744.38**

20.1 Security

(i) Secured term loans from banks and financial institution are secured by way of specific /pari passu charge on assets under hypothecation relating to automobile financing and loans against immovable property.

(ii) Loan repayable on demand is in the nature of Cash Credit from banks are secured by way of floating charge on assets under hypothecation and other assets.

(iii) The Group has not defaulted in the repayment of dues to its lenders.

(iv) Securitisation borrowing represents the net outstanding value (Net of Investment in Pass-through Certificates) of the sale 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. Refer note 36 for further details.

(v) Details of repayment such as date of repayment, interest rate and amount to be paid have been disclosed in Note 20.2 based on Contractual term basis.

Notes to Consolidated Financial Statements

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

20.2 Details of term loans - Contractual principal repayment value

Rate of Interest	Maturity	Instalments	Amount outstanding	
			March 31, 2019	March 31, 2018
Base Rate / MCLR	< 1year	1	210.00	228.67
		3	120.00	-
		4	200.00	80.00
	1 - 2 years	1	600.00	560.00
		2	-	100.00
		4	600.00	200.00
		5	-	300.00
	2 - 3 years	1	400.00	600.00
		3	150.00	-
		4	-	700.00
	3 - 4 years	6	1,000.00	200.00
		16	250.00	-
	4 - 5 years	6	800.00	1,000.00
		16	-	250.00
				-
Base Rate/ MCLR + spread (0.05% to 0.92%)	< 1year	1	520.00	850.00
		2	-	180.00
	1 - 2 years	1	3,100.00	-
		4	500.00	-
	2 - 3 years	1	5,200.00	3,000.00
		4	1,000.00	150.00
		8	1,000.00	-
	3 - 4 years	1	1,000.00	-
	4- 5 years	10	1,000.00	-
		20	3,000.00	-
Rate based on T Bill + Spread	< 1 year	1	50.00	-
	1 - 2 years	1	200.00	100.00
		3	30.00	-
		5	83.34	-
	2 - 3 years	1	-	200.00
		3	-	45.00
	3 - 4 years	3	282.00	-
	4 - 5 years	3	-	282.00
		4	-	100.00

Notes to Consolidated Financial Statements

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

Rate of Interest	Maturity	Instalments	Amount outstanding	
			March 31, 2019	March 31, 2018
Fixed Rate	< 1year	1	740.00	300.00
	1 - 2 years	1	-	234.39
	2 - 3 years	10	300.00	-
	3 - 4 years	16	630.00	
	4 - 5 years	1	-	75,000.00
3Months Repo	2 - 3 years	1	300.00	-
			-	
Total			**23,565.34**	**84,660.06**
USD 2Y MIBOR + Spread	1-2 years	1	40.00	-
			-	-
USD 3M LIBOR + Spread	< 1year	1	-	288.79
		4	-	300.65
	1-2 years	1	-	275.59
		5	200.00	-
	2-3 years	5	-	203.04
USD 6M LIBOR + Spread	< 1year	1	1,475.00	487.14
	1-2 years	1	-	1,171.77
	2-3 years	1	346.50	-
Total			**2,061.50**	**2,726.98**

Details of Securitised loan		Amount outstanding*	
Rate of Interest	Maturity	March 31, 2019	March 31, 2018
	Less than 1 year	1,908.54	1,764.35
Fixed	1-2 year	1,261.95	1,206.97
(6.1% to 8.5%)	2-3 year	569.71	536.72
	3-4 year	138.86	151.88
	4-5 year	65.06	79.49
	more than 5 years	267.00	388.98
Total		**4,211.12**	**4,128.39**
	Less than 1 year	112.87	121.70
Floating	1-2 year	119.21	130.83
Base Rate/ MCLR - spread	2-3 year	122.80	139.26
(0.75% to 2.65%)	3-4 year	120.60	143.20
	4-5 year	123.19	140.72
	more than 5 years	667.86	772.98
Total		**1,266.53**	**1,448.69**

* Represents amounts to be paid to the securitisation trust as per the securitisation cash flows net of amounts to be received from Investment PTC.

20.3 Loan repayable on demand represents cash credit and overdraft facilities.

Notes to Consolidated Financial Statements

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

Note 21 - Subordinated Liabilities (at Amortised Cost)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Perpetual Debt - Unsecured	1,441.79	1,176.25	1,119.37
Subordinated Debt - Unsecured	2,916.89	2,713.78	1,826.94
	4,358.68	**3,890.03**	**2,946.31**

21.1

i) All Subordinated liabilities have been contracted in India.

ii) The Group has not defaulted in the repayment of dues to its lenders.

iii) Details of repayment such as date of repayment, interest rate and amount to be paid have been disclosed in Note 21.2 based on the Contractual terms basis.

21.2 Details of Subordinated Liabilities - Contractual principal repayment value

(i) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt - Redeemable at par - No put call option

No of Debentures	Face Value ₹	Balance as at		Due date of redemption	Rate of interest %
		March 31, 2019	March 31, 2018		
3000	10,00,000	300.00	-	Aug-28	9.75
5300	10,00,000	530.00	315.00	Mar-28	9.05
1500	10,00,000	150.00	150.00	Aug-27	8.53
1600	10,00,000	160.00	160.00	Jun-27	8.78 to 8.80
100	10,00,000	10.00	10.00	Nov-26	9.20
150	10,00,000	15.00	15.00	Jun-24	11.00
50	10,00,000	5.00	5.00	May-24	11.00
250	10,00,000	25.00	25.00	Apr-24	11.00
250	10,00,000	25.00	25.00	Mar-24	11.00
200	10,00,000	20.00	20.00	Feb-24	11.00
250	10,00,000	25.00	25.00	Jan-24	11.00
1950	10,00,000	195.00	195.00	Nov-23	9.08 to 9.20
150	10,00,000	15.00	15.00	Oct-23	9.08
150	10,00,000	15.00	15.00	Sep-23	11.00
600	10,00,000	60.00	60.00	Dec-22	11.05 to 11.25
3,150	10,00,000	315.00	315.00	Nov-21	10.02
750	10,00,000	75.00	75.00	Jun-21	11.30
1,000	10,00,000	100.00	100.00	May-21	11.30
100	10,00,000	10.00	10.00	Mar-21	11.00
100	10,00,000	10.00	10.00	Feb-21	11.00
150	10,00,000	15.00	15.00	Oct-20	11.00
500	10,00,000	50.00	50.00	Jul-20	10.70
115	10,00,000	11.50	11.50	May-20	11.00
1,000	10,00,000	100.00	100.00	Apr-20	11.00
650	10,00,000	65.00	10.00	Dec-19	11.50
500	10,00,000	50.00	50.00	Jun-19	11.40

Notes to Consolidated Financial Statements

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

No of Debentures	Face Value ₹	Balance as at		Due date of redemption	Rate of interest %
		March 31, 2019	March 31, 2018		
1,500	10,00,000	150.00	150.00	May-19	11.70 to 11.75
100	10,00,000	-	10.00	Nov-18	10.55
250	10,00,000	-	25.00	Sep-18	11.25
895	10,00,000	-	89.50	Aug-18	12.25
620	10,00,000	-	62.00	Jun-18	10.55 to 12.25
750	10,00,000	-	-	Nov-17	12.75
350	10,00,000	-	-	Feb-17	11.15
		2,501.50	**2,118.00**		

(ii) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt - Redeemable at premium - No put call option

No of Debentures	Face Value ₹	Balance as at		Due date of redemption	Redemption price ₹	Premium ₹
		March 31, 2019	March 31, 2018			
150	10,00,000	15.00	15.00	Nov-23	17,57,947	7,57,947

iii) Key terms of debentures issued by CMSGICL	
Issue size (₹ Crores)	100.00
Security Name	8.75% Chola MS 2027
Coupon Rate	8.75%
Date of Allotment	May 25, 2017
Call option	At the end of five years from the Deemed date of allotment. Such call option may be exercised by the Issuer with the prior approval of IRDAI and in accordance with the IRDAI Regulations.
Type of Instrument	Unsecured, subordinated, fully paid-up, listed, redeemable and non-convertible debentures.
Security of debentures issued	The debenture issued is Unsecured, subordinated, fully paid-up, listed, redeemable and non-convertible debentures (the “Debentures”). The claims of the Debenture Holders shall be superior to the claims of the investors in preference shares and equity shares of the Issuer in that order but shall be subordinated to the claims of the policyholders and all other creditors.

(iv) Unsecured Redeemable Non-Convertible Debentures - Perpetual debt

No. of Debentures	Face Value ₹	Balance as at		Maturity Date - Perpetual #	Rate of interest % (increase by 100 bps if call option is not exercised on the due date)
		March 31, 2019	March 31, 2018		
1120	5,00,000	56.00	-	Mar-29	10.83
5000	5,00,000	250.00	-	Feb-29	10.88
500	5,00,000	25.00	25.00	Aug-24	12.80
174	10,00,000	17.40	17.40	Jul-24	12.90
500	5,00,000	25.00	25.00	Jun-24	12.90
500	5,00,000	25.00	25.00	Feb-24	12.90
50	10,00,000	5.00	5.00	Jan-24	12.60

Notes to Consolidated Financial Statements

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

No. of Debentures	Face Value ₹	Balance as at		Maturity Date - Perpetual #	Rate of interest % (increase by 100 bps if call option is not exercised on the due date)
		March 31, 2019	March 31, 2018		
1,031	10,00,000	103.10	103.10	Dec-23	12.50 to 12.60
245	10,00,000	24.50	24.50	Oct-23	12.60
1,000	5,00,000	50.00	50.00	Oct-23	12.90
300	10,00,000	30.00	30.00	Feb-23	12.80
1,450	10,00,000	145.00	145.00	Dec-22	12.70 to 12.80
860	5,00,000	43.00	43.00	Sep-22	12.75
2,000	5,00,000	100.00	100.00	Aug-22	12.90
200	5,00,000	10.00	10.00	Mar-22	12.50
700	5,00,000	35.00	35.00	Jan-22	12.50
3,500	5,00,000	175.00	175.00	Dec-21	12.50 to 12.95
320	5,00,000	16.00	16.00	Aug-21	12.50
413	5,00,000	20.65	20.65	Jul-21	12.50
2,021	5,00,000	101.05	101.05	Jun-21	12.50
3,000	5,00,000	150.00	150.00	Oct-20	12.05
		1,406.70	**1,100.70**		

Group can redeem using Call Option on the maturity date with prior approval of RBI.

Note 22 - Other Financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Unpaid Dividend	2.93	2.70	2.93
Advances from customers	19.91	13.66	22.99
Security Deposits received	2.21	2.12	3.45
Collections towards derecognised assets pending remittance	46.07	69.01	81.24
Other liabilities	219.44	182.55	106.63
	290.56	**270.04**	**217.24**

Note 23 - Provisions

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for Employee Benefits			
- Compensated Absences	48.25	36.71	25.52
	48.25	36.71	25.52
Other Provisions (Refer Note 42)			
Provision for Contingencies and Service Tax claims	38.37	38.14	37.47
Provision for Undrawn commitments	0.51	0.12	0.10
	38.88	38.26	37.57
	87.13	**74.97**	**63.09**

Notes to Consolidated Financial Statements

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

Note 24 - Other Non Financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Insurance Contract liabilities			
Provision for unearned premiums (Refer (i) below)	2,740.98	2,246.97	1,783.48
Unallocated premium (Refer (ii) below)	136.77	141.94	128.43
Premium received in advance (Refer (iii) below)	130.72	151.47	122.62
Total (A)	**3,008.47**	**2,540.38**	**2,034.53**
Others			
Deferred Rent	8.34	6.63	3.96
Income received in advance	23.03	29.65	1.58
Statutory Liabilities	23.75	15.48	1.56
Other Liabilities	2.37	4.73	1.97
Total (B)	**57.49**	**56.49**	**9.07**
Total (A) + (B)	**3,065.96**	**2,596.87**	**2,043.60**

(i) Movement in Provision for Unearned Premium

Particulars	As at March 31, 2019	As at March 31, 2018
At the Beginning of the year	**2,246.97**	**1,783.48**
Premiums written in the year	4,251.72	4,116.74
Premiums recognised during the year	(3,757.71)	(3,653.25)
At the End of the year	**2,740.98**	**2,246.97**

(ii) Movement in Unallocated Premium

Particulars	As at March 31, 2019	As at March 31, 2018
At the Beginning of the year	**141.94**	**128.43**
Adjustments during the year	(5.17)	13.51
At the End of the year	**136.77**	**141.94**

(iii) Movement in Premium received in advance

Particulars	As at March 31, 2019	As at March 31, 2018
At the Beginning of the year	**151.47**	**122.62**
Incurred during the year	762.39	701.50
Premium Recognised during the year	783.14	672.65
At the End of the year	**130.72**	**151.47**

Notes to Consolidated Financial Statements

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

Note 25 - Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
Authorised						
Equity Shares of ₹ 1 each with voting rights	43,00,00,000	43.00	43,00,00,000	43.00	43,00,00,000	43.00
		43.00		**43.00**		**43.00**
Issued, Subscribed and Fully Paid up						
Equity Shares of ₹ 1 each with voting rights	18,76,92,234	18.77	18,75,33,696	18.75	18,74,47,871	18.75
		18.77		**18.75**		**18.75**

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

Equity Shares	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
At the beginning of the year	18,75,33,696	18.75	18,74,47,871	18.75	18,73,46,537	37.47
Issued during the year - Employees Stock Option (ESOP) Scheme Refer Note below	1,58,538	0.02	85,825	-	1,01,334	0.02
Capital Reduction pursuant to Scheme of Arrangement	-	-	-	-	-	(18.74)
Outstanding at the end of the year	**18,76,92,234**	**18.77**	**18,75,33,696**	**18.75**	**18,74,47,871**	**18.75**

Note: The Company has received an amount of ₹ 0.009 crore on allotment of shares under Employee Stock Option Scheme for the year ended March 31, 2018.

a) Terms/rights attached to Equity shares

The Company has only one class of equity shares having a par value of ₹ 1 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

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Ambadi Investments Limited	7,00,66,595	7,00,66,595	6,40,54,680

Notes to Consolidated Financial Statements

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

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

Equity Shares	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Nos.	% holding in the class	Nos.	% holding in the class	Nos.	% holding in the class
Ambadi Investments Limited	7,00,66,595	37.33	7,00,66,595	37.36	6,40,54,680	34.17

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 reserved for issue under options

Refer Note 43 for details of shares reserved for issue under options.

Note 26 - Other Equity

26a. Statutory Reserve

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

26b. Capital Reserve

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

26c. Capital Reserve On Consolidation

Capital reserve on consolidation represents the effect on reserves on account of additional investment in CIFCL during the year 2018-19.

26d. Debenture Redemption Reserve

The Companies (Share capital and Debentures) Rules, 2014 (as amended), require the group to create DRR out of profits of the Group available for payment of dividend with respect to the debentures that have been issued by the insurance business. DRR is required to be created for an amount which is equal to 25% of the value of debentures outstanding in the case of such insurance business. Accordingly the Group has created DRR equal to 25% of the outstanding debentures.

26e. Capital Redemption Reserve

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

26f. Securities Premium Account

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

Notes to Consolidated Financial Statements

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

26g. General Reserve

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

26h. Share Based Payments Reserve

Under IND AS 102, fair value of the options granted is required to be accounted as expense over the life of the vesting period as employee compensation costs, reflecting the period of receipt of service. Stock options granted but not vested as on the transition date were valued for expired period, calculated from the grant date till date of transition, and were credited to Share Based Payment reserve.

26i. Retained Earnings

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

26j. Cashflow hedge reserve

Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Group accounting policies.

26k. FVOCI reserve

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

26l. Share Application Money pending Allotment at the end of the year

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

Proposed Dividend

The Board of Directors of the Company have recommended a final dividend of 65% being ₹ 0.65 per share on the equity shares of the Company, for the year ended March 31, 2019 (₹ 0.65 per share - March 31, 2018) 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 to Consolidated Financial Statements

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

Revenue from Operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Note 27 A Interest on Financial Assets measured at amortised cost		
(a) Loans		
-Bills Discounting	10.27	15.73
-Term Loans	6,455.34	5,150.60
(b) Debt Securities	501.70	404.82
(c) Alternate Investment Fund & Long term Financial Assets	0.89	0.19
(d) Terrorism Pool	7.90	7.21
(e) Bank Deposits		
-Bank Deposits under lien	43.84	49.50
-Other Bank Deposits free of lien	45.53	24.39
Total (A)	**7,065.47**	**5,652.44**
Note 27 B Fees & Commission income *		
-Term Loans	209.05	179.31
-Reinsurance Commission	260.68	113.78
Total (B)	**469.73**	**293.09**
*Services are transferred at a point in time		
Note 27 C Premium earned (net of reinsurance) (c)	**3,049.10**	**2,823.14**
Gross Earned Premium		
Premium from Direct Business Written	4,541.11	4,102.57
Premium on re-insurance accepted	10.95	10.32
Gross Written Premium	**4,552.06**	**4,112.89**
Adjustments for Change in Provision for Unexpired Risks	494.81	464.12
Total Premium Earned (Gross)	**4,057.25**	**3,648.77**
Less: Premium ceded to reinsurers	1,095.37	921.70
Adjustments for Change in Provision for Unexpired Risks-RI ceded	87.22	96.07
Total Premium income	**3,049.10**	**2,823.14**
Note 27 D Investment income		
-Dividend income	2.97	2.41
Total (D)	**2.97**	**2.41**
Note 27 E Net gain on fair value changes on FVTPL - Realised		
Profit on Sale of Investments - Equity Instruments		
- Realised Gains/(Loss) on Sale of Equity Instruments	65.37	20.44
(net off realised loss of ₹ 6.30 Crs. (March 31, 2018 ₹ 8.24 Crs.))		
Profit on Sale of Investments - Debt Instruments		
- Realised Gains/(Loss) on Sale of Debt Instruments - FVTPL	15.93	37.49
- Fair Value changes of Debt Instruments through Profit and Loss Account	46.01	(54.68)
Total (E)	**127.31**	**3.25**

Notes to Consolidated Financial Statements

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Note 27F		
Service Income (Refer note below)		
(a) Servicing and Collection fee on Assignment	2.42	2.88
(b) Other Service Income	88.00	76.94
(c) Freight Income	33.93	55.13
Total (F)	**124.35**	**134.95**
Note: Timing of revenue recognition		
Services transferred at a point of time	81.94	74.91
Services transferred over a time	6.06	2.03
Total	**88.00**	**76.94**

Details related to services transferred over a time

a) Contract balances

Particulars	As at March 31, 2019	As at March 31, 2018
Contract Liabilities	22.41	28.47

Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) we perform under the contract.

b) Movement in Contract liability during the period

Particulars	2018-19	2017-18
Contract liability at the beginning of the year	28.47	-
Revenue Recognised during the period	6.06	2.03
Contract liability at the end of the year	22.41	28.47

Particulars	2018-19	2017-18
c) Total Revenue from contracts with Customer	371.62	314.26

d) Due to Group's nature of business and the type of contracts entered with the customers, the Company does not have any difference between the amount of revenue recognized in the statement of profit and loss and the contracted price.

e) Impairment recognised for Contract asset is Nil (Nil - March 31, 2018)

f) Performance Obligation:

Servicing and Collection fee on Assignment: to collect the receivable from the customer and transfer the same to the assignee representative.

Other Servicing Income: To provide required details to the customer and enable space for advertising at the branches.

g) There are no significant return / refund / other obligations for any of the above mentioned services.

Notes to Consolidated Financial Statements

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

Note 28 - Other Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Fair value Gain on loss of control in Subsidiary (Also refer Note 47 A)	20.29	-
Rent	0.29	0.26
Miscellaneous Income	0.60	0.36
	21.18	**0.62**
Rent received are from cancellable operating lease for office space	0.29	0.26

Note 29 - Finance Costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on financial liabilities measured at amortised cost		
- Debt Securities	1,745.84	1,698.53
- Borrowings Other than Debt securities	1,492.69	700.04
- Subordinated Liabilities	324.82	222.78
Others		
- Bank charges	23.52	33.53
	3,586.87	**2,654.88**

Note 30 - Gross Incurred Claims

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gross claims paid	2,240.79	1,606.01
Changes in Gross claims outstanding	913.31	1,301.92
Change in premium deficiency provision	(247.82)	(29.88)
Gross Incurred claims	**2,906.28**	**2,878.05**
RI Recovery		
RI Recovery on Claims paid	820.76	396.57
Change in premium deficiency provision	(253.18)	(29.88)
Change in contract liabilities ceded to reinsurers	(2.14)	463.02
Net Incurred Claims	**2,340.84**	**2,048.34**

Notes to Consolidated Financial Statements

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

Note 31 - Impairment On Financial Instruments

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loss Assets Written Off (Net) -Loans	43.66	96.97
Loss on disposal of Repossessed Assets	198.82	174.74
Impairment provision- Loans-measured at amortised cost	68.86	36.70
Impairment provision- Terrorism Pool Assets (Refer Note 9)	0.55	-
Impairment provision- Debt Securities-measured at amortised cost (Refer Note 12)	16.35	0.31
Investments Written Off* (Refer Note below)	22.00	-
	350.24	**308.72**

* The Group has investments in the form of secured and unsecured debentures (including its share of assets in Terrorism Pool) aggregating to ₹ 172.53 Crores in Infrastructure Leasing and Financial Services Limited (IL&FS) and IL&FS Financial Services Limited (IFIN). During the year, credit rating of Company's investment in debentures of IL&FS and IFIN were downgraded from AAA to D by credit rating agencies. Subsequently IL&FS and IFIN had defaulted both interest dues and part of principal which fell due for payment. Consequent to those defaults, as per IRDAI Guidelines on prudential norms for Income recognition, asset classification, provisioning and other related matters in respect of debt portfolio (Prudential Norms), the said investments have become Non Performing Asset (NPA). The Group has reviewed the status of the financial position and other developments in IL&FS and IFIN has decided to write-off those investments which are unsecured or where there is principal payment default to the Group up to March 31, 2019. Accordingly the Group has written-off ₹ 22.00 Crores during the year. Further, the Group has also made provision of 10% as provision for Impairment of investments for the remaining exposure, which are secured in nature as per the prudential norms. The management of the Group would continue to review the position periodically and take every action for recovering the investments.

Note 32 - Employee Benefits Expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Bonus and Commission	650.37	592.54
Contribution to Provident and Other Funds		
-Employees' Provident Fund	27.13	23.32
-Superannuation Fund	7.26	6.34
Share based employee payments	8.11	8.62
Gratuity Expense	8.27	7.79
Staff Welfare Expenses	22.01	29.40
	723.15	**668.01**

Notes to Consolidated Financial Statements

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

Note 33 - Other Expenditure

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent and facility charges	67.26	59.74
Rates and Taxes	8.06	27.46
Energy cost	15.51	15.28
Repairs and Maintenance	5.56	4.57
Communication Costs	33.76	30.70
Business development expense	0.34	0.43
Brokerage	1.77	2.96
Deputation charges	35.75	-
Freight charges	33.69	52.40
Commission on insurance business	235.19	156.12
Printing and Stationery	17.60	21.12
Advertisement and publicity Expenses	247.46	142.07
Directors Fees, allowances and expenses	1.02	0.78
Marketing expenses	304.63	390.03
Auditors' Remuneration	1.38	1.81
Legal and Professional Charges	69.05	43.09
Insurance	11.15	8.65
Travelling and Conveyance	59.27	76.02
Information Technology Expenses	58.70	53.52
Loss on Sale of Property, Plant and Equipment (Net)	0.08	0.14
Recovery Charges	202.94	167.30
Corporate Social Responsibility Expenditure	29.60	23.71
Outsource cost	249.13	144.24
Miscellaneous Expenses	44.90	43.98
	1,733.80	1,466.12
Less : Expenses Recovered	(0.79)	(1.09)
	1,733.01	**1,465.03**
33.1 Cancellable operating lease entered for office space	46.17	42.59
33.2 Miscellaneous Expenses includes: Donations	0.50	-

Notes to Consolidated Financial Statements

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

Note 34 - Earnings Per Share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit After Tax	696.70	549.91
Weighted Average Number of Equity Shares (Basic)	18,76,55,191	18,74,92,370
Add: Dilutive effect relating to ESOP	28,861	1,56,624
Weighted Average Number of Equity Shares (Diluted)	18,76,84,052	18,76,48,994
Earnings per Share – Basic (₹)	37	29
Earnings per Share – Diluted (₹)	37	29
Face Value Per Share (₹)	1	1

Note:

Earnings per Share calculations are done in accordance with Ind AS 33 “Earnings per Share”.

Note 35 - Income tax reconciliation

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Accounting profit before tax from continuing operations	2,134.79	1,694.54
Income tax rate of 29.12% (March 31, 2018: 33.063%)	621.65	560.27
Effects of:		
Impact of difference in tax base for Donation & CSR expense	5.14	4.86
Share based payment expense – No deduction claimed under tax	2.79	2.93
Impact of Deduction u/s 35(1)(ii)	(1.89)	-
Deduction u/s 80JJA	(3.60)	(3.57)
Tax free interest income accrued	13.30	12.23
Dividend Income-Exempt from tax	0.83	0.70
Exempt income on short term capital gains	1.52	3.76
Prior period provision accounted	0.60	-
Taxed at special rate	-	(0.29)
Other adjustments	(7.32)	(1.54)
Effect of enacted tax rate on Deferred tax	-	(3.70)
Effect of different tax rate adopted by Subsidiaries*	88.05	(6.92)
Income tax expense reported in statement of Profit and Loss	**721.07**	**568.73**

* The Statutory Income tax rate for the Company for March 31, 2019 is 29% (March 31, 2018: 33%), whilst for the subsidiaries it is 34% (March 31, 2018: 34%)

Note 36 - Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Notes to Consolidated Financial Statements

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

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 its entirety.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April1, 2017
Securitisations			
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	5642.73	5653.67	5320.84
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	5492.61	5622.44	5373.64
Fair value of assets	5871.98	5928.74	5569.63
Fair value of associated liabilities	5473.98	5732.48	5330.87
Net position at Fair Value	398.00	196.26	238.76

B) Direct bilateral assignment

The Group has sold some loans (measured at amortised cost) by way of direct bilateral assignment, as a source of finance.

As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Group's balance sheet.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Assignment			
Carrying amount of de-recognised financial asset	1671.17	670.91	1029.50
Carrying amount of Retained Assets at amortised cost	190.20	86.48	124.67

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Assignment		
Gain on sale of the de-recognised financial asset	86.70	-

Transferred financial assets that are derecognised in their entirety but where the Group has continuing involvement

The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

Notes to Consolidated Financial Statements

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

Note 37 - Micro, Small & Medium Enterprises

Based on and to the extent of the information received by the Group from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors.

The relevant particulars are furnished below:

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers under MSMED Act, as at the year end	0.18	-
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-

Note 38 - Retirement Benefit

A) Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions and where there is no legal or constructive obligation to pay further contributions. During the year, the Group recognised ₹ 27.13 Crores (Previous Year - ₹ 23.32 Crores) to Provident Fund under Defined Contribution Plan, ₹ 7.26 Crores (Previous Year - ₹ 6.34 Crores) for Contributions to Superannuation Fund and ₹ 2.08 Crores (Previous Year - ₹ 3.61 Crores) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

B) Gratuity

The Group's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is funded with Life Insurance Corporation of India (LIC). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Details of Actuarial Valuation:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Projected Benefit Obligation at the beginning of the year	**41.95**	**32.64**
Current Service Cost	7.85	7.15
Interest Cost	3.06	2.13
Re-measurement Losses/(Gains)		
a) Effect of changes in demographic assumptions	1.38	(1.47)
b) Effect of experience adjustments	5.66	5.02
c) Effect of changes in financial assumption	0.28	0.44
Benefits paid	(2.40)	(3.82)
Transfer in / Out	0.17	(0.14)

Notes to Consolidated Financial Statements

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Projected Benefit Obligation at the end of the year	**57.95**	**41.95**
Change in Plan Assets		
Fair Value of Plan Assets at the Beginning of the Year	40.74	20.07
Expected Returns on Plan Assets	2.64	1.11
Employer's Contribution	4.73	21.93
Benefits paid	(2.40)	(3.96)
Return on plan assets (excluding interest income)	(0.70)	1.59
Transfer in / Out	0.17	-
Fair Value of Plan Assets at the end of the year	**45.18**	**40.74**
Amount Recognised in the Balance Sheet		
Fair Value of Plan Assets as at the End of the Year	45.18	40.74
Liability at the End of the Year	57.95	41.95
Amount Recognised in the Balance Sheet Note - 22	**(12.77)**	**(1.21)**
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	7.85	6.77
Net interest (income) / expense	3.06	2.13
Expected Return on Plan Assets	(2.64)	(1.11)
Net Cost recognized in the statement of Profit and Loss	**8.27**	**7.79**
Re-measurement Losses /(Gains)		
a) Effect of changes in demographic assumptions	1.38	(1.47)
b) Effect of experience adjustments	5.66	5.02
c) Return on plan assets (excluding interest income)	0.70	(1.59)
d) Effect of changes in financial assumptions	0.28	0.44
Net cost recognised in Other Comprehensive Income	**8.02**	**2.40**
Assumptions		
Discount Rate	7% to 7.30% p.a.	7.40% to 7.60% p.a.
Future salary increase	7.50% p.a.	7.50% p.a.
Attrition Rate		
Senior management	13% p.a.	13% to 33% p.a.
Middle management	13% p.a.	13% to 33% p.a.
Others	13% to 17% p.a	13% to 33% p.a.
Expected rate of return on Plan Assets	7.50% p.a.	7.50% p.a.
Mortality	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Expected Payment for future years		
Within the next 12 months (next annual reporting period)	7.31	6.83
Between 2 and 5 years	28.40	19.60
Between 5 and 10 years	26.66	19.33
Beyond 10 Years	27.58	20.05
Total Expected Payments	**89.95**	**65.81**

Notes to Consolidated Financial Statements

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

Sensitivity Analysis:

Particulars	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (+/- 1%)	54.62	60.38	40.16	43.96
Salary Growth Rate (+/- 1%)	60.58	54.44	44.32	39.60
Attrition Rate (+/- 50% of attrition rates)	44.54	46.48	31.16	32.18
Mortality Rate (+/- 10% of mortality rates)	44.56	44.56	30.72	30.71

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 ₹ 19.69 Crores.
3. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
4. The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).

C) Compensated Absences

Assumptions	Year ended March 31, 2019	Year ended March 31, 2018
Discount Rate	7.26% to 7.60% p.a.	7.60% p.a.
Future salary increase	5.50% to 7.50% p.a.	5.50% to 7.50% p.a.
Attrition Rate		
Senior management	13% p.a.	13% to 33% p.a.
Middle management	13% p.a.	13% to 33% p.a.
Others	11% to 13% p.a	13% to 33% p.a.
Mortality	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate

Notes:

1. The Group has not funded its Compensated Absences liability and the same continues to remain as unfunded as at March 31, 2019.
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.

Notes to Consolidated Financial Statements

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

Note 39 - Segment Reporting

The Group's operations are organised into two primary products/service segments viz. Financial Services and Insurance and allied services. Other business segments of the Group presented under others includes risk services, broking and distribution services.

During year ended March 31, 2019, the nature of segments are as under:

The Chief Operating Decision Maker (CODM) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements. However, income taxes are managed on a legal entity as whole basis and are not allocated to operating segments.

Particulars	Year ended March 31, 2019					
	Financing	Insurance	Others	Unallocable	Inter-segment revenue	Total
Revenue from Operations						
- Interest Income	6,565.27	513.10	9.33	-	(22.23)	7,065.47
- Dividend Income	0.23	2.36	0.38	-		2.97
- Net gain on derecognition of financial instruments under amortised cost category	86.70	-	-	-	-	86.70
- Premium Income	-	3,049.89	-	-	(0.79)	3,049.10
- Fee & Commission Income	186.32	260.68	60.95	-	(38.22)	469.73
- Net gain on Fair value change on financial instrument	63.27	53.04	1.24	-	9.76	127.31
- Service Income	90.42	-	41.86	-	(7.93)	124.35
Segment revenue from Operations (I)	**6,992.21**	**3,879.07**	**113.76**	**-**	**(59.41)**	**10,925.63**
- Other income (II)	20.98	0.18	0.02	-	-	21.18
Total Segment Income - (I) + (II)	**7,013.19**	**3,879.25**	**113.78**	**-**	**(59.41)**	**10,946.81**
Segment Expenses	**5,181.66**	**3,589.18**	**100.59**	**-**	**(59.41)**	**8,812.02**
Segment Profit before taxation	**1,831.53**	**290.07**	**13.19**	**-**	**-**	**2,134.79**
Tax expense						**(721.07)**
Share of Profit from Associate/Joint Venture						**1.11**
Profit for the year						**1,414.83**

Notes to Consolidated Financial Statements

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

Particulars	Year ended March 31, 2018					
	Financing	Insurance	Others	Unallocable	Inter-segment revenue	Total
Revenue from Operations						
- Interest Income	5,235.81	435.54	5.82	-	(24.73)	5,652.44
- Dividend Income	0.18	2.03	0.20	-	-	2.41
- Premium Income		2,823.85	-	-	(0.71)	2,823.14
- Fee & Commission Income	153.69	113.78	25.62	-	-	293.09
- Net gain on Fair value change on financial instrument	9.91	(10.20)	3.54	-	-	3.25
- Service Income	79.82	-	58.15	-	(3.02)	134.95
Segment revenue from Operations (I)	**5,479.41**	**3,365.00**	**93.33**	**-**	**(28.46)**	**8,909.28**
- Other income (II)	0.42	0.02	0.18	-	-	0.62
Total Segment Income - (I) + (II)	**5,479.83**	**3,365.02**	**93.51**	**-**	**(28.46)**	**8,909.90**
Segment Expenses	**4,079.02**	**3,075.01**	**89.79**	**-**	**(28.46)**	**7,215.36**
Segment Profit / (loss) before taxation	1,400.81	290.01	3.72	-	-	**1,694.54**
Tax expense						**(568.73)**
Share of Profit from Associate/Joint Venture						**1.07**
Profit for the year						**1,126.88**

Particulars	Financing	Insurance	Others	Unallocable	Total
As on March 31, 2019					
Segment Assets	56,738.24	10,045.33	255.99	-	67,039.56
Unallocable Assets	-	-	-	897.65	897.65
Total Assets					**67,937.21**
Segment Liabilities	51,028.09	9,010.75	33.91	-	60,072.75
Unallocable Liabilities	-	-	-	-	-
Total Liabilities					**60,072.75**
As on March 31, 2018					
Segment Assets	43,493.25	8,936.85	259.05		52,689.15
Unallocable Assets	-	-	-	717.46	717.46
Total Assets					**53,406.61**
Segment Liabilities	38,757.61	8,006.99	53.01	-	46,817.61
Unallocable Liabilities	-	-	-	-	-
Total Liabilities					**46,817.61**
As on April 1, 2017					
Segment Assets	34,659.82	6,683.34	25.75	-	41,368.91
Unallocable Assets	-	-	-	551.35	551.35
Total Assets					**41,920.26**
Segment Liabilities	30,649.39	5,726.75	2.49	-	36,378.63
Unallocable Liabilities	-	-	-	-	-
Total Liabilities					**36,378.63**

In computing the segment information, certain estimates and assumptions have been made by the management, which have been relied upon.

As the assets are allocated to segment based on certain assumptions, additions to the Property, plant and equipment have not been disclosed separately for each specific segment.

There are no revenue from transactions with a single external customer or counter party which amounted to 10% or more of the Group's total revenue in the Current year and Previous year.

Notes to Consolidated Financial Statements

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

Note 40 - Disclosure in respect of Related Parties

a) List of Related Parties

I. Entity having Significant influence

a. Ambadi Investments Limited

II. Subsidiaries of Entity having significant influence

a. Parry Enterprises Limited

b. Parry Agro Limited

III. Entity having Substantial voting power in Subsidiary

a. Mitsui Sumitomo Insurance Company Limited

IV. Joint Venture

a. Cholamandalam MS Risk Services Limited

V. Associate

a. White Data Systems India Private Limited

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

Mr. N Ganesh - Manager & Chief Financial Officer

Ms. E Krithika - Company Secretary

VII. Non-Executive Directors

a. Mr. M. M. Murugappan

b. Ms. Shubhalakshmi Panse

c. Mr. Ashok Kumar Barat (w.e.f August 1, 2018)

d. Mr. B Ramaratnam (w.e.f March 18, 2019)

e. Mr. V Ravichandran (w.e.f March 18, 2019)

f. Mr. Sridharan Rangarajan (w.e.f August 30, 2018)

g. Mr. M B N Rao (till July 31, 2018)

h. Mr. N Srinivasan (till July 31, 2018)

Note:

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

Notes to Consolidated Financial Statements

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

a) **Transactions during the year**

Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Dividend Payments (Equity Shares)		
a) Ambadi Investments Limited	8.76	8.89
b) Parry Enterprises Limited (₹ 0.0003 Crores for year ended March 31, 2019 and ₹ 0.0003 Crores March 31, 2018)	0	0
c) Mitsui Sumitomo Insurance Company Limited	7.17	7.17
d) Directors and their relatives	0.16	0.16
Expenses - Reimbursed		
a) Parry Enterprises Limited	0.03	-
b) Mitsui Sumitomo Insurance Company Limited	1.43	0.13
Services Received		
a) Parry Enterprises Limited	7.51	27.38
b) Parry Agro Limited	0.20	-
Expenses recovered – Rent receipts		
a) Parry Enterprises Limited	0.01	-
b) Mitsui Sumitomo Insurance Company Limited	1.43	1.47
Expenses recovered – Management expenses		
a) Mitsui Sumitomo Insurance Company Limited	0.06	0.13
Reinsurance Ceded		
a) Mitsui Sumitomo Insurance Company Limited	46.30	44.12
Reinsurance Commission Received		
a) Mitsui Sumitomo Insurance Company Limited	10.62	7.06
Reinsurance Recovery Claims		
a) Mitsui Sumitomo Insurance Company Limited	29.86	78.97
Purchase of equity shares of CIFCL from Ambadi Investments Limited	39.82	-
Commission and Sitting fees to Non-executive directors	0.33	0.29

Notes to Consolidated Financial Statements

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

b) Balances Outstanding at the year end.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Other Receivables / (Payables)			
a) Parry Enterprises Limited	0.61	0.01	0.01
b) Parry Agro Limited	-	0.01	-
c) Mitsui Sumitomo Insurance Company Limited	0.12	0.12	0.58
Receivable due from other entities carrying on insurance business			
a) Mitsui Sumitomo Insurance Company Limited	0.29	50.46	8.79

c) Key Managerial Personnel

Nature of Transaction	Year ended March 31, 2019	Year ended March 31, 2018
Short- term employee benefits	0.19	0.08
Post–employment pension (defined Contribution)	0.01	-

Note 41 - Contingent Liabilities and Commitments

a) Contested Claims not provided for:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Income tax and Interest on Tax issues where the Group has gone on appeal	422.91	268.28	388.45
Decided in the Group's favour by Appellate Authorities and for which the Department is on further appeal with respect to Income Tax	212.92	0.13	0.38
Sales Tax issues pending before Appellate Authorities in respect of which the Group is on appeal.	114.56	124.18	102.70
Service Tax issues pending before Appellate Authorities in respect of which the Group is on appeal.	199.78	137.02	136.93
Disputed claims against the Group lodged by various parties under litigation (to the extent quantifiable)	67.61	80.62	62.94
Order in respect of alleged violations of the Provisions of SEBI Act	0.07	0.07	0.07
Appeal pertaining to Service Tax payable on turnover charges and ineligible Service Tax Input Credit	0.68	0.68	0.68

i) The Group is of the opinion that the above demands are not sustainable and expects to succeed in its appeals / defence.

ii) It is not practicable for the Group to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.

iii) The Group does not expect any reimbursement in respect of the above contingent liabilities.

iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

Notes to Consolidated Financial Statements

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

b) Commitments

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Capital commitments	18.07	4.36	9.66
Investment commitment to Faering Capital India Evolving Fund	0.16	0.16	0.32
Disbursements – Undrawn lines	733.45	566.32	386.70

c) The Supreme Court had passed judgement on February 28, 2019 that all allowances paid to employees are to be considered for the purposes of PF wage determination. There are numerous interpretative issues relating to the above judgement. As a matter of caution, the Group has complied with the same on prospective basis from the date of the Supreme Court order.

d) Bank Guarantee:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Outstanding bank guarantees given to stock exchanges/stock holding corporation of India limited to meet margin requirements	16.39	16.25	16.25

Note 42 - Changes in Provisions

Particulars	As at March 31, 2018	Additional Provision	Utilisation/ Reversal	As at March 31, 2019
Provision for Contingencies and Service Tax claims	38.14	0.24	-	38.37
Provision for Undrawn commitments	0.12	0.39	-	0.51

Particulars	As at April 1, 2017	Additional Provision	Utilisation/ Reversal	As at March 31, 2018
Provision for Contingencies and Service Tax claims	37.47	0.87	0.20	38.14
Provision for Undrawn commitments	0.10	0.02	-	0.12

Undrawn loan commitments are commitments under which the Group is required to provide a loan under pre-sanctioned terms to the customer.

The undrawn commitments provided by the Group are predominantly in the nature of limits provided for Automobile dealers based on the monthly loan conversions and partly disbursed loans for immovable properties. These undrawn limits are converted within a short period of time and do not generally remain undisbursed / undrawn beyond one year from the reporting date. The undrawn commitments amount outstanding as at March 31, 2019 is ₹ 733.45 Crores (₹ 566.32 Crores as at March 31, 2018 and ₹ 386.70 Crores as at April 1, 2017).

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, 2019 is ₹ 0.51 Crores (₹ 0.12 Crores as at March 31, 2018 and ₹ 0.10 Crores as at April 1, 2017).

Notes to Consolidated Financial Statements
(All amounts are in crores of Indian Rupees, unless otherwise stated)

Note 43 - ESOP disclosure of Cholamandalam Financial Holdings Limited.

The stock options granted by the Group and related movements are given below:

a) **Company's stock options.**

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2018	During the Year 2018-19			Options Outstanding as at 31-Mar-2019	Options vested but not exercised as at 01-Apr-2018	Options vested but not exercised as at 31-Mar-2019	Exercise Price	Weighted Average Remaining Contractual Life
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted					
Grant 4	31-Jul-08	7,344	-	-	7,344	-	7,344	-	-	-
Grant 7	29-Jan-11	16,416	-	-	16,416	-	16,416	-	-	-
Grant 8	29-Jan-11	15,112	-	-	10,336	4,776	15,112	4,776	66.67	0.83
Grant 12	2-Nov-11	49,516	-		18,022	31,494	49,516	31,494	66.67	1.18
Total		**88,388**	**-**	**-**	**52,118**	**36,270**	**88,388**	**36,270**	**-**	**-**

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2018	During the Year 2018-19			Options Outstanding as at 31-Mar-2019	Options vested but not exercised as at 01-Apr-2018	Options vested but not exercised as at 31-Mar-2019	Exercise Price	Weighted Average Remaining Contractual Life
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted					
Grant 1	15-Mar-17	222,610	-	7,110	106,420	109,080	222,610	109,080	416.86	3.96

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2017	During the Year 2017-18			Options Outstanding as at 31-Mar-2018	Options vested but not exercised as at 01-Apr-2017	Options vested but not exercised as at 31-Mar-2018	Exercise Price	Weighted Average Remaining Contractual Life
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted					
Grant 3	24-Mar-08	40,553	-	-	40,553	-	40,553	-		
Grant 4	31-Jul-08	16,688	-	-	9,344	7,344	16,688	7,344	21.16	0.33
Grant 7	29-Jan-11	43,344	-	-	26,928	16,416	43,344	16,416	66.67	1.57
Grant 8	29-Jan-11	17,112	-	-	2,000	15,112	17,112	15,112	66.67	-
Grant 12	2-Nov-11	56,516	-		7,000	49,516	56,516	49,516	66.67	-
Total		**174,213**	**-**	**-**	**85,825**	**88,388**	**174,213**	**88,388**		

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

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options Outstanding as at 01-Apr-2017	During the Year 2017-18			Options Outstanding as at 31-Mar-2018	Options vested but not exercised as at 01-Apr-2017	Options vested but not exercised as at 31-Mar-2018	Exercise Price	Weighted Average Remaining Contractual Life
			Options Granted	Options Cancelled / lapsed	Options Exercised & allotted					
Grant 1	15-Mar-17	237,960	-	237,960	-	-	237,960	-	-	-
Grant 1	15-Mar-17	0	232270	9,660	-	222,610	-	222,610	416.86	4.96

b) Stock Options of Cholamandalam Investment and Finance Company Limited (CIFCL)

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options outstanding As at 31-Mar-2018	During the Year 2018-19			Options outstanding As at 31-Mar-2019	Options vested but not exercised As at 31-Mar-2019	Options unvested As at 31-Mar-2019	Exercise Price	Weighted Average Remaining Contractual Life
			Options Granted	Options Forfeited/ Expired	Options Exercised and allotted					
Gt 30 Jul 2007	30-Jul-07	-	-	-	-	-	-	-		
Gt 30 Jul 2007 I	30-Jul-07	-	-	-	-	-	-	-		
Gt 30 Jul 2007 II	30-Jul-07	-	-	-	-	-	-	-		
Gt 24 Oct 2007	24-Oct-07	-	-	-	-	-	-	-		
Gt 25 Jan 2008	25-Jan-08	-	-	-	-	-	-	-		
Gt 25 Jan 2008 I	25-Jan-08	-	-	-	-	-	-	-		
Gt 25 Apr 2008	25-Apr-08	300	-	-	300	-	-	-	192	-
Gt 30 Jul 2008	30-Jul-08	-	-	-	-	-	-	-		
GT24OCT2008	24-Oct-08	-	-	-	-	-	-	-		
GT 27 JAN 2011A	27-Jan-11	15,625	-	-	6,462	9,163	9,163	-	188	-
GT 27 JAN 2011B	27-Jan-11	5,976	-	-	-	5,976	5,976	-	188	-
GT 30 APR 2011	30-Apr-11	14,357	-	400	6,009	7,948	7,948	-	163	-
GT28JUL2011	28-Jul-11	-	-	-	-	-	-	-		
GT 27 OCT 2011	27-Oct-11	8,036	-	-	100	7,936	7,936	-	155	-
Total		**44,294**	**-**	**400**	**12,871**	**31,023**	**31,023**	**-**		

Notes to Consolidated Financial Statements

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

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding As at 31-Mar-2018	During the Year 2018-19			Options outstanding As at 31-Mar-2019	Options vested but not exercised As at 31-Mar-2019	Options unvested As at 31-Mar-2019	Exercise Price	Weighted Average Remaining Contractual Life
			Options Granted	Options Forfeited/ Expired	Options Exercised and allotted					
GT25JAN2017	25-Jan-17	522,653	-	34,940	14,871	472,842	170,418	302,424	1,010	1.32 years
GT30JAN2018	30-Jan-18	55,920	-	6,880	-	49,040	12,260	36,780	1,310	1.34 years
GT30JAN2018A	30-Jan-18	26,940	-	8,980	-	17,960	3,592	14,368	1,310	1.96 years
GT23APR2018	23-Apr-18	-	8,980	-	-	8,980	-	8,980	1,562	1.77 years
GT26JUL2018	26-Jul-18	-	54,972	-	-	54,972	-	54,972	1,497	1.45 years
GT30OCT2018	30-Oct-18	-	73,460	-	-	73,460	-	73,460	1,269	2.29 years
GT19MAR2019	19-Mar-19	-	117,692	-	-	117,692	-	117,692	1,390	2.67 years
Total		**605,513**	**255,104**	**50,800**	**14,871**	**794,946**	**186,270**	**608,676**		

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options outstanding As at 31-Mar-2017	During the Year 2017-18			Options outstanding As at 31-Mar-2018	Options vested but not exercised As at 31-Mar-2018	Options unvested As at 31-Mar-2018	Exercise Price	Weighted Average Remaining Contractual Life
			Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted					
Gt 30 Jul 2007	30-Jul-07	4,224	-	-	4,224	-	-	-	193	-
Gt 30 Jul 2007 I	30-Jul-07	-	-	-	-	-	-	-		
Gt 30 Jul 2007 II	30-Jul-07	-	-	-	-	-	-	-		
Gt 24 Oct 2007	24-Oct-07	-	-	-	-	-	-	-		
Gt 25 Jan 2008	25-Jan-08	328	-	-	328	-	-	-	262	-
Gt 25 Jan 2008 I	25-Jan-08	-	-	-	-	-	-	-		
Gt 25 Apr 2008	25-Apr-08	6,069	-	-	5,769	300	300	-	192	-
Gt 30 Jul 2008	30-Jul-08	-	-	-	-	-	-	-		
GT24OCT2008	24-Oct-08	-	-	-	-	-	-	-		
GT 27 JAN 2011A	27-Jan-11	27,563	-	-	11,938	15,625	15,625	-	188	-
GT 27 JAN 2011B	27-Jan-11	5,976	-	-	-	5,976	5,976	-	188	-
GT 30 APR 2011	30-Apr-11	23,482	-	-	9,125	14,357	14,357	-	163	-
GT28JUL2011	28-Jul-11	-	-	-	-	-	-	-		
GT 27 OCT 2011	27-Oct-11	10,323	-	-	2,287	8,036	8,036	-	155	-
Total		**77,965**	**-**	**-**	**33,671**	**44,294**	**44,294**	**-**		

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

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding As at 31-Mar-2017	During the Year 2017-18			Options outstanding As at 31-Mar-2018	Options vested but not exercised As at 31-Mar-2018	Options unvested As at 31-Mar-2018	Exercise Price	Weighted Average Remaining Contractual Life
			Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted					
GT25JAN2017	25-Jan-17	571,000	-	28,180	20,167	522,653	88,397	434,256	1,010	1.95
GT30JAN2018	30-Jan-18	-	55,920	-	-	55,920	-	55,920	1,310	1.96
GT30JAN2018A	30-Jan-18	-	26,940	-	-	26,940	-	26,940	1,310	2.54
Total		**571,000**	**82,860**	**28,180**	**20,167**	**605,513**	**88,397**	**517,116**		

The Fair Value of Options used to compute proforma net profit and earnings per Equity Share have been estimated on the date of the grants using Black-Scholes model by an independent consultant. The related compensation cost, if any, is being accounted for by the Resulting Company.

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

a) Company's Stock Options

Employee Stock Option plan 2007

Grant No.	Vesting Commences on	Risk Free Interest Rate (%)	Expected Life (Years)	Expected Volatility of Share Price (%)	Dividend Yield (%)	Price of the underlying Share in the Market at the time of Option Grand (₹)	Fair Value of the Option (₹)
1	31-Oct-08	7.71	2.5	39.11	3.43	43.37	11.34
2	30-Jan-09	7.44	2.5	42.02	3.43	45.61	12.5
3							
Tr I	31-Oct-09	8.22 - 8.25	1.62 - 2.62	31.56 - 37.07	1.86	39.19	73.92 - 74.89
Tr II	31-Oct-09	8.22 - 8.25	1.62 - 2.62	31.56 - 37.07	1.86	39.19	73.92 - 74.89
4							
Tr I	31-Jul-09	0.00 - 8.24	0.00 - 2.99	0.00 - 39.82	1.86	30.67	80.83 - 81.68
Tr II	31-Jul-09	0.00 - 8.24	0.00 - 2.99	0.00 - 39.82	1.86	30.67	80.83 - 81.68
5	31-Oct-09	8.21 - 8.31	0.12 - 3.24	32.28 - 42.55	1.86	16.73	92.20 - 94.76
6	30-Jan-10	8.21 - 8.31	0.24 - 3.49	28.04 - 43.77	1.86	21.42	88.54 - 90.00
7							
Tr I	29-Jan-12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
Tr II	29-Jan-12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
Tr III	29-Jan-12	8.21 - 8.26	1.24 - 5.48	31.69 - 46.73	1.86	96.63	39.45 - 80.72
8	29-Jan-12	8.21 - 8.26	1.24 - 4.48	31.69 - 43.79	1.86	96.63	27.22 - 52.67

Notes to Consolidated Financial Statements

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

Grant No.	Vesting Commences on	Risk Free Interest Rate (%)	Expected Life (Years)	Expected Volatility of Share Price (%)	Dividend Yield (%)	Price of the underlying Share in the Market at the time of Option Grand (₹)	Fair Value of the Option (₹)
9	29-Jan-12	8.21 - 8.26	1.24 - 3.48	31.69 - 43.79	1.86	96.63	27.22 - 46.62
10	2-May-12	8.21 - 8.25	1.37 - 5.74	31.38 - 47.27	1.86	96.63	27.90 - 56.06
11	1-Aug-12	8.21 - 8.25	1.49 - 5.99	31.76 - 47.01	1.86	110.23	21.93 - 53.00
12							
Tr I	2-Nov-12	8.21 - 8.24	1.74 - 6.24	32.74 - 46.93	1.86	98.74	30.05 - 57.75
Tr II	2-Nov-12	8.21 - 8.24	1.74 - 6.24	32.74 - 46.93	1.86	98.74	30.05 - 57.75

Employee Stock Option Plan 2016

Grant No.	Vesting Commences on	Risk Free Interest Rate (%)	Expected Life (Years)	Expected Volatility of Share Price (%)	Dividend Yield (%)	Price of the underlying Share in the Market at the time of Option Grand (₹)	Fair Value of the Option (₹)
1							
Tr I	15-Mar-18	6.75	3.5	31.49	0.25	416.86	134.16
Tr II	15-Mar-18	6.75	3.5	31.49	0.25	416.86	134.16

b) Stock Options of Cholamandalam Investment and Finance Company Limited (CIFCL)

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

Notes to Consolidated Financial Statements

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

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

Notes to Consolidated Financial Statements

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

Note 44 - Change in liabilities arising from financing activities

Particulars	March 31, 2018	Cash flows	Exchange Difference	Other	March 31, 2019
Debt Securities. Borrowings other than debt securities and Sub-ordinated liabilities.	38,199.97	12,211.39	13,779.00	(13,743.08)	50,447.28

Particulars	April 1, 2017	Cash flows	Exchange Difference	Other	March 31, 2018
Debt Securities. Borrowings other than debt securities and Sub-ordinated liabilities.	30,070.11	8,025.18	(1,946.00)	2,050.68	38,199.97

(i) Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.,

(ii) Total Liabilities comprises of Debt securities, Borrowings (other than debt securities) and Subordinated Liabilities.

Note 45 - Maturity Analysis

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

Particulars	Maturity		
	Amount	Within 12 months	After 12 months
As on March 31, 2019			
Financial Assets			
Cash and Cash Equivalents	3,281.93	3,281.93	-
Bank balances Other than Cash and Cash Equivalents	663.54	316.33	347.21
Derivative financial instruments	88.69	72.29	16.40
Receivables			-
i) Trade Receivables	41.28	41.28	-
ii) Other Receivables	39.08	39.08	-
iii) Insurance Contract Assets	444.16	249.82	194.34
iv) Re-insurance Assets	1,378.91	227.45	1,151.46
Loans	52,610.77	16,407.61	36,203.16
Investment in associate	35.56		35.56
Investments	7,516.71	3,951.87	3,564.84
Other Financial Assets	262.79	172.85	89.94
Total Financial Assets	**66,363.42**	**24,760.51**	**41,602.91**
Non- Financial Assets			
Current tax assets (Net)	246.92	-	246.92
Deferred tax assets (Net)	608.07	-	608.07
Goodwill on Consolidation	42.72	-	42.72
Investment Property	29.29	-	29.29
Intangible assets under development	13.97	-	13.97
Property, Plant and Equipment	196.99	-	196.99

Notes to Consolidated Financial Statements

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

Particulars	Amount	Maturity Within 12 months	Maturity After 12 months
Other Intangible assets	36.94	-	36.94
Other Non-Financial Assets	398.89	225.81	173.08
Total Non- Financial Assets	**1,573.79**	**225.81**	**1,347.98**
Financial Liabilities			
Derivative financial instruments	8.41	-	8.41
Payables			
i) Trade Payables	231.45	231.45	-
ii) Other Payables	223.33	223.33	-
iii) Other Insurers	401.63	401.63	-
Debt Securities	13,961.82	9,590.24	4,371.58
Borrowings(Other than Debt Securities)	32,126.78	8,650.72	23,476.06
Subordinated Liabilities	4,358.68	471.64	3,887.04
Insurance Contract Liabilities	5,317.00	4,193.34	1,123.66
Other Financial Liabilities	290.56	287.84	2.72
Total Financial Liabilities	**56,919.66**	**24,050.19**	**32,869.47**
Non-Financial Liabilities			
Provisions	87.13	87.13	-
Other Non-Financial Liabilities	3,065.96	34.27	3,031.69
Total Non-Financial Liabilities	**3,153.09**	**121.40**	**3,031.69**

Particulars	Amount	Maturity Within 12 months	Maturity After 12 months
As on March 31, 2018			
Financial Assets			
Cash and Cash Equivalents	486.33	486.33	-
Bank balances Other than Cash and Cash Equivalents	722.53	200.30	522.23
Derivative financial instruments	5.99	0.28	5.71
Receivables			
i) Trade Receivables	68.85	68.85	-
ii) Other Receivables	55.77	55.77	-
iii) Insurance Contract Assets	555.25	224.30	330.95
iv) Re-insurance Assets	1,542.72	184.57	1,358.15
Loans	42,243.96	13,424.63	28,819.33
Investment in associate & joint venture	8.90		8.90
Other Investments	6,201.70	2,708.40	3,493.30
Other Financial Assets	175.64	115.80	59.84
Total Financial Assets	**52,067.64**	**17,469.23**	**34,598.41**

Notes to Consolidated Financial Statements

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

Particulars	Amount	Maturity	
		Within 12 months	After 12 months
Non- Financial Assets			
Current tax assets (Net)	228.92	-	228.92
Deferred tax assets (Net)	438.75	-	438.75
Goodwill on Consolidation	49.73	-	49.73
Investment Property	28.87	-	28.87
Intangible assets under development	3.80	-	3.80
Property, Plant and Equipment	194.04	-	194.04
Other Intangible assets	38.36	-	38.36
Other Non-Financial Assets	356.50	207.13	149.37
Total Non- Financial Assets	**1,338.97**	**207.13**	**1,131.84**
Financial Liabilities			
Derivative financial instruments	76.55	27.96	48.59
Payables			
i) Trade Payables	214.03	214.03	-
ii) Other Payables	220.68	220.68	-
iii) Other Insurers	595.18	595.18	
Debt Securities	14,140.54	7,111.03	7,029.51
Borrowings(Other than Debt Securities)	20,169.40	6,391.38	13,778.02
Subordinated Liabilities	3,890.03	534.84	3,355.19
Insurance Contract Liabilities	4,569.32	4,525.73	43.59
Other Financial Liabilities	270.04	266.20	3.84
Total Financial Liabilities	**44,145.77**	**19,880.03**	**24,258.74**
Non-Financial Liabilities			
Provisions	74.97	74.97	-
Other Non-Financial Liabilities	2,596.87	25.59	2,571.28
Total Non-Financial Liabilities	**2,671.84**	**100.56**	**2,571.28**

Particulars	Amount	Maturity	
		Within 12 months	After 12 months
As on March 31, 2017			
Financial Assets			
Cash and Cash Equivalents	328.11	328.11	-
Bank balances Other than Cash and Cash Equivalents	1,087.49	526.38	561.11
Derivative financial instruments	-	-	-
Receivables			
i) Trade Receivables	38.71	38.71	-

Notes to Consolidated Financial Statements

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

Particulars	Maturity		
	Amount	Within 12 months	After 12 months
ii) Other Receivables	45.04	45.04	-
iii) Insurance Contract Assets	326.69	216.88	109.81
iv) Re-insurance Assets	1,013.51	276.80	736.71
Loans	33,214.39	10,665.49	22,548.90
Investment in associate & joint venture	7.83		7.83
Other Investments	4,570.02	2,625.64	1,944.38
Other Financial Assets	262.64	170.35	92.29
Total Financial Assets	**40,894.43**	**14,893.40**	**26,001.03**
Non- Financial Assets			
Current tax assets (Net)	141.04	-	141.04
Deferred tax assets (Net)	360.58	-	360.58
Goodwill on Consolidation	49.73	-	49.73
Investment Property	28.88	-	28.88
Intangible assets under development	0.04	-	0.04
Property, Plant and Equipment	178.60	-	178.60
Other Intangible assets	33.26	-	33.26
Other Non-Financial Assets	233.70	163.44	70.26
Total Non- Financial Assets	**1,025.83**	**163.44**	**862.39**
Financial Liabilities			
Derivative financial instruments	101.03	5.90	95.13
Payables			
i) Trade Payables	132.46	132.46	-
ii) Other Payables	132.81	132.81	-
iii) Other Insurers	219.66	219.66	
Debt Securities	13,379.42	6,296.13	7,083.29
Borrowings(Other than Debt Securities)	13,744.38	4,804.95	8,939.43
Subordinated Liabilities	2,946.31	222.24	2,724.07
Insurance Contract Liabilities	3,398.63	3,093.51	305.12
Other Financial Liabilities	217.24	215.87	1.37
Total Financial Liabilities	**34,271.94**	**15,123.53**	**19,148.41**
Non-Financial Liabilities			
Provisions	63.09	62.52	0.57
Other Non-Financial Liabilities	2,043.60	4.58	2,039.02
Total Non-Financial Liabilities	**2,106.69**	**67.10**	**2,039.59**

Notes to Consolidated Financial Statements

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

Note 46 - Non-Controlling Interest

Financial information of Subsidiaries having Non-Controlling Interest is given below.

As at March 31, 2019

Name of the Subsidiary	Country of Incorporation	As on March 31, 2019	Profit allocated to non controlling interest	Other comprehensive income allocated to non controlling interest	Total comprehensive income allocated to non controlling interest
Cholamandalam Investment and Finance Company Limited (CIFCL)	India	53.61%	638.85	(1.13)	637.72
Cholamandalam MS General Insurance Company Limited (CMSGICL)	India	40.00%	79.28	(0.25)	79.03

As at March 31, 2018

Name of the Subsidiary	Country of Incorporation	As on March 31, 2018	Profit allocated to non controlling interest	Other comprehensive income allocated to non controlling interest	Total comprehensive income allocated to non controlling interest
Cholamandalam Investment and Finance Company Limited (CIFCL)	India	53.79%	495.33	4.12	499.45
Cholamandalam MS General Insurance Company Limited (CMSGICL)	India	40.00%	81.64	(0.81)	80.83

The summarised financial information of the Subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

As at March 31, 2019

Summarised Statement of Profit and Loss

Particulars	CIFCL	CMSGICL
Income	7,108.83	3,618.67
Expenses	5,277.30	3,338.37
Profit Before Tax	1,831.53	280.30
Tax Expense	634.59	82.10
Share of Loss from associate	(0.35)	-
Profit for the year	1,196.59	198.20
- attributable to the owners of the company	557.74	118.92
- attributable to the non-controlling interest	638.85	79.28
Other Comprehensive Income		
- attributable to the owners of the company	(0.98)	(0.37)
- attributable to the non-controlling interest	(1.13)	(0.25)
Total Comprehensive Income		
- attributable to the owners of the company	556.76	118.55
- attributable to the non-controlling interest	637.72	79.03

Notes to Consolidated Financial Statements

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

Summarised Balance Sheet

Particulars	CIFCL	CMSGICL
Financial Assets	56,668.74	9,782.10
Non Financial Assets	821.38	709.35
Financial Liabilities	51,152.30	8,995.91
Non Financial Liabilities	129.11	14.83
Total Equity		
- attributable to the owners of the company	2,880.13	888.43
- attributable to the non-controlling interest	3,328.58	592.28

Summarised Cash Flow Statement

Particulars	CIFCL	CMSGICL
Net cash inflow in operating activities	(9,317.34)	826.67
Net cash outflow from investing activities	(10.86)	(800.36)
Net cash inflow in financing activities	12,190.59	(30.56)
Net Increase / (Decrease) in Cash and Cash equivalents	2,862.39	(4.25)

As at 31st March 2018

Summarised Statement of Profit and Loss

Particulars	CIFCL	CMSGICL
Income	5,559.28	3,249.03
Expenses	4,158.47	2,961.38
Profit Before Tax	1,400.81	287.65
Tax Expense	483.12	83.56
Profit for the year	917.69	204.09
- attributable to the owners of the company	422.36	122.45
- attributable to the non-controlling interest	495.33	81.64
Other Comprehensive Income		
- attributable to the owners of the company	3.54	(1.21)
- attributable to the non-controlling interest	4.12	(0.81)
Total Comprehensive Income		
- attributable to the owners of the company	425.90	121.24
- attributable to the non-controlling interest	499.45	80.83

Summarised Balance Sheet

Particulars	CIFCL	CMSGICL
Financial Assets	43,451.63	8,730.87
Non Financial Assets	715.15	580.85
Financial Liabilities	38,925.38	7,991.50
Non Financial Liabilities	115.50	15.49
Total Equity		
- attributable to the owners of the company	2,368.38	782.84
- attributable to the non-controlling interest	2,757.52	521.89

Notes to Consolidated Financial Statements

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

Summarised Cash Flow Statement

Particulars	CIFCL	CMSGICL
Net cash inflow in operating activities	(7,926.34)	1,010.27
Net cash outflow from investing activities	(60.12)	(1,001.75)
Net cash inflow in financing activities	8,008.65	73.84
Net Increase / (Decrease) in Cash and Cash equivalents	22.19	82.36

Note 47 A - Investment in an associate

As at March 31, 2018, the Group had 63% interest in White Data Systems India Private Limited ("WDSI") and this entity was treated as a subsidiary in the consolidated financial statements. During the current year, pursuant to investment by another entity in WDSI, the Group's interest in WDSI has reduced from 63% to 30.87%, resulting in loss of control of the Group in WDSI. In view of this change in status, the retained interest of the Group in WDSI aggregating to 30.87% interest has been fair valued and a resultant fair value gain of ₹ 20.29 crores have been recognised in the consolidated statement of profit and loss for the current year.

Particulars	March 31, 2019
Fair value of Net assets on the date of Investment by other entity	82.74
Group's share on the date of loss of control	30.87%
Fair value of Net assets attributable to Group	25.54
Add: Net liabilities on the date of loss of control	2.78
Less: Non-Controlling Interest	(1.03)
Less: Goodwill recognised earlier on acquisition of WDSI	(7.00)
Fair value gain on loss of control in subsidiary	**20.29**

The Group has recognised the value of investment in associate at fair value on the date of loss of control and the same is carried at cost as at reporting date.

Particulars	March 31, 2019
Value of Investment in Subsidiary on the date of loss of control	25.54
Less: Share of Loss from Associate	(0.35)
Amount recognised in the Balance Sheet	**25.19**

The Group has a 30.87% interest in White Data Systems India Private Limited, which is in the business of providing freight data solutions encompassing technology, certification and finance offering in India. The WDSI has dedicated logistics platform "i-loads", seamlessly connects load providers, logistics agents, brokers and transporters through its disruptive technology. It is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in White Data Systems India Private Limited:

Particulars	March 31, 2019
Current assets	43.33
Non-current assets	5.40
Current liabilities	(10.67)
Non-current liabilities	(0.28)
Equity	**37.78**
Proportion of the Group's ownership	30.87%
Group's share in the Equity of the associate	11.66

Notes to Consolidated Financial Statements

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

Note 47A - Investment in an associate

Particulars	March 31, 2019
Revenue from contracts with customers	71.80
Other Income	0.93
Depreciation & amortization	(0.87)
Finance cost	(1.40)
Employee benefit	(3.50)
Other expense	(72.04)
Profit before tax	**(5.08)**
Income tax expense	0.03
Profit for the year (continuing operations)	**(5.05)**
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	(0.03)
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	-
Total comprehensive income for the year (continuing operations)	**(5.08)**
Total comprehensive income from the date on which status changed from subsidiary to associate till March 31, 2019	**(1.13)**
Group's share of loss considered in the consolidated statement of Profit and loss	**(0.35)**

The associate had no contingent liabilities or capital commitments as at March 31, 2018 or March 31, 2019.

Note 47B - Investment in Joint Venture

As at March 31, 2019, the Group has 49.50% interest in Cholamandalam MS Risk Services Limited ("CMSRSL") and this entity has been treated as Joint Venture in the consolidated financial statements.

The following table illustrates the summarised financial information of the Group's investment in CMSRSL:

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Current assets	23.89	22.30	17.47
Non-current assets	14.37	10.94	7.20
Current liabilities	(8.92)	(14.49)	(8.26)
Non-current liabilities	(8.39)	(0.77)	(0.59)
Equity	**20.95**	**17.98**	**15.82**
Proportion of the Group's ownership	49.50%	49.50%	49.50%
Group's share in the Equity of the Joint Venture	10.37	8.90	7.83

Notes to Consolidated Financial Statements

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

Particulars	March 31, 2019	March 31, 2018
Revenue from Operations	40.82	56.28
Other Income	2.58	2.26
Employee benefit	(19.23)	(16.41)
Other expense	(19.29)	(37.93)
Profit before tax	**4.88**	**4.20**
Income tax expense	(1.35)	(1.42)
Profit for the year (continuing operations)	3.53	2.78
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	-	-
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	0.03	(0.14)
Total comprehensive income for the year (continuing operations)	**3.56**	**2.64**
Group's share of profit	**1.76**	**1.31**
Less: Dividend	**(0.29)**	**(0.24)**
Group's share of profit (considered in the consolidated statement of Profit and Loss)	**1.47**	**1.07**

The Joint venture has the following contingent liabilities and capital commitments as at March 31, 2019.

Particulars	March 31, 2019	March 31, 2018
Contested Liabilities Not provided for in respect of Income Tax matters pending before Appellate Authorities	3.96	2.66
Capital commitments	-	0.01

Note 48 - Capital Management

The Group maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), compliance with solvency requirements prescribed by the Insurance Regulatory and Development Authority of India (IRDAI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Group's capital is monitored by the Board using, among other measures, the regulations issued by RBI and IRDAI.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

The Group has complied in full with the capital and solvency requirements prescribed by RBI and IRDAI respectively over the reported period.

48.1 Risk Management

The Group has put in place a robust risk management framework to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. Given the nature of the business, the Group is engaged in, the risk framework recognizes that there is uncertainty in creating and sustaining value as well as in identifying opportunities. Risk management is therefore made an integral part of the Group's effective management practice.

Risk Management Framework: The Group's risk management framework is based on (a) clear understanding and identification of various risks (b) disciplined risk assessment by evaluating the probability and impact of each risk (c) Measurement and monitoring of risks by establishing Key Risk Indicators with thresholds for all critical risks and (d) adequate review mechanism to monitor and control risks.

Notes to Consolidated Financial Statements

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

The Group has a well-established risk reporting and monitoring framework which highlights the movement of top critical risks. This provides the level and direction of the risks, which are arrived at based on the two-level risk thresholds for the identified Key Risk Indicators and are aligned to the overall Group's risk appetite framework approved by the board. The Group also developed such risk reporting and monitoring mechanism for the risks at business / vertical level. The Group identifies and monitors risks periodically. This process enables the Group to reassess the top critical risks in a changing environment that need to be focused on.

Risk Governance structure: The Group's risk governance structure operates with a risk management committee with clearly laid down charter and senior management direction and oversight. The board oversees the risk management process and monitors the risk profile of the Group directly as well as through a board constituted risk management committee. The committee, reviews the risk management policy, implementation of risk management framework, monitoring of critical risks, and review of various other initiatives with a structured annual plan. The key risks faced by the Group are credit risk, liquidity risk, interest rate risk, operational risk, foreign currency risk, insurance risk, reputational and regulatory risk, which are broadly classified as credit risk, market risk, operational risk, liquidity risk, foreign currency risk and insurance risk.

48.2 Credit Risk

Lending

Credit risk in lending business arises when a borrower is unable to meet financial obligations to the lender. This could be either because of wrong assessment of the borrower's payment capabilities or due to uncertainties in future. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes.

The Group has comprehensive and well-defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes detailed risk assessment of the borrowers, physical verifications and field visits. The Group has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals. This enables it to implement necessary changes to the credit policy, whenever the need arises. Also, being in asset financing business, most of the Group's lending is covered by adequate collaterals from the borrowers. The Group developed application scoring model to assess the credit worthiness of the borrower for underwriting decisions for its vehicle finance, home equity and home loan business.

The Group also has a well-developed business planning model for the vehicle finance portfolio, to help business teams plan volume with adequate pricing of risk for different segments of the portfolio.

Insurance - Investments

Insurance Business is subject to credit risk in connection with issuers of securities held in its investment portfolio and reinsurers. Losses may occur when a counterparty fails to make timely payments pursuant to the terms of the underlying contractual arrangement or when the counterparty's credit rating or risk profile otherwise deteriorates. Credit risk can occur at multiple levels, as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Events that result in defaults, impairments or downgrades of the securities in our investment portfolio would cause the Company to record realized or unrealized losses and increase provisions for asset default, adversely impacting earnings

Governance structure, in the form of Investment Committee and well defined investment policies and processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. All Regulatory and Internal norms are built in the Investment system which monitors the investment limits and exposure norms on a daily basis

The policyholders' funds are invested in accordance with regulatory norms. Investment policy and most of the investment is made in the government securities having sovereign rating and debt securities issued by reputed corporate having appropriate rating as per Investment Committee.

Notes to Consolidated Financial Statements

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

48.3 Market Risk

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices.

Lending

The Group's exposure to market risk is a function of asset liability management activities. The Group is exposed to interest rate risk and liquidity risk.

The Group continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee (ALCO) reviews market-related trends and risks and adopts various strategies related to assets and liabilities, in line with the Group's risk management framework. ALCO activities are in turn monitored and reviewed by a board sub-committee.

Insurance

The Group is exposed to financial and capital market risks – the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes or volatility in market prices. Market risk includes equity market and interest rate risks.

The Group has investment policy in place which deals with guidelines set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the company to fair value interest risk.

Equity Price Risk

Equity market risk is the potential for financial loss arising from declines or volatility in equity market The Company's equity price risk exposure relates to financial assets whose values will fluctuate as a result of changes in market prices. The Group has no significant concentration of equity price risk.

48.4 Concentration of Risk/Exposure

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations js uniformly affected by changes in economic, political or other conditions.

Lending

The Group has retail lending business on pan India basis targeting primarily customers who either do not get credit or sufficient credit from the traditional banking sector. Vehicle Finance (consisting of new and used Commercial Vehicles, Passenger Vehicles, Tractors, Construction Equipment and Trade advance to Automobile dealers) is lending against security (other than for trade advance) of Vehicle/ Tractor / Equipment and contributes to 74% of the loan book of the Group as of March 31, 2019 (73% as of March 31, 2018). 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 5% and 22% leading to well diversified sub product mix.

Home Equity is mortgage loan against security of existing immovable property (primarily self occupied residential property) to self-employed non- professional category of borrowers and contributes to 21% of the lending book of the Group as of March 31, 2019 (24% as of March 1, 2018). Portfolio is concentrated in North (41%) with small presence in East (4%). The remaining is evenly distributed between South and Western parts of the country.

Notes to Consolidated Financial Statements

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

The Concentration of risk is managed by Group for each product by its region and its sub-segments. Group did not overly depend on few regions or products as of Mar 31, 2019.

Insurance - Investments

It is the Group's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables management to focus on the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Company's rating policy. The attributable risk ratings are assessed and updated regularly.

During the year, no credit exposure limits were exceeded. The Group actively manages its product mix to ensure that there is no significant concentration of credit risk.

48.5 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks.

The operational risks of the Group are managed through comprehensive internal control systems and procedures and key back up processes. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process. In order to further strengthen the control framework and effectiveness, the Group has established risk control self-assessment at branches to identify process lapses by way of exception reporting. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis. The Group also undertakes Risk based audits on a regular basis across all business units / functions. While examining the effectiveness of control framework through self-assessment, the risk-based audit would assure effective implementation of self-certification and internal financial controls adherence, thereby, reducing enterprise exposure.

The Group has put in place a robust Disaster Recovery (DR) plan, which is periodically tested. Business Continuity Plan (BCP) is further put in place to ensure seamless continuity of operations including services to customers, when confronted with adverse events such as natural disasters, technological failures, human errors, terrorism, etc. Periodic testing is carried out to address gaps in the framework, if any. DR and BCP audits are conducted on a periodical basis to provide assurance regarding the effectiveness of the Group's readiness.

48.6 Liquidity Risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Lending

Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis. The Group has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required. The Group also has lines of credit that it can access to meet liquidity needs.

Notes to Consolidated Financial Statements

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

Insurance

The Group's primary funding obligations for insurance business arise in connection with the payment of policyholders' dues and sources of available cash flow include premium receipts and investment related inflows (such as maturities, principal repayments, investment income and proceeds of asset sales)

An asset-liability mismatch occurs when the financial terms of insurance business assets and liabilities do not correspond. These can lead to non-payment / deferment of claims, expenses etc. Through effective cash management and capital planning, the Group ensures that, it is properly funded and maintains adequate liquidity to meet obligations. Based on the Group's historical cash flows and liquidity management processes, the cash flows from operating activities will continue to provide sufficient liquidity to satisfy debt service obligations and to pay other expenses as they fall due. A well defined Asset Liability Management framework enables periodic monitoring of the Asset-Liability position of the Company.

48.7 Foreign Currency Risk

Foreign Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Group arise majorly on account of foreign currency borrowings. The Group manages this foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge, the Group negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Group's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The Group holds derivative financial instruments such as Cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The Counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

48.8 Insurance Risk

The principal risk, the Group faces under insurance contracts, is that the actual claims and benefit payments or the timing thereof differ from expectations. This is influenced by frequency of claims and severity of claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The principal assumption underlying the liability estimates is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of frequency and severance considered based on past trends. The general insurance claim liabilities are sensitive to the key assumptions. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities. It is not possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non–linear.

For sensitivity analysis and claims development table, refer note below. The method used for deriving sensitivity information and significant assumptions did not change during the presented periods.

Notes to Consolidated Financial Statements

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

Sensitivity Analysis of claims outstanding Liabilities

As at March 31, 2019

Scenario	Increase/ (Decrease) in Net Liabilities	Increase/ (Decrease) in Gross Liabilities	Increase/ (Decrease) in Profit before taxes	Increase/ (Decrease) in Equity
Increase in Insurance Claims Liability Estimate by 2.5%	63.84	74.26	(63.84)	(41.53)
Increase in Insurance Claims Liability Estimate by 5%	127.68	148.52	(127.68)	(83.06)
Decrease in Insurance Claims Liability Estimate by 2.5%	(63.84)	(74.26)	63.84	41.53
Decrease in Insurance Claims Liability Estimate by 5%	(127.68)	(148.52)	127.68	83.06

As at March 31, 2018

Scenario	Increase/ (Decrease) in Net Liabilities	Increase/ (Decrease) in Gross Liabilities	Increase/ (Decrease) in Profit before taxes	Increase/ (Decrease) in Equity
Increase in Insurance Claims Liability Estimate by 2.5%	46.79	60.11	(46.79)	(30.60)
Increase in Insurance Claims Liability Estimate by 5%	93.59	120.22	(93.59)	(61.20)
Decrease in Insurance Claims Liability Estimate by 2.5%	(46.79)	(60.11)	46.79	30.60
Decrease in Insurance Claims Liability Estimate by 5%	(93.59)	(120.22)	93.59	61.20

Insurance Liability (Claims) Development pattern

As at March 31, 2019

Ultimate Net Loss Cost - Re-estimated	YE 31-Mar-12	YE 31-Mar-13	YE 31-Mar-14	YE 31-Mar-15	YE 31-Mar-16	YE 31-Mar-17	YE 31-Mar-18	YE 31-Mar-19
End of Accident Year	419.33	634.27	931.59	1,016.41	1,190.33	1,552.59	1,906.10	2,104.34
One Year Later	423.47	674.81	941.44	978.76	1,193.30	1,529.45	1,890.66	-
Two Year Later	442.75	689.02	1,001.35	993.57	1,215.88	1,598.50	-	-
Three Year Later	445.61	695.58	988.15	1,023.83	1,250.45	-	-	-
Four Year Later	448.92	697.34	1,026.21	1,080.25	-	-	-	-
Five Year Later	461.01	712.52	1,076.15	-	-	-	-	-
Six Year Later	463.35	735.96	-	-	-	-	-	-
Seven Year Later	459.86	-	-	-	-	-	-	-

As at March 31, 2018

Ultimate Net Loss Cost - Re-estimated	YE 31-Mar-11	YE 31-Mar-12	YE 31-Mar-13	YE 31-Mar-14	YE 31-Mar-15	YE 31-Mar-16	YE 31-Mar-17	YE 31-Mar-18
End of Accident Year	323.38	419.33	634.27	931.59	1,016.41	1,190.33	1,552.59	1,906.10
One Year Later	332.35	423.47	674.81	941.44	978.76	1,193.30	1,529.45	-
Two Year Later	348.46	442.75	689.02	1,001.35	993.57	1,215.88	-	-
Three Year Later	362.23	445.61	695.58	988.15	1,023.83	-	-	-
Four Year Later	364.84	448.92	697.34	1,026.21	-	-	-	-
Five Year Later	368.41	461.01	712.52	-	-	-	-	-
Six Year Later	379.84	463.35	-	-	-	-	-	-
Seven Year Later	379.79	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements

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

48.9 Disclosure of Effects of Hedge Accounting Cash flow Hedge as at March 31, 2019

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Crores)		Maturity Date	Changes in Fair value of Hedging Instrument	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness	Line item in Balance sheet
	Asset	Liability	Asset	Liability				
Cross Currency Interest rate swap	5	1	1826.31	354.91	November 07, 2019 to March 18, 2022	80.28	(84.15)	Borrowings and Finance cost

Cash flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Effectiveness recognised in profit and loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign exchange risk and Interest rate risk	13.06	-	-	NA

As at March 31, 2018

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Crores)		Maturity Date	Changes in Fair value of Hedging Instrument	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness	Line item in Balance sheet
	Asset	Liability	Asset	Liability				
Cross Currency Interest rate swap	4	4	769.01	2,316.55	June 30,2018 to September 25, 2020	(70.56)	53.63	Borrowings and Finance cost

Cash flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Effectiveness recognised in profit and loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign exchange risk and Interest rate risk	11.00	-	-	NA

As at April 1, 2017

Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Crores)		Maturity Date	Changes in Fair value of Hedging Instrument	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness	Line item in Balance sheet
	Asset	Liability	Asset	Liability				
Cross Currency Interest rate swap		5		2475.03	October 27, 2017 to November 08, 2019	(101.03)	73.10	Borrowings and Finance cost

Notes to Consolidated Financial Statements

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

Cash flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income	Hedge Effectiveness recognised in profit and loss	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign exchange risk and Interest rate risk	27.93	-	-	NA

48.10 Collateral and other Credit Enhancements

Although collateral can be an important mitigation of credit risk, it is the Group's practice to lend on the basis of the customer's ability to meet the obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements.

The Group obtains first and exclusive charge on all collateral that it obtains for the loans given. Vehicle Finance and Home Equity loans are secured by collateral at the time of origination. In case of Vehicle loans, Group values the vehicle either through proforma invoice (for new vehicles) or using registered valuer for used vehicles. In case of Home equity loans, the value of the property at the time of origination will be arrived by obtaining two valuation reports from Group's empanelled valuer.

Hypothecation endorsement in favour of the Group in the Registration Certificate of the Vehicle/ Tractor / Equipment funded under the vehicle finance category.

Immovable Property is the collateral for Home Equity loans. Security Interest in favour of the Group is created by Mortgage through deposit of title deed which is registered wherever required by law.

In respect of Other loans, Home loans follow the same process as Home Equity and pledge is created in favour for the Group for loan against securities.

The Group does not obtain any other form of credit enhancement other than the above. 99% of the Group's term loan are secured by way of tangible Collateral.

Any surplus remaining after settlement of outstanding debt by way of sale of collateral is returned to the customer / borrower.

Note 49 - Analysis of Financial Assets and Financial Liabilities by remaining contractual maturities

As at March 31, 2019

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial Assets								
Cash and Cash Equivalents	963.11	2,298.34	-	-	-	-	-	**3,261.45**
Bank balances other than Cash and Cash Equivalents	5.96	174.72	97.42	125.21	222.26	29.22	193.94	**848.73**
Derivative financial instruments	-	-	-	72.29	16.40	-	-	**88.69**
Receivables								
i) Trade Receivables	41.28	-	-	-	-	-	-	**41.28**
ii) Other Receivables	39.08	-	-	-	-	-	-	**39.08**
iii) Insurance contract assets	56.70	72.00	42.70	83.06	61.70	-	132.64	**448.80**
iv) Reinsurance assets	67.19	90.22	48.38	21.66	264.52	240.45	646.50	**1,378.92**

Notes to Consolidated Financial Statements

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

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Loans	3,477.36	4,012.95	5,550.41	10,370.25	28,117.45	8,933.63	12,756.88	**73,218.93**
Investment in Associate & Joint Venture	-	-	-	-	-	-	35.56	**35.56**
Other Investments	3,652.58	222.56	262.37	406.20	2,433.94	888.09	1,521.52	**9,387.26**
Other Financial Assets	128.92	14.62	10.06	19.25	56.80	13.18	32.55	**275.38**
Total Undiscounted financial assets	**8,432.18**	**6,885.41**	**6,011.34**	**11,097.92**	**31,173.07**	**10,104.57**	**15,319.59**	**89,024.08**
Financial Liabilities								
Derivative financial instruments	-	-	-	-	8.41	-	-	**8.41**
Payables								
(I) Trade Payables								**-**
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	**-**
ii) Total outstanding dues of creditors other than micro and small enterprises	231.79	-	-	-	-	-	-	**231.79**
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises	0.18	-	-	-	-	-	-	**0.18**
ii) Total outstanding dues of creditors other than micro and small enterprises	178.30	23.46	14.08	9.39	-	-	-	**225.23**
(II) Other Insurers								
i) Total outstanding dues of micro and small enterprises								**-**
ii) Total outstanding dues of creditors other than micro and small enterprises	39.30	177.00	176.90	3.20	4.23	1.00		**401.63**
Debt Securities	1,357.95	1,830.58	3,040.85	3,841.48	4,148.09	909.99	104.29	**15,233.23**
Borrowings(Other than Debt Securities)	1,751.49	1,048.14	2,303.79	5,707.39	20,587.47	3,875.98	1,328.33	**36,602.59**
Subordinated Liabilities	13.66	319.53	84.27	315.16	1,980.24	1,428.36	2,318.07	**6,459.29**
Insurance Contract Liabilities	307.00	392.00	199.00	98.00	1,021.00	889.00	2,411.00	**5,317.00**
Other Financial Liabilities	368.91	-	-	-	2.52	0.21	-	**371.64**
Total Undiscounted financial liabilities	**4,248.58**	**3,790.71**	**5,818.89**	**9,974.62**	**27,751.96**	**7,104.54**	**6,161.69**	**64,850.99**
Total net Undiscounted financial assets/(liabilities)	**4,183.60**	**3,094.70**	**192.45**	**1,123.30**	**3,421.11**	**3,000.03**	**9,157.90**	**24,173.09**

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

As at March 31, 2018

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	427.07				-	-	-	**427.07**
Bank balances other than Cash and Cash Equivalents	9.80	132.78	24.08	113.19	387.97	66.39	204.68	**938.89**
Derivative financial instruments	-	-	-	0.28	5.71	-	-	**5.99**
Receivables								
i) Trade Receivables	68.84	-	-	-	-	-	-	**68.84**
ii) Other Receivables	55.77	-	-	-	-	-	-	**55.77**
iii) Insurance Contact Assets	35.10	73.60	65.10	55.10	213.60		117.36	**559.86**
iv) Reinsurance assets	20.82	35.38	44.02	84.35	287.44	271.07	799.65	**1,542.73**
Loans	2,821.84	3,175.58	4,277.09	8,007.53	21,701.75	7,015.26	9,411.29	**56,410.34**
Investment in Associate & Joint Venture	-	-	-	-	-	-	8.90	**8.90**
Other Investments	2,346.84	133.04	245.56	455.64	1,783.40	1,277.03	1,807.41	**8,048.92**
Other Financial Assets	102.41	7.71	5.13	11.40	40.52	3.80	18.24	**189.21**
Total Undiscounted financial assets	**5,888.49**	**3,558.09**	**4,660.98**	**8,727.49**	**24,420.39**	**8,633.55**	**12,367.53**	**68,256.52**
Financial Liabilities								
Derivative financial instruments	-	13.11	14.84	-	48.59	-	-	**76.54**
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	214.03	-	-	-	-	-	-	**214.03**
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	**-**
ii) Total outstanding dues of creditors other than micro and small enterprises	160.41	29.95	17.97	11.98	-	-	-	**220.31**
(III) Other Insurers								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	**-**

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

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
ii) Total outstanding dues of creditors other than micro and small enterprises	109.50	228.60	89.30	167.80	-	-	-	**595.20**
Debt Securities	131.46	2,797.32	1,465.48	3,730.63	7,080.78	829.98	33.54	**16,069.19**
Borrowings(Other than Debt Securities)	2,002.15	1,588.90	1,897.75	3,064.57	11,980.01	2,268.73	1,622.17	**24,424.28**
Subordinated Liabilities	2.75	124.02	243.26	204.84	1,337.76	1,820.79	1,809.29	**5,542.71**
Insurance Contract Liabilities	73.00	104.00	130.00	245.00	842.00	787.00	2,388.00	**4,569.00**
Other Financial Liabilities	274.49	-	-	-	2.22	0.21	-	**276.92**
Total Undiscounted financial liabilities	**2,967.79**	**4,885.90**	**3,858.60**	**7,424.82**	**21,291.36**	**5,706.71**	**5,853.00**	**51,988.18**
Total net Undiscounted financial assets/(liabilities)	**2,920.70**	**(1,327.81)**	**802.38**	**1,302.67**	**3,129.03**	**2,926.84**	**6,514.53**	**16,268.34**

As at April 1, 2017

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	328.53					-	-	**328.53**
Bank balances other than Cash and Cash Equivalents	5.86	75.08	109.14	380.20	386.78	121.03	175.12	**1,253.21**
Derivative financial instruments	-	-	-	-	-	-	-	**-**
Receivables								**-**
i) Trade Receivables	38.71	-	-	-	-	-	-	**38.71**
ii) Other Receivables	45.04	-	-	-	-	-	-	**45.04**
iii) Insurance Contract Assets	32.10	65.70	71.00	48.07	8.10		101.71	**326.68**
iv) Reinsurance Assets	34.73	51.79	77.85	112.43	298.85	171.38	266.49	**1,013.52**
Loans	2,346.47	2,583.06	3,456.71	6,437.76	16,761.08	5,203.12	8,100.09	**44,888.29**
Investment in Associate & Joint Venture	-	-	-	-	-	-	7.83	**7.83**
Other Investments	2,394.03	217.68	276.51	198.25	812.81	577.11	1,223.18	**5,699.57**
Other Financial Assets	127.88	12.07	9.72	25.83	62.76	13.26	17.75	**269.27**
Total Undiscounted financial assets	**5,353.35**	**3,005.38**	**4,000.93**	**7,202.54**	**18,330.38**	**6,085.90**	**9,892.17**	**53,870.65**

Notes to Consolidated Financial Statements

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

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial Liabilities								
Derivative financial instruments	-	-	-	5.90	95.12	-	-	**101.02**
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	132.46	-	-	-	-	-	-	**132.46**
(II) Other Payables								**-**
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	**-**
ii) Total outstanding dues of creditors other than micro and small enterprises	107.12	12.85	7.71	5.14	-	-	-	**132.82**
(III) Other Insurers								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	**-**
ii) Total outstanding dues of creditors other than micro and small enterprises	18.30	55.00	27.50	82.50	36.35	-	-	**219.65**
Debt Securities	372.77	1,956.47	629.80	3,863.06	7,765.45	243.26	35.68	**14,866.49**
Borrowings(Other than Debt Securities)	902.38	909.42	2,592.60	2,177.65	7,863.27	790.25	1,467.60	**16,703.17**
Subordinated Liabilities	13.75	92.53	47.96	246.12	1,090.13	1,689.71	1,276.61	**4,456.81**
Insurance Contract Liabilities	145.98	192.00	285.56	416.52	983.25	557.89	817.81	**3,399.01**
Other Financial Liabilities	240.46	-	-	-	2.47	0.21	-	**243.14**
Total Undiscounted financial liabilities	**1,933.22**	**3,218.27**	**3,591.13**	**6,796.89**	**17,836.04**	**3,281.32**	**3,597.70**	**40,254.57**
Total net Undiscounted financial assets/(liabilities)	**3,420.13**	**(212.89)**	**409.80**	**405.65**	**494.34**	**2,804.58**	**6,294.47**	**13,616.08**

Notes to Consolidated Financial Statements

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

50.1 Fair value of financial instruments

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group 's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non–financial liabilities.

Particulars	March 31, 2019		March 31, 2018		April 1, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
As on March 31, 2019						
Financial Assets						
Cash and Cash Equivalents	3,281.93	3,281.93	486.33	486.33	328.11	328.11
Bank balances Other than Cash and Cash Equivalents	663.54	663.54	722.53	722.53	1,087.49	1,087.49
Derivative financial instruments	88.69	88.69	5.99	5.99	-	-
Receivables						
i) Trade Receivables	41.28	41.28	68.85	68.85	38.71	38.71
ii) Other Receivables	39.08	39.08	55.77	55.77	45.04	45.04
iii) Insurance Contract Assets	444.16	444.16	555.25	555.25	326.69	326.69
iv) Reinsurance Assets	1,378.91	1,378.91	1,542.72	1,542.72	1,013.51	1,013.51
Loans	52,610.77	52,810.00	42,243.96	43,128.73	33,214.39	33,752.36
Investments in associate	35.56	35.56	8.90	8.90	7.83	7.83
Investments	7,516.71	7,146.22	6,201.70	6,005.33	4,570.02	4,488.44
Other Financial Assets	262.79	275.32	175.64	189.04	262.64	269.16
Total Financial Assets	**66,363.42**	**66,204.69**	**52,067.64**	**52,769.44**	**40,894.43**	**41,357.34**
Financial Liabilities						
Derivative financial instruments	8.41	8.41	76.55	76.55	101.03	101.03
Payables						
i) Trade Payables	231.45	231.45	214.03	214.03	132.46	132.46
ii) Other Payables	223.33	223.33	220.68	220.68	132.81	132.81
iii) Other Insurers	401.63	401.63	595.18	595.18	219.66	219.66
Debt Securities	13,961.82	13,917.49	14,140.54	14,234.64	13,379.42	13,457.81
Borrowings (Other than Debt Securities)	32,126.78	32,105.12	20,169.40	20,276.40	13,744.38	13,701.61
Subordinated Liabilities	4,358.68	4,380.15	3,890.03	3,798.73	2,946.31	3,002.87
Insurance Contract Liabilities	5,317.00	5,317.00	4,569.32	4,569.32	3,398.63	3,398.63
Other Financial Liabilities	290.56	372.05	270.04	276.92	217.24	243.55
Total Financial Liabilities	**56,919.66**	**56,956.63**	**44,145.77**	**44,262.45**	**34,271.94**	**34,390.43**

The Management assessed that cash and cash equivalents, bank balance other than Cash and cash equivalents, receivable, other financial assets, payables and other financial liabilities approximates their carrying amount largely due to short term maturities of these instruments

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of financial assets or liabilities disclosed under level 2 category.

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

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.

50.2 - Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities Quantitative disclosure fair value measurement hierarchy of assets as at March 31, 2019

Particulars	Fair value measurement using			
	Total	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVTOCI Equity Instruments	19.16	12.66	5.16	1.34
FVTPL Equity Instruments	149.46	149.46	-	-
FVTPL Debt Instruments	3,230.26	-	3,230.26	-
FVTPL Mutual Funds	72.92	72.92	-	-
Derivative financial instruments	88.69	-	88.69	-
Assets for which fair values are disclosed				
Investments-At Amortised Cost	3,674.42	-	3,674.42	-
Investment Properties *	29.55	-	-	29.55
Loans	52810.00	-	52810.00	-

There have been no transfers between different levels during the period.

* Fair value of investment property is calculated based on valuation given by external independent valuer.

Quantitative disclosure fair value measurement hierarchy of liabilities as at March 31, 2019

Particulars	Fair value measurement using			
	Total	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair value				
Derivative financial instruments	8.41	-	8.41	-
Liabilities for which fair values are disclosed				
Debt Securities	13,917.49	-	13,917.49	-
Borrowings (Other than Debt Securities)	32,105.12	-	32,105.12	-
Subordinated Liabilities	4,380.15	-	4,380.15	-

There have been no transfers between different levels during the period.

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

Quantitative disclosure fair value measurement hierarchy of assets as at March 31, 2018

Particulars	Fair value measurement using			
	Total	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVTOCI Equity Instruments	26.34	19.13	5.88	1.33
FVTPL Equity Instruments	140.59	140.59	-	-
FVTPL Debt Instruments	1,765.39	-	1,765.39	-
FVTPL Mutual Funds	244.28	244.28	-	-
Derivative financial instruments	5.99		5.99	-
Assets for which fair values are disclosed				
Investments-At Amortised cost	3,828.73	-	3,828.73	-
Investment Properties *	29.47	-	-	29.47
Loans	43,128.73	-	43,128.73	-

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, 2018

Particulars	Fair value measurement using			
	Total	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair value				
Derivative financial instruments	76.55	-	76.55	-
Liabilities for which fair values are disclosed				
Debt Securities	14,234.64	-	14,234.64	-
Borrowings (Other than Debt Securities)	20,276.40	-	20,276.40	-
Subordinated Liabilities	3,798.73	-	3,798.73	-

There have been no transfers between different levels during the period.

Quantitative disclosure fair value measurement hierarchy of assets as at April 1, 2017

Particulars	Fair value measurement using			
	Total	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVOCI Equity Instruments	27.11	17.96	6.57	2.58
FVTPL Equity Instruments	144.72	144.72	-	-
FVTPL Debt Instruments	2,133.10	-	2,133.10	-
FVTPL Mutual Funds	28.25	28.25		
Assets for which fair values are disclosed				
Investments-At Amortised cost	2,155.26	-	2,155.26	-
Investment Properties *	31.54	-	-	31.54
Loans	33,752.36	-	33,752.36	-

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.

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

Quantitative disclosure fair value measurement hierarchy of liabilities as at April 1, 2017

Particulars	Fair value measurement using			
	Total	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair value				
Derivative financial instruments	101.03	-	101.03	-
Liabilities for which fair values are disclosed				
Debt Securities	13,457.81	-	13,457.81	-
Borrowings (Other than Debt Securities)	13,701.61	-	13,701.61	-
Subordinated Liabilities	3,002.87	-	3,002.87	-

There have been no transfers between different levels during the period.

50.3 - Summary of Financial assets and liabilities which are recognised at amortised cost

Particulars	As at		
	March 31, 2019	March 31, 2018	April 1, 2017
Financial Assets			
Cash and Cash Equivalents	3,281.93	486.33	328.11
Bank balances other than Cash and Cash Equivalents	663.54	722.53	1,087.49
Loans	52,610.77	42,243.96	33,214.39
Investments	4,044.91	4,025.10	2,236.84
Other Financial Assets	262.79	175.64	262.64
Financial Liabilities			
Debt Securities	13,961.82	14,140.54	13,379.42
Borrowings(Other than Debt Securities)	32,126.78	20,169.40	13,744.38
Subordinated Liabilities	4,358.68	3,890.03	2,946.31
Other Financial liabilities	290.56	270.04	217.24

50.4 Refer Note 15 for sensitivity analysis for investment property, whose fair value is disclosed under the level 3 category.

Note 51 - First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2019, are the first financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or Previous GAAP). Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2017, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2017 and the financial statements as at and for the year ended March 31, 2018.

Notes to Consolidated Financial Statements

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

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions/ exceptions:

Mandatory exemptions

i) Classification and measurement of financial assets

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

ii) Impairment of financial assets

The Group has applied the exception related impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognized and compared that to the credit risk as at April 1, 2017.

iii) Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the Amortised cost/ FVTOCI/FVTPL criteria based on the facts and circumstances that existed as of the transition date.

iv) Deemed cost for property, plant and equipment, intangible assets and Investment Property

The Group has elected to continue with the carrying value of all of its plant and equipment, capital work-in-progress,intangible assets and Investment Property also recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

v) Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

vi) Classification and measurement of financial assets

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

vii) Share based payments

Ind AS 102 Share based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2017.

viii) Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements in Ind AS 109 retrospectively for securitisation and assignment transactions as the information needed to apply Ind AS 109 to these financial assets derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions in the respective years.

ix) Business combinations

In accordance with Ind AS transitional provisions, the Group has elected to apply Ind AS relating to business combinations prospectively from April 1, 2017. As such, previous GAAP balances relating to business combinations entered into before that date, have been carried forward without adjustment.

The estimates are consistent with those made in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from FVTOCI - equity shares and Impairment of financial assets based on expected Credit loss model where application of Indian GAAP did not require estimation.

Notes to Consolidated Financial Statements
(All amounts are in crores of Indian Rupees, unless otherwise stated)

First time adoption Ind AS reconciliations

A. Reconciliations of Balance Sheet

Particulars		Foot Note	As at March 31, 2018			As at April 1, 2017		
			Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
I	**ASSETS**							
	Financial assets							
(a)	Cash and Cash Equivalents	1, 13	111.57	374.76	486.33	55.22	272.89	328.11
(b)	Bank balances	1, 13	140.29	582.24	722.53	341.97	745.52	1,087.49
(c)	Derivative financial instruments	1, 13	-	5.99	5.99	-	-	-
(d)	Receivables	1, 12	721.94	1,500.65	2,222.59	538.56	885.39	1,423.95
(e)	Loans	1 & 2	-	42,243.96	42,243.96	-	33,214.39	33,214.39
(f)	Investments	1, 3 & 13	8,678.27	(2,467.67)	6,210.60	6,536.02	(1,958.17)	4,577.85
(g)	Other Financial Assets	1, 4	214.16	(38.52)	175.64	210.84	51.80	262.64
			9,866.23	**42,201.41**	**52,067.64**	**7,682.61**	**33,211.82**	**40,894.43**
	Non Financial assets							
(a)	Current tax assets (Net)	1	68.11	160.81	228.92	34.97	106.07	141.04
(b)	Deferred tax assets (Net)	1, 7	77.75	361.00	438.75	69.70	290.88	360.58
(c)	Goodwill on consolidation	1	3.64	46.09	49.73	3.64	46.09	49.73
(d)	Investment Property	1	28.83	0.04	28.87	28.83	0.05	28.88
(e)	Intangible assets under development	1	-	3.80	3.80	-	0.04	0.04
(f)	Property, Plant and Equipment	1	53.06	140.98	194.04	59.35	119.25	178.60
(g)	Intangible assets	1	16.33	22.03	38.36	10.18	23.08	33.26
(h)	Other Non-Financial Assets	1, 13	205.10	151.40	356.50	3.14	230.56	233.70
			452.82	**886.15**	**1,338.97**	**209.81**	**816.02**	**1,025.83**
	Total Assets		**10,319.05**	**43,087.56**	**53,406.61**	**7,892.42**	**34,027.84**	**41,920.26**

Notes to Consolidated Financial Statements

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

Particulars		Foot Note	As at March 31, 2018			As at April 1, 2017		
			Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
II	**LIABILITIES**							
	Financial Liabilities							
(a)	Derivative financial instruments	1, 13	-	76.55	76.55	-	101.03	101.03
(b)	Trade payables	1, 13						
	i) Dues to Micro and Small Enterprises			-	-		-	-
	ii) Other Trade payables		600.62	429.27	1,029.89	222.57	262.36	484.93
(c)	Debt Securities	1, 6	-	14,140.54	14,140.54	-	13,379.42	13,379.42
(d)	Borrowings(Other than Debt Securities)	1, 6	-	20,169.40	20,169.40	-	13,744.38	13,744.38
(e)	Subordinated Liabilities	1, 6	100.00	3,790.03	3,890.03	-	2,946.31	2,946.31
(f)	Insurance Contract Liabilities	12	-	4,569.32	4,569.32		3,398.63	3,398.63
(g)	Other Financial Liabilities	1	3,615.52	(3,345.48)	270.04	2,809.12	(2,591.88)	217.24
			4,316.14	**39,829.63**	**44,145.77**	**3,031.69**	**31,240.25**	**34,271.94**
	Non-Financial Liabilities							
(a)	Provisions	1, 9	1,964.37	(1,889.40)	74.97	1,587.54	(1,524.45)	63.09
(b)	Other Non-Financial Liabilities	1	185.15	2,411.72	2,596.87	71.34	1,972.26	2,043.60
			2,149.52	**522.32**	**2,671.84**	**1,658.88**	**447.81**	**2,106.69**
	Equity							
(a)	Equity share capital		18.75	-	18.75	18.75	-	18.75
(b)	Other Equity		3,314.52	(23.68)	3,290.84	2,744.92	8.05	2,752.97
			3,333.27	**(23.68)**	**3,309.59**	**2,763.67**	**8.05**	**2,771.72**
	Non Controlling Interest	1	520.12	2,759.29	3,279.41	438.18	2,331.73	2,769.91
	Total		**10,319.05**	**43,087.56**	**53,406.61**	**7,892.42**	**34,027.84**	**41,920.26**

Notes to Consolidated Financial Statements

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

First time adoption Ind AS reconciliations

B. Reconciliation of total comprehensive income for the year ended March 31, 2018

Particulars	Foot Note	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Revenue from Operations				
- Interest Income	1,13	427.10	5,225.34	5,652.44
- Dividend Income	1	9.64	(7.23)	2.41
- Net gain on derecognition of financial instruments under amortised cost category	4	-	-	-
- Premium Income	12	2,823.85	(0.71)	2,823.14
- Fee & Commission income	13		293.09	293.09
- Net gain on Fair value change on financial instruments	3, 6	56.20	(52.95)	3.25
- Service Income	10,13	27.98	106.97	134.95
Total Revenue from operations (I)		**3,344.77**	**5,564.51**	**8,909.28**
- Other income (II)	1	1.05	(0.43)	0.62
Total Income (I+II = III)		**3,345.82**	**5,564.08**	**8,909.90**
IV Expenses				
- Finance costs	1,2,6,13	8.61	2,646.27	2,654.88
- Insurance claims		2,048.35	-	2,048.35
- Impairment of Financial Instruments	1,2,11	-	308.72	308.72
- Employee benefits expense	5, 9	130.45	537.56	668.01
- Depreciation and amortisation expense	1	19.75	50.62	70.37
- Other expenses	13	786.66	678.37	1,465.03
Total expenses (IV)		**2,993.82**	**4,221.54**	**7,215.36**
Profit before tax (III-IV)		**352.00**	**1,342.54**	**1,694.54**
Tax expense				
- Current tax				
- Pertaining to profit for the current period	1	114.04	536.37	650.41
- Adjustment of tax relating to earlier periods	1	-	(0.66)	(0.66)
- Deferred tax	1, 7	(7.40)	(73.62)	(81.02)
Net tax expense		**106.64**	**462.09**	**568.73**
Profit for the period		**245.36**	**880.45**	**1,125.81**
Share of Profit attributable to non controlling interest		**(97.04)**	**98.11**	**1.07**
Other Comprehensive Income/(loss)	8, 9			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains and (losses) on defined benefit obligations (net)		-	(2.40)	(2.40)
Tax on above adjustments		-	0.85	0.85
Fair value of investment - Gain/(Loss)		-	0.51	0.51
Tax on above adjustments		-	0.14	0.14
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		-	-	**-**
Cashflow Hedge Reserve Gain/(Loss)		-	11.00	11.00
Tax on above adjustments		-	(3.84)	(3.84)
Total Comprehensive Income		**148.32**	**984.82**	**1,133.14**

Notes to Consolidated Financial Statements

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

C. Effects of IND AS adoption on Total Equity

Particulars	Note below	As at March 31, 2018	As at April 1, 2017
Equity as Reported under IGAAP		**3,314.52**	**2,744.92**
Changes to Fair Value of Investments through OCI		1.95	12.44
Gain on Fair valuation of Investments through OCI		1.82	-
Expected credit loss and related adjustments		37.30	58.78
Adoption of Effective Interest Rate (EIR) - financial assets & liabilities at amortised cost		(80.60)	(161.42)
Adjustments on account of De-recognition of financial assets		18.98	97.35
Impact of applicatinon of Ind AS 115 on revenue from customer contracts		(13.16)	-
Others		2.27	-
Tax adjustments on above items		7.76	0.90
Equity as per IND AS		**3,290.84**	**2,752.97**

D. Effects of IND AS adoption on Cash Flows for year ended March 31, 2018

Particulars	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Net cash generated from/(used in) operating activities	1,084.76	(7,386.94)	(6,302.18)
Net cash generated from/(used in) investing activities	(1,100.98)	(724.22)	(1825.20)
Net cash generated from/(used in) financing activities	72.57	8,214.72	8,287.29
Net increase/(decrease) in cash and cash equivalents	**56.35**	**103.56**	**159.91**
Cash and cash equivalents at start of year	55.22	261.30	316.52
Cash and cash equivalents at close of year	**111.57**	**364.86**	**476.43**

Notes:

1. Unconsolidated Subsidiaries

As of April 1, 2017 the group holds 46.22% equity interest in Cholamandalam Investment and Finance Company Limited (CIFCL). Under Indian GAAP, the Group has treated CIFCL as its associate and thereby applied equity method of accounting. Under Ind AS, the Group has treated CIFCL as its subsidiary and thereby applied line by line consolidation. The value of investment recognised under Indian GAAP was ₹ 1,999.32 Crores as of April 1, 2017 and ₹ 2,038.40 Crores as on March 31, 2018 which has now reduced the value of investment in associate under Ind AS. Consolidation of CIFCL has resulted in change in the consolidated balance sheet, consolidated statement of profit and loss and consolidated cash flow statement.

2. Loans

i) Under Indian GAAP, the Group has created provision for loans based on guidelines on prudential norms issued by RBI. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss Model (ECL). The differential impact has been adjusted in Retained earnings / Profit and loss during the period.

ii) Under Indian GAAP, NPA provision along with Standard asset provision has been disclosed under Provisions. Under Ind AS the ECL provision has been shown net of loan balance.

iii) Under Indian GAAP, transaction cost incurred in connection with loans are amortised upfront and charged to profit and loss for the period. Under Ind AS, transaction cost are included in the initial recognition amount of financial asset measured at amortised cost and charged to profit and loss using effective interest method.

Notes to Consolidated Financial Statements

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

iv) The Group has securitised certain assets and under Indian GAAP, it has derecognised those assets in the books, upon satisfaction of the “true sale” criteria laid down by the RBI. However, as per Ind AS, the Group has not transferred substantially all the risks and rewards, the asset has been re-recognised on a basis that reflects the rights and obligations that the Group has retained (related liabilities has been recognised in Borrowings other than debt securities & related Interest income and expense has been recognised).

v) Under Indian GAAP, Income from Securitisation transaction recognised as Excess Interest Spread where was under Ind AS, Group has recognised the interest on the loans which has been re-recognised as Interest income using Effective Interest rate. Interest on proceeds received from securitisation recognised as Finance cost.

vi) Under Indian GAAP, Group has reversed the interest on NPA accounts based on guidelines on prudential norms issued by RBI. Ind AS, Interest income for Stage 3 receivables are recognised on the amortised cost of such receivables (Gross carrying value less impairment provision) and the same is also tested for impairment.

3. Valuation of Investments

Under Indian GAAP, all Investments are carried at cost except Equities/Mutual Funds which is valued at Fair value and resultant changes due to fair value are taken to “Fair value change Account” with respect to Insurance business and investment by other companies in the group are carried at Historical cost subject to permanent diminution. Under IND AS, the investments are classified as follows:

i. Amortised Cost – Those investments (Debt instruments) which are intended to collect the contractual cash flows as per terms of the instrument.

ii. Fair Value through OCI (FVTOCI) – Those investments (Debt instruments) which are intended to collect contractual cash flows as per terms and also sell such instruments when favourable to the Company.

iii. Fair Value through P&L (FVTPL) – The investments in equities/mutual funds are classified as Fair value through Profit and Loss. The investments in debt securities which are held for sale is classified as fair value through Profit and Loss In accordance with IND AS, the instruments classified under FVTOCI and FCTPL are fair valued at the end of accounting period and resultant fair value gain/losses are taken to Other Comprehensive Income (OCI) and Profit and Loss Account accordingly.”

4. Other Financial assets

Under Ind AS, with respect to assignment deals, Group has recognised an interest only strip receivable as at March 31, 2018 and As on April 01, 2017, with corresponding credit to retained earning/ profit and loss for the year, which has been computed by discounting excess interest spread (EIS) to present value. Necessary adjustments to credit risk has also been made.

5. Share-based payments

Under Indian GAAP, the Group recognised only the intrinsic value for the share based payment plans as an expense. Ind AS required the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. An additional expense has been recognised in profit and loss for the period ended March 31, 2018. Share options which were granted before and still not vested as at April 01, 2017, have been recognised as a separate component of equity in Share based payment reserve against retained earnings as at April 01, 2017.

6. Debt Securities, Borrowings(Other than Debt Securities) and Subordinated Liabilities

i) Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised over the period and charged to profit and loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit and loss using the effective interest method.

Notes to Consolidated Financial Statements

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

ii) The Group has securitised certain assets and under Indian GAAP, it has derecognised those assets in the books, upon satisfaction of the "true sale" criteria laid down by the RBI. However, as per Ind AS, the Group has not transferred substantially all the risks and rewards, the asset has been re-recognised on a basis that reflects the rights and obligations that the Group has retained. The proceeds from such transferred assets recognised as securitisation borrowing under the category "Borrowings other than securitisation".

iii) Under Indian GAAP, Investment in pass-through certificates ('PTCs') made by the Group pursuant to the securitisation transactions entered have been included in the carrying amount of investments. Under Ind AS such PTC investments have been netted off against the securitisation borrowings.

7. Deferred tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

8. Other comprehensive income

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

9. Remeasurement of post employment benefit plans

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

10. Service Income

Under Indian GAAP, Group has recognised certain service income on upfront basis, Under Ind AS the same is required to be amortised over the period based on satisfaction of performance obligations.

11. Provision for undrawn Commitments

Under Indian GAAP, Group is not required to create provision for ECL against undrawn commitments, however under Ind AS, impairment allowance on undrawn commitment has been determined based on Expected Credit Loss Model (ECL) and shown under Provisions. The differential impact has been adjusted in Retained earnings / Profit and loss during the period.

12. Insurance Assets, Liabilities, Income Grossing up

Under Indian GAAP, the Reinsurance assets were netted off against the Claims Outstanding/UPR (i.e. Insurance Contract Liabilities) and the net earned premium is considered after adjusting for RI cession component. However, under Ind AS 104, the same is required to be grossed up and presented in the financial statements.

13. Figures under previous GAAP have been regrouped/ reclassified for Ind AS purpose wherever applicable.

Notes to Consolidated Financial Statements

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

Note 52 - 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, 2018 and March 31, 2019.

As at March 31, 2019

Name of the entity	Net Assets (i.e. total assets less total liabilities)		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
I. Parent								
Cholamandalam Financial Holdings Limited	2%	155.31	0%	1.60	20%	(0.68)	0%	0.92
II. Subsidiaries								
Cholamandalam Investment and Finance Company Limited	39%	3,077.62	38%	539.86	11%	(0.36)	38%	539.50
Cholamandalam MS General Insurance Company Limited	9%	675.09	11%	154.15	29%	(0.99)	11%	153.16
Cholamandalam Health Insurance Company Limited	0%	0.02	0%	(0.02)	0%	-	0%	(0.02)
Non-Controlling Interests in all subsidiaries	50%	3,920.86	51%	718.13	40%	(1.38)	51%	716.75
III. Associate & Joint Venture								
White Data Systems India Private Limited	0%	25.19	0%	(0.35)	0%	-	0%	(0.35)
Cholamandalam MS Risk Services Limited	0%	10.37	0%	1.46	0%	-	0%	1.46
Total Share of Holding and Non-Controlling Interest	**100%**	**7,864.46**	**100%**	**1,414.83**	**100%**	**(3.41)**	**100%**	**1,411.42**

As at March 31, 2018

Name of the entity	Net Assets (i.e. total assets less total liabilities)		Share in profit or loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
I. Parent								
Cholamandalam Financial Holdings Limited	2%	150.14	0%	(0.96)	10%	0.62	0%	(0.34)
II. Subsidiaries								
Cholamandalam Investment and Finance Company Limited	39%	2,601.70	39%	440.48	89%	5.56	39%	446.04
Cholamandalam MS General Insurance Company Limited	8%	548.82	10%	109.33	(52%)	(3.23)	9%	106.10
Cholamandalam Health Insurance Company Limited	0%	0.03	0%	(0.01)	0%	-	0%	(0.01)
Non-Controlling Interests in all subsidiaries	51%	3,279.41	51%	576.97	53%	3.31	52%	580.28
III. Associate & Joint Venture								
White Data Systems India Private Limited	0%	-	0%	-	0%	-	0%	-
Cholamandalam MS Risk Services Limited	0%	8.90	0%	1.07	0%	-	0%	1.07
Total Share of Holding and Non-Controlling Interest	**100%**	**6,589.00**	**100%**	**1,126.88**	**100%**	**6.26**	**100%**	**1,133.14**

Notes to Consolidated Financial Statements

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

Note 53 - Events after reporting date

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

As per our report of even date
For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Regn No.101049W/E300004

For and on behalf of the Board of Directors

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

Sridharan Rangarajan
Director

M M Murugappan
Chairman

Place : Chennai
Date : May 3, 2019

E Krithika
Company Secretary

N Ganesh
Manager & Chief Financial Officer

Notes

Notes

Notes

CAUTIONARY STATEMENT:

Certain expectations and projections regarding the future performance of the Company referenced in the Annual Report constitute forward-looking statements. These expectations and projections are based on currently available competitive, financial and economic data, along with the Company's operating plans and are subject to certain future events and uncertainties, which could cause actual results to differ materially from those indicated by such statements.

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Printed at
Nagaraj and Company
Private Limited
www.ncplprint.com