Chola

Enter a better life

GOING PHYGITAL

AUGMENTING PHYSICAL PRESENCE WITH DIGITAL LEADERSHIP

Annual Report 2018 - 19

Cholamandalam Investment and Finance Company Limited

Chola
Enter a better life

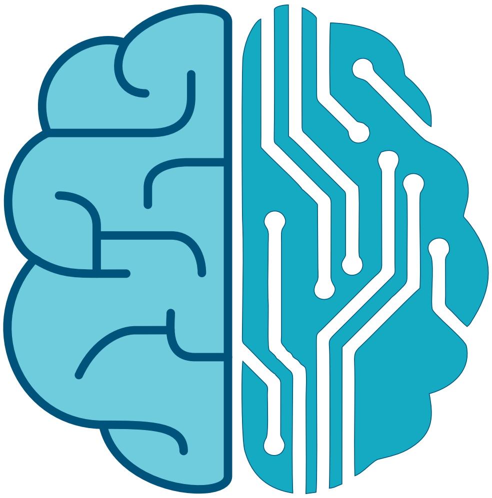
Note: Across this report, the word 'Chola' refers to 'Cholamandalam Investment and Finance Company Limited.'

Forward-looking statement

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

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

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



GOING PHYGITAL

Chola has built its reputation over the past four decades by carefully nurturing relationships within the eco system. The organization has been engaging closely with customers, manufacturers, dealers and channel partners with a strong personal touch which has been the cornerstone of its success. The strength of its portfolio has been built through constant personal interactions across the customer life cycle. As Chola looks to grow to scale it has become necessary to combine the personal touch with more convenience to ensure better customer experience. A smooth experience helps engaging with all stakeholders effectively and forms the base for building and further strengthening relationships.

The new world of digitally enabled services helps Chola deliver this personalized experience at scale. The combined experience is what we call as the "Phygital" experience. Digitization is redefining customer behaviour and affinity to a brand. Chola has put in place a well-defined roadmap to bring digitization to all its processes.

The businesses and functions at Chola are aligned towards going Phygital. Focus is primarily on the digital on-boarding of customers that will set the stage to how the organization is preparing for the future. Technology will be leveraged without losing touch of the need to be in constant personal contact with the customers. Digitization across all functions and processes will bring this into play. Focus will be on enhancing our underwriting skills at the time of onboarding the customers and monitoring customer behaviour throughout the lifetime of our relationship with them. Data Analytics will be leveraged to draw insights into customer behaviour and taking proactive steps in real time. Risk Management will build resilience with better monitoring and tracking of potential risks. Operations will focus on improving turnaround time with digitized processes and platforms. Work environment will be improved for employees through enhanced employee satisfaction derived from empowerment and transparent processes.

By going Phygital, Chola will aspire to build an operating model which thrives on pioneering digital leadership and thereby augmenting our existing strong relationship in the physical world. In this new journey, Chola is well positioned to leverage the best of physical and digital worlds.

While digital helps build connections, it's the physical that will determine the experience. The future for Chola is Phygital.

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. M.M. Murugappan
Mr. Ashok Kumar Barat
Mr. Rohan Verma
Ms. Bharati Rao
Mr. N. Ramesh Rajan
Mr. Arun Alagappan

REGISTERED OFFICE

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

SECRETARY

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

CORPORATE IDENTITY NUMBER

L65993TN1978PLC007576

AUDITORS

M/s. S.R. Batliboi & Associates LLP
Chartered Accountants, 6th & 7th Floor,
"A" Block, Tidel Park, (Module 601, 701 & 702)
No.4 Rajiv Gandhi Salai, Taramani, Chennai - 600 113
Phone: 044 - 66548100
Fax: 044 - 22540120

REGISTRAR & SHARE TRANSFER AGENT

Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032
Phone: 040 - 67161514 Fax: 040 - 23420814
Toll-free No.: 1800-345-4001
E-mail: einward.ris@karvy.com

ABOUT CHOLA

Cholamandalam Investment and Finance Company Limited (Chola), was incorporated in 1978 as the financial services arm of the Murugappa Group. Chola commenced business as an equipment financing company and has today emerged as a comprehensive financial services provider offering vehicle finance, home loans, home equity loans, SME loans, investment advisory services, stock broking and a variety of other financial services to customers.

Chola operates from 911 branches across India with assets under management of INR 57,560 Crores and has two subsidiaries, namely Cholamandalam Securities Limited and Cholamandalam Home Finance Limited.

The vision of Chola is to enable its customers enter a better life. Chola has a growing clientele of over 11 lakh happy customers across the nation. Ever since its inception and all through its growth, the company has kept a clear sight of its values. The basic tenet of these values is a strict adherence to ethics and a responsibility to all those who come within its corporate ambit - customers, shareholders, employees and society.

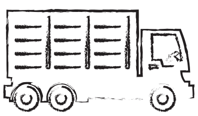
OUR VISION

Enable customers to enter a better life.

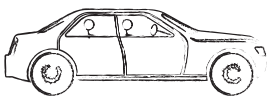
OUR MISSION

CUSTOMER FIRST	:	Switch from product focus to customer focus
IMPROVING EFFICIENCIES	:	Long term customer focus requires profitability and sustainability
PEOPLE POWER	:	People are our Primary Asset. Happier People = Happier Customers

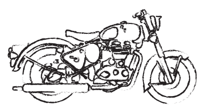
PRODUCTS WE OFFER



COMMERCIAL VEHICLE LOANS

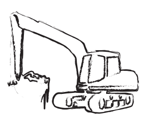


PASSENGER VEHICLE LOANS

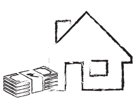


TWO WHEELER LOANS

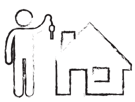
TRACTOR LOANS



CONSTRUCTION EQUIPMENT LOANS

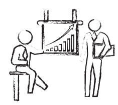


HOME EQUITY



HOME LOANS

SME LOANS



CHOLA WEALTH
Let's Grow Together

ABOUT 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***

VALUES & BELIEFS

The Spirit of Murugappa Group comprises "The Five Lights", each light representing one value of the Group.

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

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

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

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

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

MESSAGE FROM THE CHAIRMAN

"End to end digitization will improve overall customer experience through paperless and automated processes"

Dear Shareholders,

The Financial Year (FY 18 - 19) started off very well with strong Gross Domestic Product and growth numbers driven by healthy demand across sectors during first half of FY 19. During the second half of FY 19, stress in the financial system became apparent with industry facing liquidity constraints due to restrictive supply of market funds and was also impacted by auto and real estate sectors slow down. However, your company did not face any negative impact supported by existing strong relationships with banks and financial institutions that enabled us to procure sufficient funds to disburse.

The Profit after Tax for the year was ₹ 1,186 Crores, a growth of 29%. Our Asset Under Management (AUM) grew by 32% and disbursements grew by 21%. Our AUM stood at ₹ 57,560 Crores with a post - tax Return on Total Asset at 2.4% and Return on Equity at 20.9%. The Company continued to strengthen its asset quality and reduced its Non - performing assets (Gross Stage 3) to 2.7% from 3.4% last year. The company also transitioned from Indian Generally Accepted Accounting Principles to Indian Accounting Standard (Ind AS) during this year. Therefore, financial results for the year are as per Ind AS. Consequently, for comparison purposes, the company has reinstated previous year figures as per Ind AS as well.

During second half of FY 19, Non - Banking Financial Companies faced liquidity concerns arising out of tight market conditions. Your company had traditionally adopted a conservative Asset Liability Management policy ensuring that there are no negative mismatches in any of the time buckets in its structural liquidity statement which ensured the company was completely insulated from the liquidity tightness in the market. The company shifted its stance in long term borrowings moving from market borrowings to bank borrowings. To further strengthen this position, the company maintained a high level of liquid assets to ensure meeting its maturities.

Further, in FY 19, your company started to embed a suite of digital and analytics based capabilities within our three businesses. There are three key focus areas which the company has identified in this regard - advanced analytics, end to end digitization and partnerships expansions. Advanced analytics will enable data driven decision making across the value chain through pre - approved loans, automated underwriting models, cross sell analytics, early warning systems etc. End to end digitization will improve overall customer experience through paperless and automated processes while reducing our operating expenses. Partnership expansion will help us achieve scale and offer compelling products and terms to customers.

With strong macro - economic fundamentals, inflation under control, Reserve Bank of India's (RBI) continued support to boost liquidity and possible advancement in vehicle purchases due to Bharat Stage - VI implementation next year, the company expects the industry to bounce back in the FY 20. Your company is committed to sustain the growth levels with superior asset quality.

I would like to take this opportunity to thank all our employees for their sustained contribution. Further, I would like to thank the Board and RBI for their guidance and support. I would also like to thank our shareholders, bankers and business partners for their continued support for our company over the years. We will continue to strengthen our core and deliver strong value for all our stakeholders.

Best Wishes,

M.M. Murugappan

MESSAGE FROM THE EXECUTIVE DIRECTOR

"In addition to delivering strong financial results, we have set for ourselves a path of growth by preparing for the future"

Dear Shareholders,

It gives me immense pleasure to share with you the key highlights of the year gone by.

The year saw Chola manage growth and also handle a special situation very deftly. Between September - October 2018 the industry faced a turbulent liquidity market situation triggered by the downgrade in the non banking space. Most of our competitors were impacted by this liquidity squeeze but your company responded quickly and increased its liquidity enabling business to function as usual without any disruption.

Notwithstanding the above event, your company scaled new heights of performance across the enterprise not just in the various lines of our businesses but also in strengthening our capabilities in the support functions. In addition to delivering strong financial results, we have set for ourselves a path of growth by preparing for the future. I am also proud to share that your company has crossed a significant milestone of ₹ 50,000 crores Assets Under Management (AUM) and a branch footprint of 900 plus across the country. Our employee headcount is over 7000 and we also additionally have around 16,000 people who assist in various business activities, with majority being in the tier 3 and tier 4 towns.

The flagship Vehicle Finance Business delivered strong growth with disbursements of ₹ 24,807 crores resulting in a growth of 21% over the previous year. The business adeptly maneuvred its portfolio mix to include higher yielding products and lower risk. Our relatively new portfolios of Two Wheeler and Tractor have also performed well in early vintage metrics with good yields.

The Home Equity Business made a comeback from the previous year with solid recoveries from delinquent accounts. The use of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) processes have enabled strong writebacks of provisions. Disbursements grew by 26 % as compared to the previous period with our focus clearly on the Self Occupied Residential Property segment. This segment contributes to 82% of the total Home Equity assets. This enabled us to contain and bring down our Gross Stage 3 Assets level significantly during the year. Considering the stress in the real estate markets and overall industry performance this improvement is laudable.

In the Home Loans Business we doubled our total assets during the year from ₹ 978 crores to ₹ 1,912 crores. FALCON which is our own proprietary platform enables us to deliver a home loan approval to the client within 15 minutes and deliver doorstep service to our target customers. This coupled with a presence in 9 states across 132 locations will help us penetrate the Affordable Housing Segment which is also a National Priority for the Government. During the year we submitted our application for a licence to set up a Housing Finance Company (HFC) to The National Housing Bank (NHB). This licence is in the final stages of approval and we expect to receive the same during FY 20.

Your company with its continuous focus on strengthening asset quality, have brought down the Gross Stage 3 Assets to Total Gross Assets Ratio from 3.4% in March 2018 to 2.7% in March 2019. Gross Stage 3 Assets was reduced from ₹ 1,476 crores in March 2018 to ₹ 1,439 crores in March 2019. Similarly the Net Credit Loss to Average Assets ratio improved from 0.8% in FY 18 to 0.6% in FY 19. Your company will endeavour to improve the asset quality in the coming years as well.

As part of our Long Term Strategy, we embarked on a number of initiatives that will help us tap the growing opportunities in the coming years. A brief summary of these include the following:

For the Vehicle Finance Business which already has 9 different segments and a large footprint across manufacturers and models, we have embarked on strengthening the sustainability of the market share and improving process and customer experience with 4 different initiatives:

- Sales Excellence in Lead Generation and Conversion Funnel
- Credit and Operational Process Improvements with Automation and Digitization
- Strengthening our Vehicle Finance Portal, "GaadiBazaar.in", for buying and selling new and used vehicles
- Exploring business adjacencies in Co - origination with Banks and Leasing

These initiatives will help us address the market segments better as well as diversify our market and portfolio risk across the assets and liabilities side.

For the Home Equity Business similar initiatives in the entire customer lifecycle is being planned along with digitization of our processes.

The Home Loans Business will consolidate its growth by ensuring location level penetration and portfolio management. In addition to these we have also initiated changes to our support functions:

- Strengthened our Analytics Function to help deliver value to the businesses across sourcing and underwriting processes. This includes an Early Warning System for detecting portfolio deterioration and enabling early action
- Equipped our Information Technology Function with a business focus to enable the automation and data analytics needed to run the portfolios efficiently. To augment our data analytics initiatives we are building a Digital Data Lake to capture all moving metrics to enable real time /near real time decisions for the business
- Track Enterprise Risk with the monitoring of Credit Market and Operational Risks with functional performance indices. These include early indicators that help detect incidents that are likely to lead to impact on our businesses across the company. We are working to implement a Governance, Risk and Compliance (GRC) suite that will help monitor these on realtime / near realtime basis
- Setup a Digital Human Resources (HR) System that helps us to monitor and run all our HR processes smoothly with strong data protection and privacy controls
- On the capital and liabilities management side we have embarked on a number of initiatives to diversify our funding base to reduce dependence on a few sources

All of these will be rolled out during FY 20.

I am confident that with all these initiatives along with the expected economic growth, your company will forge ahead and continue to provide value to the nation, the people and the environment. On behalf of the Board of Directors, I would like to express my sincere gratitude to all the shareholders and our customers for their trust and confidence in Chola. I look forward to a great year ahead.

Best Wishes,

Arun Alagappan

BOARD OF DIRECTORS

Mr. M.M. Murugappan
(63 years) DIN: 00170478
Chairman & Non - Executive Director

- Is the Executive Chairman of Murugappa Corporate Advisory Board
- Has over 40 years of experience in diverse areas including strategy & business development, technology and human resources
- Holds a Bachelor's degree in Chemical Engineering from the AC College of Technology, University of Madras, India and a Master of Science Degree in Chemical Engineering from the University of Michigan, Ann Arbor, Michigan, USA
- Is the non - executive Chairman of Cholamandalam Financial Holdings Limited, Cholamandalam MS General Insurance Company Limited, Coromandel International Limited, Tube Investments of India Limited and Carborundum Universal Limited
- Is a non - executive Director on the boards of Mahindra & Mahindra Ltd. and Cyient Ltd
- Served on the Board of governors of IIT Madras, for six years till November, 2011 and has enabled many industry academic partnerships. Now serves on the board of the IIT - Madras Research Park and is a mentor to many companies incubated there
- Is a Trustee of the Group's AMM Foundation, actively involved in the development of various citizenship initiatives, particularly in education, health care, performing arts and sports
- Has been a non - executive Director of Chola since 31 May, 2018 and Chairman of the Board since 26 July, 2018. Prior to that he had served the Board of Chola as a non - executive Director from January, 2015 till October, 2017

Ms. Bharati Rao
(70 years) DIN: 01892516
Independent Director

- Is a Post Graduate in Economics and a Certified Associate of the Indian Institute of Banking & Finance
- Has over 46 years of varied experience in the fields of project finance, international Operations, credit and risk management
- Retired as the Deputy Managing Director and Chief Development Officer of SBI
- Held concurrent charge of SBI's associate banks and non - banking subsidiaries and an advisor for mergers and acquisitions
- Is on the Boards of various companies including Carborundum Universal Limited, Can Fin Homes Limited, SBI Capital Markets Ltd., SBICAP Securities Ltd., SBI Global Factors Ltd., Tata Tele Services Ltd., Neuland Laboratories Ltd. and Delphi - TVS Technologies Ltd
- Joined the Board of Chola in July, 2014

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

- Graduate in commerce, a Fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India
- Has varied experience in the fields of finance, mergers & acquisitions, strategy and governance
- Has worked in different roles, operational and staff, as a Chief Financial Officer, Managing Director and Chief Executive Officer and Country Manager
- Is a Director on the Boards of several companies including Bata India Limited, DCB Bank Limited, Birlasoft Limited and Mahindra Intertrade Limited
- Was the Managing Director and Chief Executive Officer of Forbes & Company Limited from 2008 till his retirement in 2016
- Worked with Hindustan Lever Limited (now Hindustan Unilever Limited), Pepsi, Electrolux, Telstra and Heinz
- Was the past President of the Bombay Chamber of Commerce and Industry; currently, Vice President, Council of EU Chambers in India
- Joined the Board of Chola in October, 2017

BOARD OF DIRECTORS

Mr. N. Ramesh Rajan

(61 years) DIN: 01628318
Independent Director

- Graduate in Commerce, a fellow member of the Institute of Chartered Accountants of India
- Has 37 years of experience in the fields of finance, strategy and operations
- Was the Chairman and Senior Partner, PwC India responsible for overall strategy and operations of all PwC entities in India
  - As Chairman & Senior Partner had represented India on the Global Strategy Council of PwC International and served as a member on the leadership team of the Central Cluster led by PWC, UK
  - Is the founder and senior partner of LeapRidge Advisors LLP
- Is the Chairman of Indo National Limited and is also on the Board of TTK Healthcare Limited
- Was appointed as an additional director on the Board of Chola in October, 2018

Mr. Rohan Verma

(33 years) DIN: 01797489
Independent Director

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

Mr. Arun Alagappan

(42 years) DIN: 00291361
Executive Director

- Graduate in commerce and holds a Masters in Business Administration from Cardiff Business School
- Has completed 'Owner President/Management Program' at Harvard Business School
- Has over 19 years of experience in diverse areas of strategy & planning, technology, finance, management and governance
- Has held senior management positions in EID Parry India Limited and Tube Investments of India Limited
- Was instrumental in forging the alliance with Roca and under his leadership, TI Cycles grew into an INR 14.8 Billion business, with leading indigenous brands like BSA, Hercules, Montra, Lady Bird and affiliation with international brands like Ridley, Bianchi, Cannondale
- Is on the Boards of Lakshmi Machine Works Limited, Roca Bathroom Product Private Limited, White Data Systems India Private Limited, Cholamandalam Home Finance Limited and few other Murugappa group Companies
- Joined the Board of Chola as an Executive Director in August, 2017

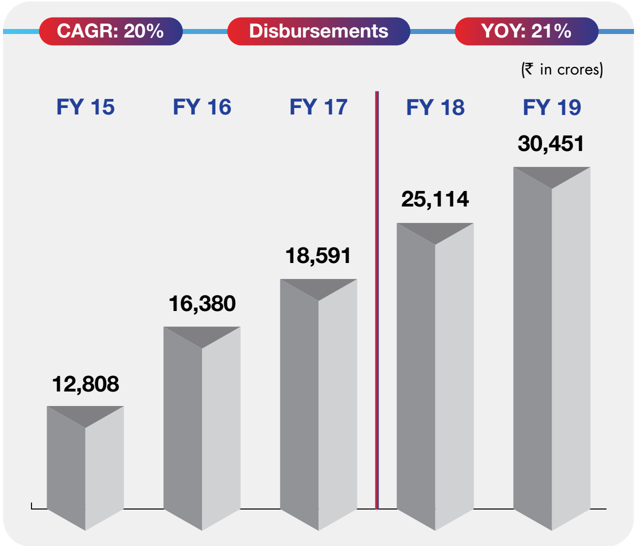
BUSINESS HIGHLIGHTS

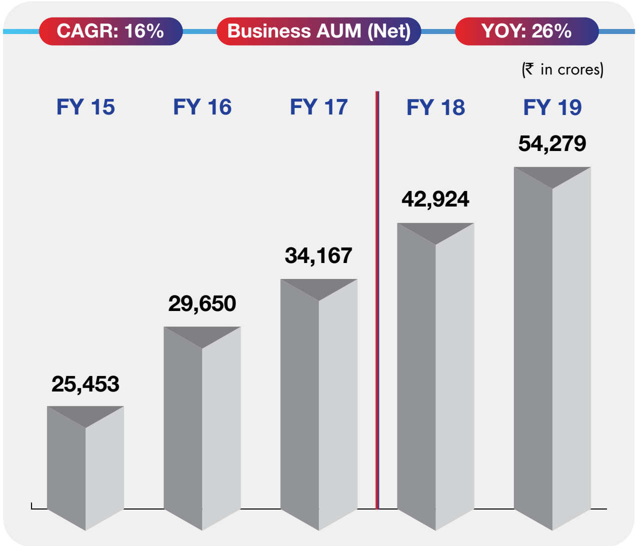
KEY FIGURES (STANDALONE)

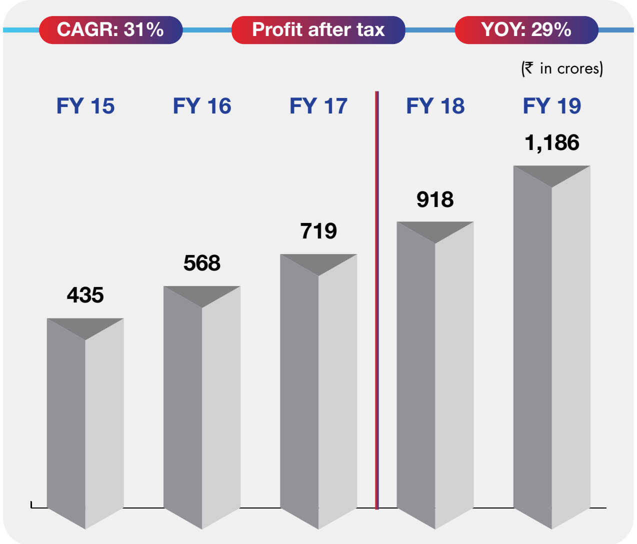
(₹ in crores)

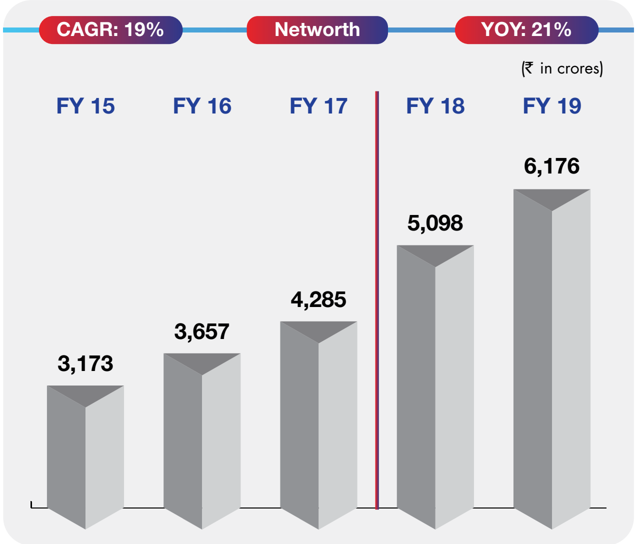
PARTICULARS	FY19	FY18	FY17	FY16	FY15
Branch Network (in nos.)	911	870	709	534	534
Disbursement	30,451	25,114	18,591	16,380	12,808
Assets Under Management (AUM)	57,560	43,629	35,110	30,362	26,191
Net Income Margin (NIM)	3,404	2,820	2,430	2,143	1,731
Operating profit	2,134	1,705	1,416	1,298	982
Profit After Tax (PAT)	1,186	918	719	568	435
KEY RATIOS (IN %)					
NIM	6.9	7.5	8.6	8.7	7.9
Expense Ratio	2.6	3.0	3.6	3.4	3.4
Gross NPA /Gross Stage 3 Assets	2.7	3.4	4.7	3.5	2.4
Net NPA / Stage 3 (Net off ECL) Assets	1.7	2.2	3.2	2.1	1.3
Tier I Capital	12.4	13.2	13.6	13.3	13.0
Tier II Capital	4.9	5.1	5.0	6.4	8.2
Capital Adequacy Ratio	17.4	18.4	18.6	19.7	21.2
Return on Total Assets - PBT	3.7	3.7	3.9	3.6	3.0
Return on Equity	20.9	19.6	18.0	16.7	15.8
GROWTH RATIOS (IN %)*					
AUM Growth	31.9	24.8	15.6	15.9	8.4
Disbursement Growth	21.3	35.1	13.5	27.9	-2.3
Earnings per Share Growth	29.1	27.7	22.7	25	18.3
Book Value per Share Growth	21.1	18.9	17.1	15	27.0
BRANCH EFFICIENCY RATIOS (IN CRORES)					
Disbursements per Branch	33.6	28.9	26.2	30.7	24.0
NIM per Branch	3.8	3.2	3.4	4.0	3.2
PAT per Branch	1.3	1.1	1.0	1.1	0.8

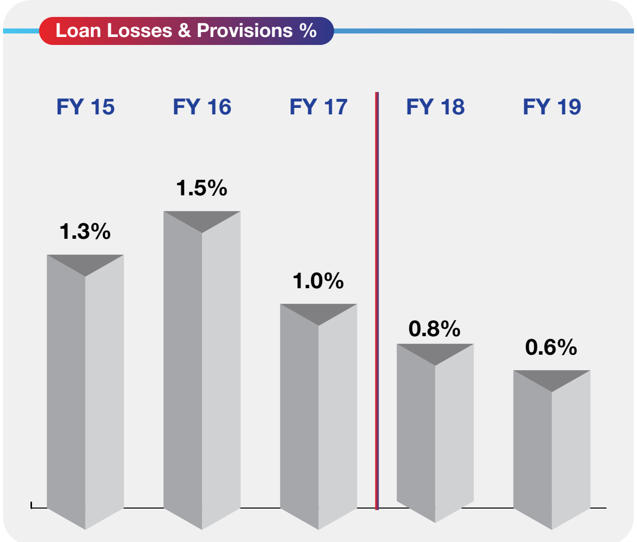
Note: a. * Growth Ratios (in %) for FY18 is as per IGAAP, since for FY 17 Ind AS is not applicable.
b. Gross Stage 3 Assets and Stage 3 Assets (Net off ECL) is as per Ind AS
c. Numbers are as per Ind AS for the FY19 and FY18 and rest of the years are as per IGAAP, hence not comparable
d. Refer glossary section for terms and ratios

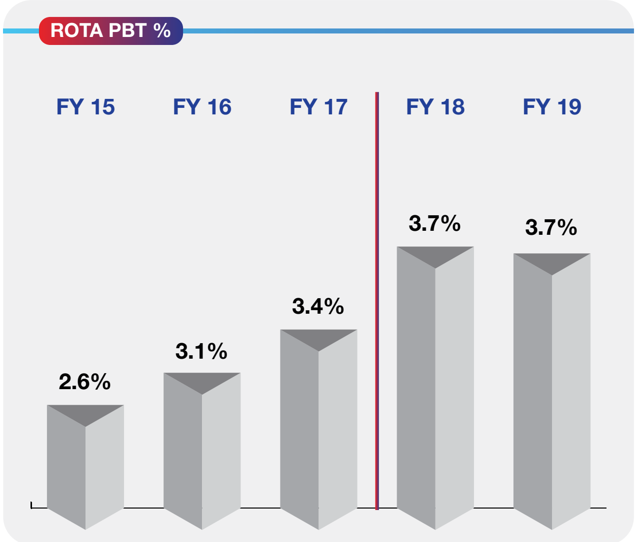






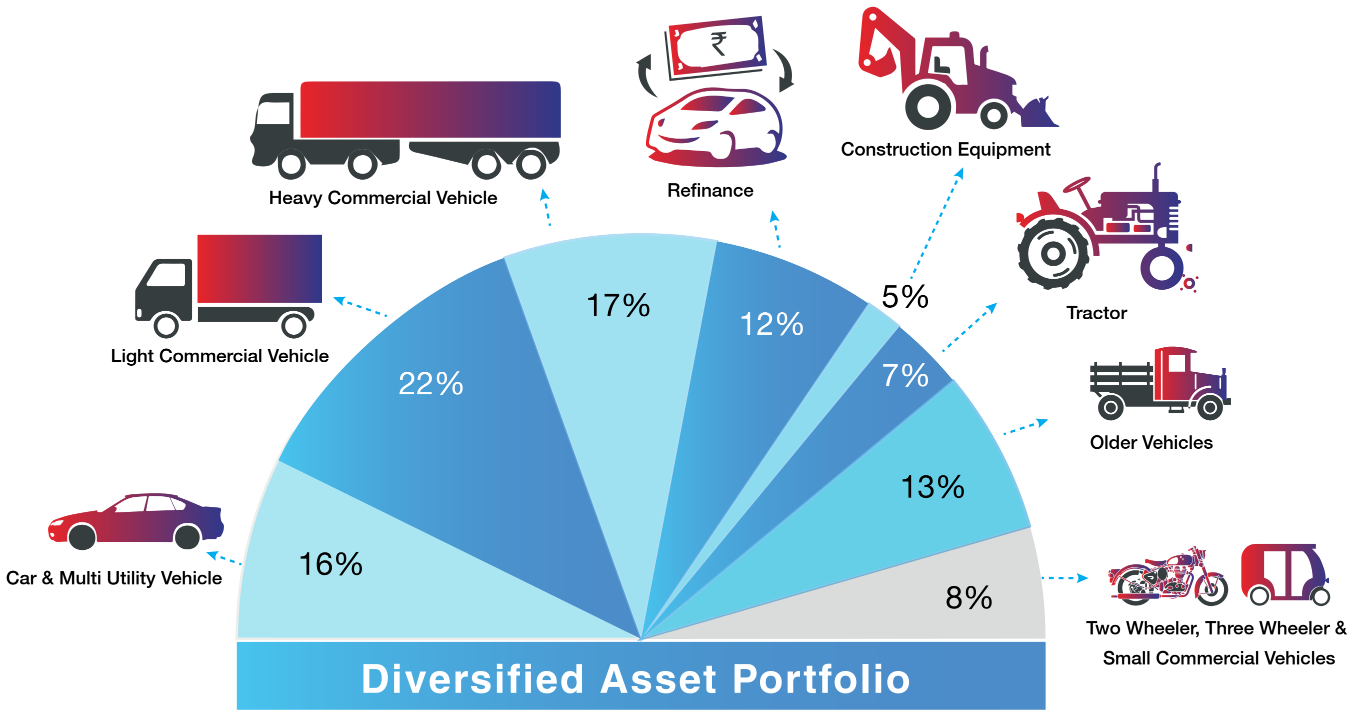






Note: a. Numbers are as per Ind AS for the FY 19 and FY 18 and rest of the years are as per IGAAP, hence not comparable
b. Refer glossary section for terms and ratios

BUSINESS REVIEW - VEHICLE FINANCE



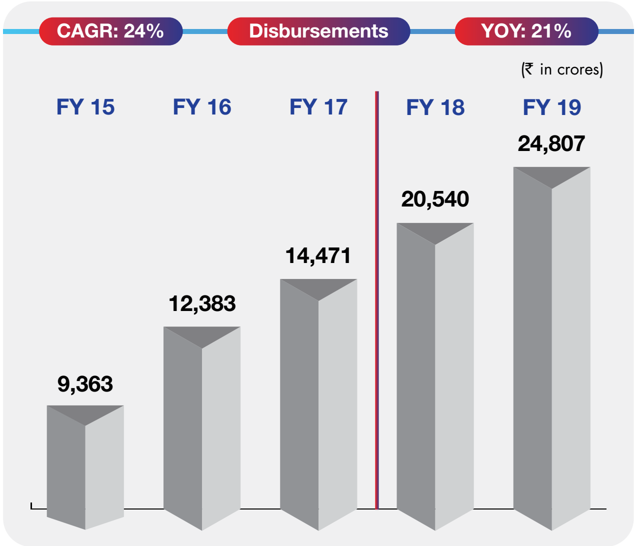
Key Differentiators

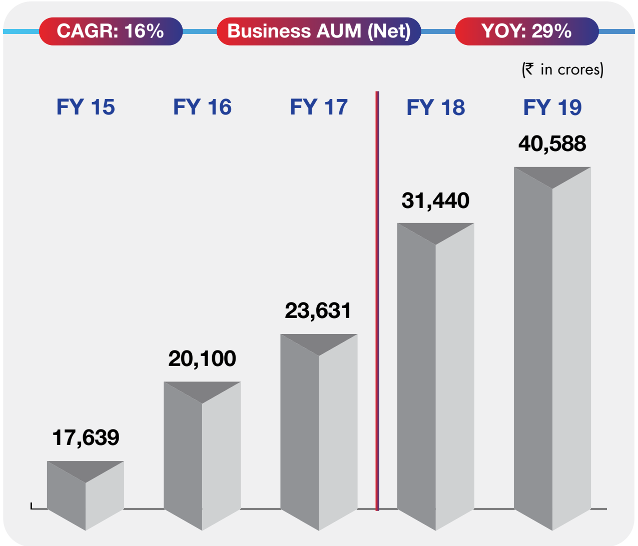
- Quicker Turn Around Time
- Long term stable player in the market
- Strong dealer and manufacturer relationships
- Good penetration across Tier II, Tier III and Tier IV towns
- In - house highly experienced sales and robust collections team
- Strong internal control systems
- Customized products offered for target customers
- Gaadibazaar - digital platform for buying and selling new and used vehicles

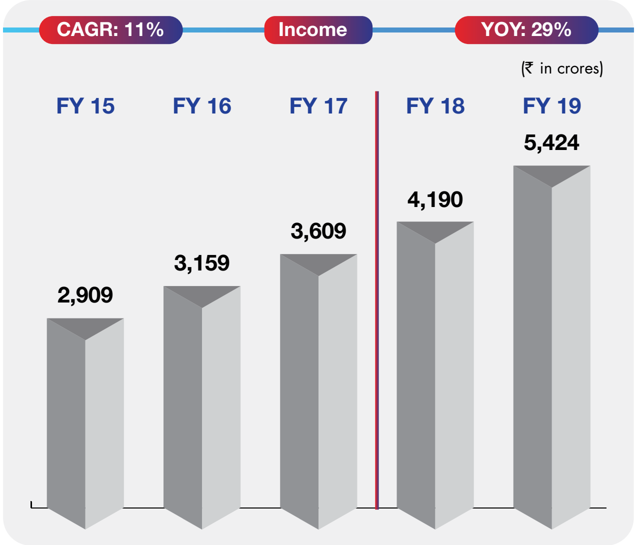
Awards

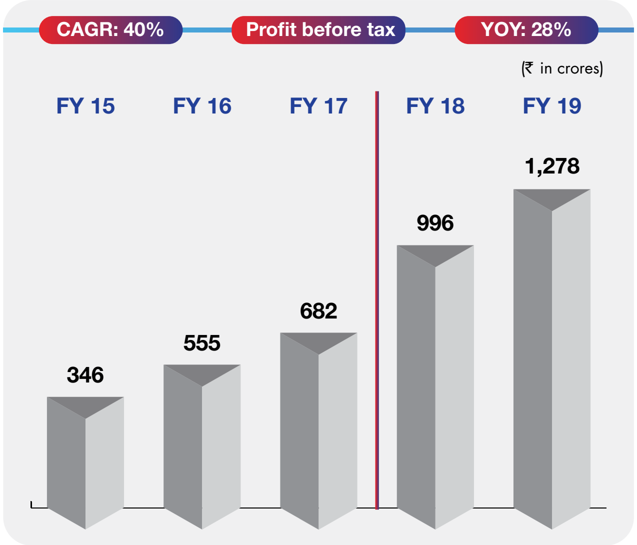
MAHINDRA TRANSPORT EXCELLENCE AWARD (MTEA)

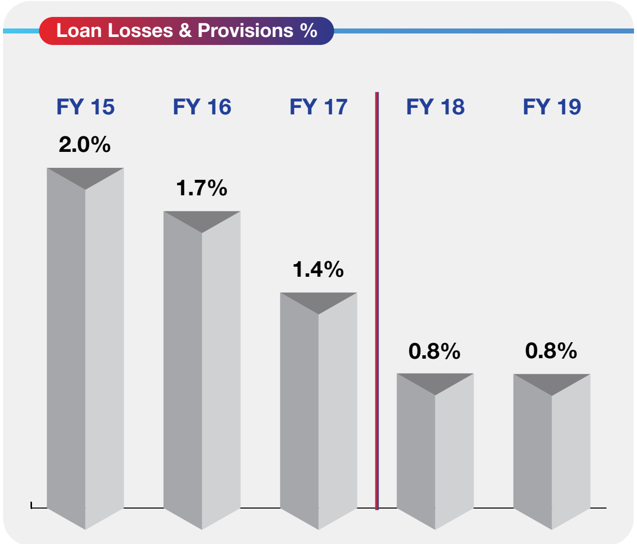
National Winner in the Commercial Vehicle Financier category for Driving Positive Change and Alternative Thinking. Chola has received this award three times in a row.

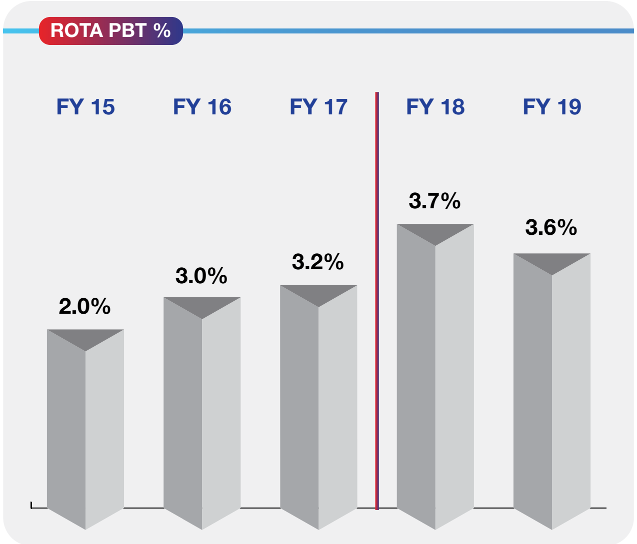












Note: a. Numbers are as per Ind AS for the FY 19 and FY 18 and rest of the years are as per IGAAP, hence not comparable
b. Refer glossary section for terms and ratios

BUSINESS REVIEW - HOME EQUITY

TRANSFORMING BUSINESS & GIVING WINGS TO DREAMS

Every customer relationship is an ongoing partnership. While we have invested in technology in the last couple of years, we have equally focussed on strengthening our customer relationship by anticipating their needs and developing solutions that would add ease, convenience and comfort to the entire experience with our products and services. By taking charge of our customers' requirements, we are able to help them transform their business environment, achieve their short and long terms goals and fulfil their lifetime desires.

CUSTOMER SEGMENT

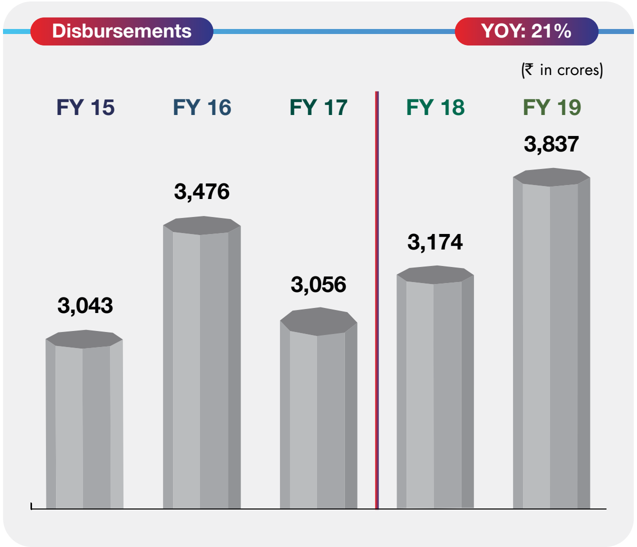
Our focus is on the middle socio economic class and self employed non - professionals.

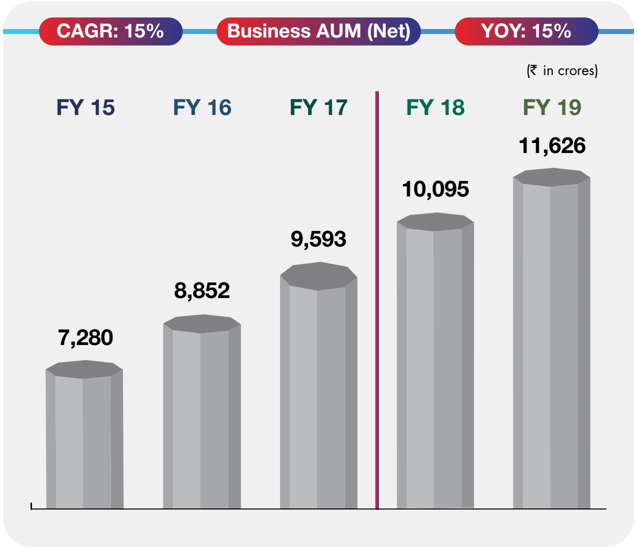
ASSET CLASS

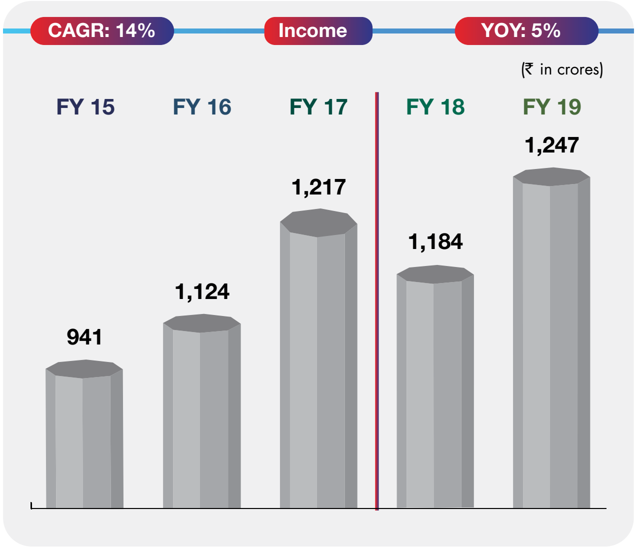
Self occupied residential property

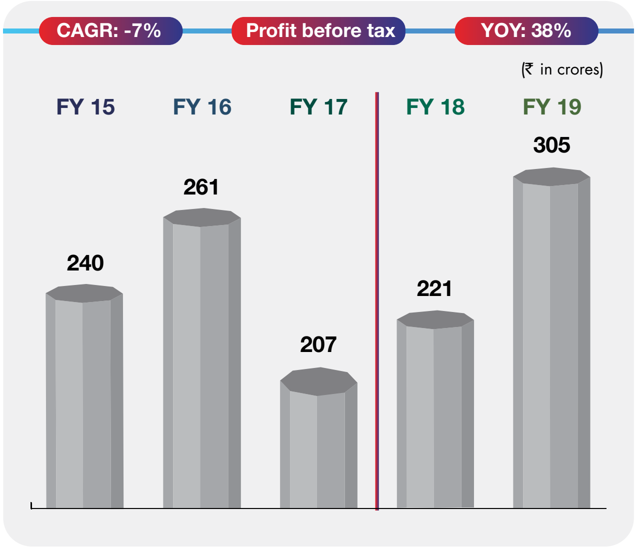
Key Differentiators

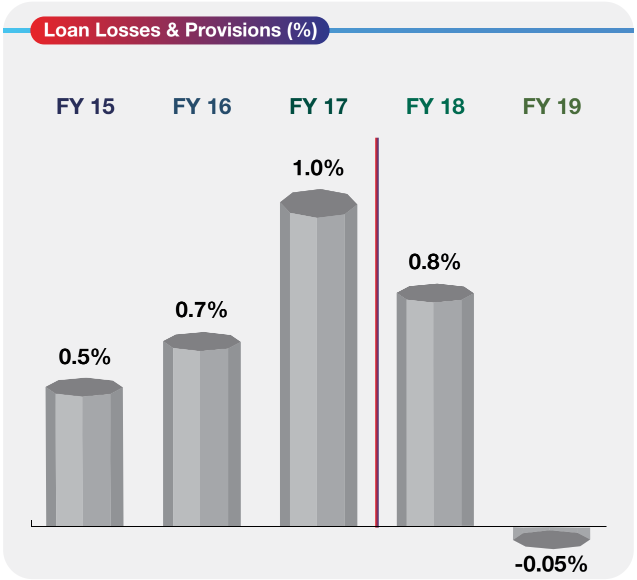
- Quick turnaround time
- Personalized services to customers through direct interaction
- Digital on - boarding of customers
- Digital tracking of loan details via mobile app
- 231 branches pan India and growing
- Over 12 years of serving customers

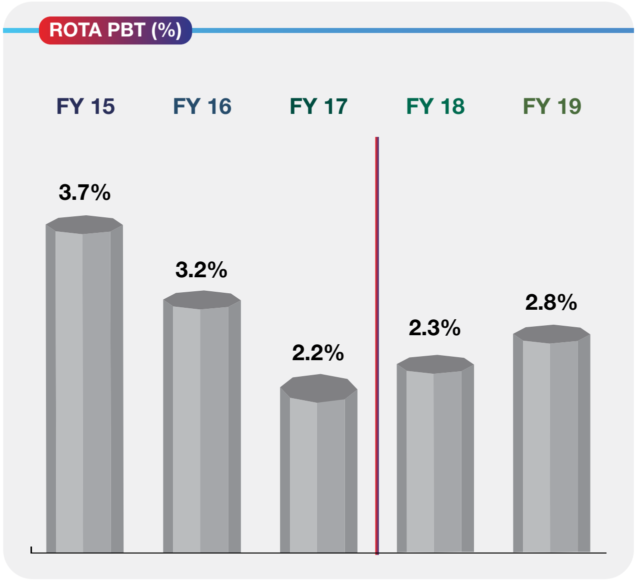












Note: a. Numbers are as per Ind AS for the FY 19 and FY 18 and rest of the years are as per IGAAP, hence not comparable
b. Refer glossary section for terms and ratios
c. Income and PBT are reported at Business AUM level

BUSINESS REVIEW - HOME LOANS

AFFORDABLE HOUSING

Affordable housing segment is one of the fastest growing segments. While the housing finance industry has been growing at 15 - 19%, affordable housing finance segment has been growing at 30%+. The recent liquidity crisis has resulted in differentiating the long term players with strong balance sheet vis-a-vis the frivolous players in this segment.

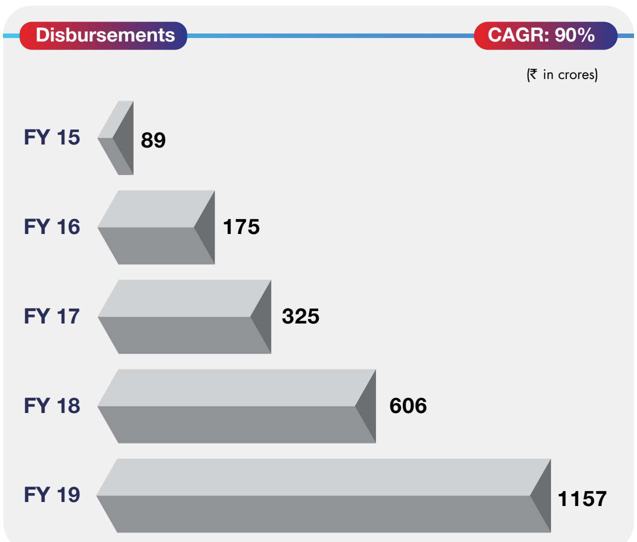
Affordable housing will remain the core of the portfolio in the coming years; however, Chola will also service the low ticket salaried and the prime self - employed and salaried segments. Home Loans are currently being offered through 132 branches across 9 states in India. The company plans to expand to 200 branches in the coming financial year.

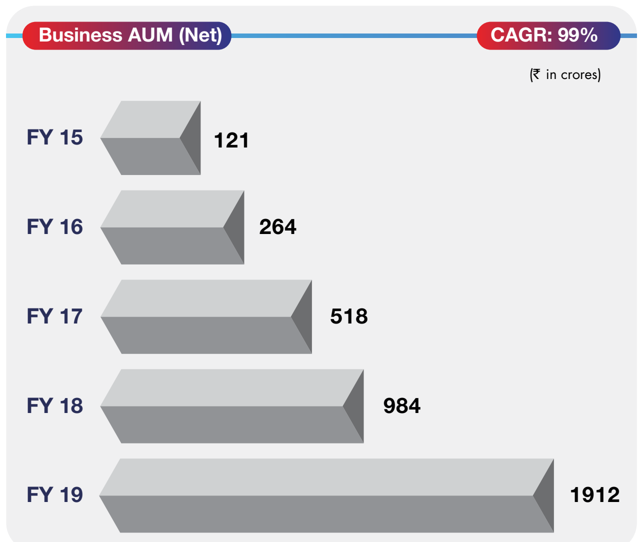
PRODUCTS

- **Home Loans for Self construction**
- **Balance transfer of existing home loans**
- **Loans for purchase of ready to occupy homes**

Key Differentiators

- In principle sanction at customer place
- Transparent end - to - end digital on - boarding
- Minimal documentation





Note: Refer glossary section for terms and ratios

OUR SUBSIDIARIES

CHOLAMANDALAM HOME FINANCE LIMITED

The company has applied for housing finance licence from National Housing Bank and the licence is awaited.

FOCUS ON DIGITAL ONBOARDING OF CUSTOMERS

Digital on - boarding has become a vital part of business. The quicker you onboard a customer the higher the chances of you keeping him interested in what you have to offer. In the last five years Chola has been focussing on building and increasing its digital approach across all its products. The proposed housing finance business is centered on engaging the digital platform to drive operational efficiencies and enhance customer experience.

Sales teams are empowered to provide decisions on lending to the customer at the customer's location using a digital on - boarding process which is fast and convenient. Sales executives can provide an in principle sanction while sitting with the customer based on the score, generated by the underwriting model. The on - boarding solution that has been implemented is completely digital and leverages on the fin-tech offerings in the market like bank statement analyser, KYC validation etc.

CHOLAMANDALAM SECURITIES LIMITED

Cholamandalam Securities Limited is a wealth management company offering investment solutions to individual clients and stock broking services to High Networth Individuals and institutional investors, including many of the largest mutual funds in India. Chola Securities is a member of BSE Limited and National Stock Exchange of India Limited.

PRODUCTS OFFERED

Stock Broking Services | Depository Participant Services

PRODUCTS DISTRIBUTED

Mutual Funds | Life Insurance | General Insurance | Bonds & Debentures | Fixed Deposits | PMS | IPO | ETF | SIP

Awards

BSE - TOP PERFORMER

Mutual Fund Distributor Tamil Nadu

NSDL

Star Performer Award

CDSL - EXCELLENT PERFORMER

in Depository Service

Analytics Drives Continuous Improvement

We believe that seamless access to valuable data can provide insights to make our customers lives better. Our strong Analytics team translates volumes of transactional data into actionable strategy helping Chola make informed decisions.

The future of lending business is digitally enabled, proactive, insight driven, cost optimized, and focused on value add strategic decision making. Analytics is a key enabler to realize this future. 80% to 90% of all decision making will be solely data driven through digital reporting. Chola's competitive advantage will be its capability to use Artificial Intelligence & Machine Learning algorithms that consumes large amounts of data from varying data sources for real time processing.

Key Focus Areas

- Customized underwriting models
- Behavioural models
- Early warning systems
- Analytics driven call centre strategies
- Collections treatment optimization
- Business Decision Model
- Self - serving dashboards

Information Technology Builds Operational Efficiency

Technology serves as a catalyst for operational efficiency. By leveraging the power of digitization, the entire customer journey has been re - imagined. Customer on - boarding process has been seamlessly optimized by bringing together information using digital APIs. Chola has also built a complete paperless e - sign capability for its Home Loans customers.

Technology is not just improving the customer experience from a brand perspective, it is also empowering customers to take advantage of and also seek continuous improvements and enhancements in the services and products they opt for. As a result customers are becoming more demanding and want instant solutions. The next few years will see digital technology become the core for any financial services organization. Smarter usage of data integration with a bouquet of service providers via Application Program Interface (API), and Artificial Intelligence/algorithms based technology will be the order of the day while infrastructure components like servers and storage will get increasingly commoditized with the adoption of cloud.

Key Focus Areas

- Digitization - Credit scoring model
- Automation - Automation of repetitive activities using Robotic Process Automation
- Centralization - Managing leads from various channels
- Optimization - Customer on - boarding process using digital APIs

Finance & Treasury Building Confidence

The Finance department played a pivotal role in successful implementation of Ind AS and ensured a smooth transition to the new accounting standards by way of system integration and business process alignment.

The Treasury team played a crucial role in managing the tough liquidity situation which impacted the NBFC sector in the second half of FY 19. The conservative policy of the company in ensuring that there are no negative mismatches in any of the time buckets in its structural liquidity statement ensured that the company was completely insulated from the liquidity tightness in the market.

Despite the tight liquidity issues, the cost of funds were kept under control enabling better business profitability. The company diversified its funding sources by raising debt funding from reputed international agencies like Asian Development Bank, International Finance Corporation and by means of External Commercial borrowings. Also the ground work was laid for raising overseas funding avenues to mitigate the tight liquidity situation on the domestic front.

The MIS team worked towards the development and implementation of the Profitability model at Manufacturer and Customer level, to enable better understanding by the operating team so that they could focus on the right product to improve profitability. Our continued focus on nurturing investor relationship resulted in regular research coverage by more than 30 research agencies during the year.

Key Focus Areas

- Ind AS Transition
- Liquidity Management
- Imparting Profit focus to Operating teams

Compliance a Core Strength

Compliance is a way of life in Chola and is top driven. Being a financial institution every aspect and process of the business involves compliance. The company's board and senior management are extremely conscious of this and there is a clear communication from top down on zero tolerance to any non - adherence to regulations and company policies and processes.

The company has a robust real time compliance monitoring and reporting process covering the businesses and functions across the business verticals. There is a rigorous reporting put in place on a monthly and quarterly basis from the businesses and functions which are then studied and relied on to assess the compliance. In line with the overall company's digital vision, during the year the compliance team too embarked on the digital journey in many areas of compliance operations. The company automated the compliance monitoring and reporting process including the areas of SEBI Prohibition of Insider Trading (PIT) Regulations. This tool enables the Company and its designated employees to report, monitor and comply with SEBI PIT Regulations seamlessly.

Over 20,000 field staff spread over 900 branches are trained on a periodical basis in a systematic manner on know your customer regulations, fair practices code, prevention of sexual harassment and code of conduct and many more transactional areas. The trainings are conducted both in the form of class room sessions and through e - modes and periodical e - mailers.

Key Focus Areas

- Robust real time monitoring and reporting
- Periodical training
- Embarking on compliance digital journey

Operations Building Trust

Trust is an asset that Chola has both inherited by being part of the Murugappa Group and also built over the years by serving customers with integrity. We always put customers first and serve them with truth and transparency. At all points of interaction right from sourcing, disbursement, service and closure, we maintain highest levels of transparency with the customer.

Customers can access their portfolio via the Chola App through which they can view their records, pay EMIs, download certificate and do much more at their convenience. With the pace at which digitization is taking over, we are encouraging our customers to adapt technology and use the Chola App which is fast and convenient.

Chola Operations has been certified for ISO 9001:2015 Quality Management Systems.

Key Focus Areas

- Productivity Increase
- Automation and digitization for quicker turnaround time
- Customer delight

Awards

KAIZEN AWARDS

CII SR Kaizen Competition - 13th Edition

Chola Operations have won two prestigious awards at the CII Southern Region Kaizen competition - 13th Edition in the month of July 2018. Out of a humungous number of 207 Kaizen entries across various industries, the Chola team walked away with the honors.

The Awards received are :

1. First Place for the title "Simplification of document upload" for Vishesh Process of Vehicle finance Business under the category of Service sector, Large Scale Industry, Operator level

2. Second Place for the title "Kiosk Self Banking" for Kiosk installation at branches of Chola, under the category of Service sector, Large Scale Industry, Supervisor level.

INDIA CX AWARDS 2019

Chola has also won one award in the India Customer Excellence award 2019 held in the month of March 2019. Chola walked away with the award "Rising Star of the year 2018 - 19" for all the enhancements made in the customer excellence.

Human Resources, Catalyst for Change

Human Resources is the engine that drives change in any organisation. The last year has been a game changing year for the HR function. Employee overall wellbeing has taken centre stage and several initiatives have been planned to ensure that the employee is "Happy at work and happy to work". Results of employee voices survey that was conducted in the last year showed an engagement score of 80%, as against a previous score of 74% a couple of years before. The team has been closely engaging with the business teams to improve productivity levels through various career development initiatives.

TALENT RESOURCING :

In the year FY 19 Chola has had 25% of growth in overall staff headcount. Employee referrals continue to be the primary source for Talent Identification. To address the challenge of increasing new entrants in the NBFC space and people poaching from competition, targeted zone wise, talent resourcing initiatives were rolled out such as Market Mapping, Walk-in Drives, Alternate Sourcing Channels (Partnership with National Skill Development Corp, Hire, Train & Deploy Model) and Leveraging Social media & Job portals.

Key Focus Areas

- Career Development Initiatives for all top performing branch employees
- Partnering for productivity augmentation through productivity enhancement workshops

CAPABILITY BUILDING :

Gamification of the Product and process knowledge to ensure relevance and interest has been done.

A learning App for capturing learning progress and the assimilation.

DIGITIZATION :

Under the tie - up with PeopleStrong, Chola Connect, our new HRMS portal would provide a unified experience from recruitment to retirement to all employees, recruiters, candidates and business users. Embracing this technology was a big leap for the Organization to delight the employees by providing a seamless channel to connect and collaborate, experience a single window for right decision making.

Awards

CII AWARD FOR EMPLOYEE ENGAGEMENT

Chola was announced as the winner in "Large service category" in the Employee Relations and Employee Engagement category in the National HR circle competition conducted by Confederation of Indian Industry (CII).

Enterprise Risk Management as a Value Centre

Enterprise Risk Management (ERM) team is engaged in defining a framework, overseeing enterprise wide risks and building a portfolio for corporate risk appetite based decision making.

THREE PILLARS OF ERM

CORPORATE PROCESS :

- Composite risk scoring
- Functional risk scorecards
- Integration with audit & assurance process
- Business continuity planning

BUSINESS PROCESS :

- Risk registers for various business process through a rigorous risk identification, assessment, control and review & reporting mechanism
- Comprehensive portfolio MIS to monitor credit policies & portfolio quality
- Branch risk scorecards
- Risk adjusted optimal product mix strategies

STRATEGY :

- Monitoring forward looking macro indicators
- Risk & reward trade - off assessment of new product launch
- Portfolio acquisition and sale

Key Focus Areas

- Comprehensive portfolio monitoring framework
- Branch risk monitoring mechanism
- Engagement with business teams to identify risk adjusted portfolio mix

Corporate Social Responsibility

Sustainable Development

Chola believes that sustainable development promotes economic growth, greater social well - being, and protection of the environment. Every Corporate Social Responsibility (CSR) project in Chola is designed to be sustainable in nature and not as a onetime activity. Chola's CSR efforts are directed towards offering the best path forward for helping people and communities "Enter a Better Life".

Eye Camps For Truckers

Chola had successfully organized eye camps across 10 states, benefiting almost 42000 persons from the trucking community with eye disorders.

Key Focus Areas

WATER SANITATION AND HYGIENE (WASH)
Providing safe drinking water to communities living in areas which have higher levels of fluoride contamination.

EDUCATION
Supporting Education Trusts that provide quality education to economically backward sections of the society.

HEALTH
Evaluating & improving the health of the Trucking community through regular health & eye camps at Transport Nagars.

RAAHI Drishti KENDRA

In FY 17 - 18, Chola had started vision centres (RAAHI Drishti KENDRA) in 7 states. Chola aims to transform these vision centres as a hub for undertaking holistic health development initiatives for the Truck Driver Community.

- Provision of health check - up facilities including eye, oral/dental check - up
- Overall well being for direct dependents of truck drivers
- Distribution of spectacles as per requirement to drivers and cleaners
- Undertaking truckers livelihood profiling cum mapping exercise
- Facilitating entitlement linkages support & knowledge/ information about the Government Schemes and Programs
- Creation and updation of online trucker community database

Jaldi Kya Hai - Road Safety Campaign

#JaldiKyaHai is a road safety initiative against over - speeding, by Chola. In the fast - paced world that we live in, over speeding has become a casual, everyday occurrence. This initiative focuses on the different situations where one speeds beyond the limits and the downsides to the same. Through this campaign, we hope to bring about a change in the behaviour of road users and make the road a safer place for everyone.

FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED	2019	2018	2017	2016
Operating Results				
Total Income	6,99,264	5,47,966	4,66,035	4,19,371
Profit before tax	1,82,315	1,40,137	1,10,558	87,077
Profit after tax	1,18,615	91,830	71,874	56,845
Assets				
Loans(net) - Ind AS / Receivables under financing activity - IGAAP	52,62,227	42,25,323	28,41,448	25,91,013
Others	4,80,403	1,83,650	2,18,032	1,97,818
Total Assets	**57,42,630**	**44,08,973**	**30,59,480**	**27,88,831**
Liabilities and Equity				
Borrowings	50,56,674	38,33,033	24,10,910	22,57,622
Others	68,382	66,126	2,20,078	1,65,468
Equity	6,17,574	5,09,814	4,28,492	3,65,741
Total Liabilities	**57,42,630**	**44,08,973**	**30,59,480**	**27,88,831**
Key Indicators				
Earnings per Equity Share - Basic (₹)	75.87	58.75	46.01	37.50
Earnings per Equity Share - Diluted (₹)	75.81	58.70	45.99	37.46
Dividend per Equity Share (₹)	6.50	6.50	5.50	4.50
Book Value per Equity Share (₹)	394.97	326.11	274.19	236.60

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

2015	2014	2013	2012	2011	2010	2009
3,69,119	3,26,284	2,55,568	1,78,821	1,20,183	92,950	112063
65,722	55,021	45,080	29,011	10,011	3,133	1708
43,516	36,401	30,655	17,254	6,218	1,542	4275
22,18,354	19,42,813	16,62,594	12,32,990	8,60,026	5,48,958	4,55,475
1,68,969	2,11,867	1,55,886	1,10,036	1,07,800	1,47,285	2,41,812
23,87,323	**21,54,680**	**18,18,480**	**13,43,026**	**9,67,826**	**6,96,243**	**6,97,287**
19,47,524	18,09,319	15,28,901	11,44,411	7,94,891	5,41,480	5,42,703
1,22,466	1,15,890	93,102	56,887	65,733	76,263	76,483
3,17,333	2,29,471	1,96,477	1,41,728	1,07,202	78,500	78,101
23,87,323	**21,54,680**	**18,18,480**	**13,43,026**	**9,67,826**	**6,96,243**	**6,97,287**
30.09	25.43	22.89	14.39	5.67	1.79	7.05
29.97	25.38	22.83	14.39	5.67	1.79	6.83
3.50	3.50	3.50	2.50	1.50	1.00	NA
203.48	160.25	137.29	106.92	89.87	73.04	72.43

Note: Numbers are as per Ind AS for the FY 19 and FY 18 and rest of the years are as per IGAAP, hence not comparable

Board's Report

BOARD'S REPORT

Your directors have pleasure in presenting the forty first annual report together with the audited accounts of the company for the year ended 31 March, 2019.

FINANCIAL RESULTS

₹ in crores

Particulars	2018-19	2017-18
Gross Income	6,992.64	5,479.66
Profit Before Tax (PBT)	1,823.15	1,401.37
Profit After Tax (PAT)	1,186.15	918.30
Total Comprehensive income	1,190.24	924.60
Appropriation:		
Transfer to statutory and other reserves	840.00	700.00
Dividend - Equity	101.63	101.60
Tax on dividend	20.89	20.68

SHARE CAPITAL

The paid up equity share capital of the company as at 31 March, 2019 is ₹ 156.43 crores including the increase during the year by ₹ 3.42 lakhs, consequent to allotment of shares upon exercise of stock options by employees under the company's employee stock option schemes 2007 and 2016.

The board of directors of the company at its meeting held on 27 April, 2019 has recommended sub-division of each equity share of face value of ₹ 10 (Rupees Ten) fully paid up into 5 (Five) equity shares of face value of ₹ 2 (Rupees Two) fully paid up to the shareholders of the company. Upon approval by shareholders and completion of other regulatory procedures for the sub-division, face value of each equity share will become ₹ 2 (Rupees Two).

OPERATIONS

During the year, the company achieved a 30% growth in PBT and 26% growth in business assets under management net of provisions (AUM). The company brought down the stage 3 assets (net of ECL) to 1.67% of closing assets as on 31 March, 2019 as compared to 2.25% as on 31 March, 2018.

Vehicle finance (VF) business recorded a disbursement growth of 21%. Disbursements in VF for the year were at ₹ 24,806.70 crores as against ₹ 20,539.97 crores in the previous year. The business recorded a growth of 29% in closing managed assets and a PBT growth of 28%.

Home equity (HE) business recorded a disbursement growth of 21%. Disbursements in HE for the year were at ₹ 3,836.55 crores as against ₹ 3,174.04 crores in the previous year. The business recorded a growth of 15% in closing managed assets and a PBT growth of 38%.

Disbursements in home loans (HL) business were at ₹ 1,156.88 crores as against ₹ 605.96 crores in the previous year and Micro, Small and Medium Enterprise (MSME) business were at ₹ 473.84 crores as against ₹ 629.09 crores in the previous year. The new lines of businesses, disbursed ₹ 176.54 crores as against ₹ 67.35 crores during the previous year.

The AUM of the company as at 31 March, 2019 increased to ₹ 54,279 crores from ₹ 42,924 crores in the previous year, recording a growth of 26%.

The PBT for the year was at ₹ 1,823.15 crores as against ₹ 1,401.37 crores in the previous year, recording a growth of 30%. PAT grew by 29% and was at ₹ 1,186.15 crores for the year as compared to ₹ 918.30 crores in the previous year.

OUTLOOK

VF business will continue to be the mainstay for the company. HE portfolio has also been a significant contributor to the company's growth and profitability. While the company expects the affordable housing segment to grow over the next few years, the growth opportunities available in VF and HE businesses, will enable the company to continue to hold the product leadership in these businesses. Cholamandalam Home Finance Limited (CHFL), the company's wholly owned subsidiary has applied for housing finance license from National Housing Bank (NHB). Upon receipt of license, CHFL will start home loan business. The company will leverage digital, data and analytics with a key objective to create better customer experience.

DIVIDEND

Dividend distribution policy

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

Payment of dividend

The company paid an interim dividend on the equity shares at the rate of 45% (₹ 4.50 per equity share) as approved by the board on 30 January, 2019 for the year ended 31 March, 2019.

Your directors are pleased to recommend a final dividend of 20% (₹ 2 per equity share) on the equity shares of the company. With this, the total dividend will be 65% (₹ 6.50 per equity share) for the year ended 31 March, 2019.

Upon sub-division of equity shares of ₹ 10 (Rupees Ten) each into 5 (Five) equity shares of face value of ₹ 2 (Rupee Two) each fully paid-up, the final dividend if declared at the ensuing AGM would be paid proportionately at the rate of 20% on the equity shares of ₹ 2 each i.e. ₹ 0.40 per share.

TRANSFER TO RESERVES

The company transferred a sum of ₹ 240 crores to statutory reserve as required under the Reserve Bank of India Act, 1934 and ₹ 600 crores to general reserves.

FIXED DEPOSITS

The company is a Systemically Important Non-Deposit Accepting Non-Banking Finance Company (NBFC-ND-SI). It ceased taking deposits from the public effective 1 November, 2006. The company does not hold or accept deposits as of the date of balance sheet.

Investment and Credit Company (NBFC-ICC)

During the year, RBI vide notification dated 22 February, 2019 harmonised different categories of non-banking financial companies (NBFCs) viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC - Investment and Credit Company (NBFC-ICC). Accordingly, the company being an AFC falls in the category of Investment and Credit Company (NBFC-ICC).

CAPITAL ADEQUACY

The company’s capital adequacy ratio was at 17.36% as on 31 March, 2019 as against the statutory minimum capital adequacy of 15% prescribed by RBI.

EMPLOYEE STOCK OPTION (ESOP) SCHEMES

ESOP 2016

Pursuant to the approval accorded by the shareholders by way of postal ballot on 3 January, 2017, the nomination and remuneration committee had formulated an employee stock option scheme 2016 (ESOP 2016). During the year, the company made four grants aggregating to 2,55,104 options to 29 employees. The total number of options issued as on 31 March, 2019 under ESOP 2016 is 7,94,946.

ESOP 2007

Pursuant to the approval accorded by the shareholders at the twenty ninth annual general meeting (AGM) of the company held on 30 July, 2007, the nomination and remuneration committee had formulated an employee stock option scheme 2007 (ESOP 2007). During the year, there have been no fresh grants under the scheme and there have been no changes in the scheme. Number of options outstanding as on 31 March, 2019 under the ESOP 2007 is 31,203.

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

The certificate from the statutory auditors confirming that ESOP 2007 and ESOP 2016 have been implemented in accordance with the SEBI (SBEB) Regulations and shareholders resolutions has been obtained and will be placed before the shareholders at the ensuing AGM.

The details of the schemes as on 31 March, 2019 are provided and disclosed on the website of the company (weblink: *https://www.cholamandalam/esop.aspx)*.

DIRECTORS

Appointments

Mr. M.M. Murugappan was appointed as an additional director with effect from 31 May, 2018 by the board and subsequently appointed by the members at the 40th Annual general meeting (AGM) held on 26 July, 2018 as a director of the company. Mr. Murugappan has been elected as chairman of the board effective 27 July, 2018.

Mr. N. Ramesh Rajan and Mr. Rohan Verma were appointed as additional directors in the capacity of independent directors with effect from 30 October, 2018 and 25 March, 2019 respectively. They shall hold office up to the date of the ensuing AGM as additional directors. The appointments of Mr. Rajan and Mr. Verma as independent directors up to 5 years from the respective date of their appointments has been recommended for the approval of shareholders at the ensuing AGM.

Mr. Arun Alagappan, executive director retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

Retirement / Resignation

Mr. M.B.N. Rao, chairman of the company retired at the conclusion of the 40th AGM held on 26 July, 2018.

Mr. V. Srinivasa Rangan, director of the company retired at the close of business hours of 31 March, 2019.

Mr. N. Srinivasan, executive vice chairman and managing director stepped down as a director and as managing director of the company effective the close of business hours of 18 August, 2018.

The board places on record its deep appreciation for the significant contributions made by Mr. M.B.N. Rao, Mr. V. Srinivasa Rangan and Mr. N. Srinivasan towards the success of the company during their tenure.

DECLARATION FROM INDEPENDENT DIRECTORS

All the independent directors (IDs) have submitted their declaration of independence, as required pursuant to section 149(7) of the Act, confirming that they meet the criteria of independence as provided in section 149(6) of the Act. In the opinion of the board, the IDs fulfill the conditions specified in the Act and the rules made there under for appointment as IDs and confirm that they are independent of the management.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 203 of the Act read with the rules made there under, the following employees were/are the wholetime key managerial personnel of the company during FY 19:

1. Mr. N. Srinivasan, EVC & MD (up to 18 August, 2018)
2. Mr. Arun Alagappan, Executive Director
3. Mr. D. Arul Selvan, Chief Financial Officer and
4. Ms. P. Sujatha, Company Secretary

DIRECTORS' RESPONSIBILITY STATEMENT

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE REPORT

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

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

BUSINESS RESPONSIBILITY REPORT

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

ADOPTION OF INDIAN ACCOUNTING STANDARDS

The company has adopted the Indian Accounting Standards (Ind AS) in respect of the accounting period beginning from 1 April, 2018 pursuant to the Companies (Indian Accounting Standards) Rules, 2015, as amended. Accordingly, the company has for the first time prepared its financial statements in compliance with Ind AS for the year ended 31 March, 2019, together with the comparative period data as at and for the year ended 31 March, 2018. The principle adjustments made by the company in restating the Indian GAAP financial statements including the balance sheet are given under Note 48 and Note 49 in the standalone and consolidated financial statements respectively.

CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS

M/s. S. R. Batliboi & Associates LLP, chartered accountants are the statutory auditors of the company. They were appointed as statutory auditors of the company at the 39th AGM held on 27 July, 2017 for a period of five years commencing from the conclusion of 39th AGM till the conclusion of 44th AGM.

SECRETARIAL AUDIT

Pursuant to the provisions of the Act and the rules framed there under, M/s. R. Sridharan & Associates, company secretaries had undertaken a secretarial audit of the company for FY 19. The secretarial audit report is attached and forms part of this report and does not contain any qualification.

COST RECORD AND COST AUDIT

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

EXTRACT OF ANNUAL RETURN

In accordance with section 134(3)(a) of the Act, the extract of the annual return in form MGT-9 is attached and forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY

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

The company has been carrying out corporate social responsibility (CSR) activities for many years now even before it was mandated under the Act. The company has put in place a CSR policy and is available on the website of the company (weblink: *www.cholamandalam.com/csr-policy.aspx)*.

As per the provisions of the Act, the company is required to spend at least 2% of the average net profits of the company made during the three immediately preceding financial years. This amount aggregated to ₹ 23.06 crores and the company spent ₹ 23.07 crores towards CSR activities during FY 19, the details of which are annexed to and forms part of this report.

INTERNAL FINANCIAL CONTROLS

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

RELATED PARTY TRANSACTIONS

The company has in place a policy on related party transactions as approved by the board and the same is available on the website of the company (weblink: *https://www.cholamandalam.com/files/MEDIA/Policy-on-Related-Party-Transactions.pdf)*.

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

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

The company has no activity relating to consumption of energy or technology absorption. Foreign currency expenditure amounting to ₹ 2.77 crores was incurred during the year under review. Foreign currency remittances made during the year was ₹ 9.85 crores towards purchase of fixed assets. The company does not have any foreign exchange earnings.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

As regards investments made by the company, the details of the same are provided under note 10 in standalone financial statements and notes 12 and 45 in consolidated financial statements of the company for the year ended 31 March, 2019.

DISCLOSURE OF REMUNERATION

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

PARTICULARS OF EMPLOYEES

In accordance with section 136 of the Act, the report and accounts is being sent to the members and others entitled thereto. The statement prescribed under rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available for inspection at the registered office of the company during the business hours on working days of the company. If any member is interested in obtaining a copy, such member may write to the company secretary in this regard.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

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

INTERNAL COMPLAINTS COMMITTEE

The company has in place a policy for prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). The company has complied with the provisions relating to constitution of internal complaints committee (ICC) under the POSH Act. ICC has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the year the company conducted workshops for employees creating awareness about POSH Act. During the calendar year ended 31 December, 2018, there were no referrals received by ICC.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES / ASSOCIATES

CHOLAMANDALAM SECURITIES LIMITED (CSEC)

During the year, the securities business and wealth business merged its operations with focus to build profitable relationships with retail and emerging high networth individual clients. The company achieved an income of ₹ 22.02 crores for the year ended 31 March, 2019 as against ₹ 19.68 crores in the previous year. The Mutual fund AUM crossed ₹ 1,130 crores. CSEC recorded a gross income of ₹ 22.02 crores for the year ended 31 March, 2019 and made a PBT of ₹ 2.68 crores as against a PBT of ₹ 3.41 crores in the previous year. During the year, CSEC obtained corporate agency (composite) license from Insurance Regulatory and Development Authority (IRDA) to carry on the insurance distribution business. CSEC did not declare any dividend during the year.

CHOLAMANDALAM HOME FINANCE LIMITED (CHFL)

The name of Cholamandalam Distribution Services Limited was changed to Cholamandalam Home Finance Limited with effect from 27 April, 2018 to reflect the proposed new housing finance business of the company. During the year, the company applied for Housing Finance Company (HFC) license with National Housing Bank (NHB) and the license from NHB is awaited.

CHFL recorded a gross income of ₹ 41.24 crores for the year ended 31 March, 2019 and made a loss before tax of ₹ 10.53 crores as against a PBT of ₹ 6.78 crores in the previous year. CHFL did not declare any dividend during the year.

WHITE DATA SYSTEMS INDIA PRIVATE LIMITED (WDSI)

During the year, the shareholding of the company in WDSI reduced from 63% to 31% consequent to TVS Logistics Services Limited taking a majority stake in WDSI. Consequently, status of WDSI changed from subsidiary to associate effective 1 October, 2018. WDSI recorded a gross income of ₹ 52.12 crores (unaudited) for the year ended 31 March, 2019 and made a loss of ₹ 4.21 crores (unaudited) as against a loss of ₹ 4.50 crores in the previous year. WDSI did not declare any dividend during the year.

ACKNOWLEDGEMENT

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

On behalf of the board

Place : Chennai
Date : April 27, 2019

M.M. Murugappan
Chairman

Directors' Responsibility Statement

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

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

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

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

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

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

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

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

On behalf of the board

Place : Chennai
Date : April 27, 2019

M.M. Murugappan
Chairman

Annexure-I

Secretarial Audit Report

for the financial year ended 31 March, 2019

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

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

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

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

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

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

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 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 Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Employee Stock Option Scheme, 2007 approved under the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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 delisted its Securities from any of the Stock Exchanges in which it is listed during the period under review and hence the requirement of complying with the provisions of the Securities and Exchange Board of India (Delisting 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 requirement of complying with the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 & Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 does not arise;

(vi) The Other Laws specifically applicable to the Company are –

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

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

c) NBFC Auditors Report Reserve Bank Directions, 1998

d) Guidelines for Asset – Liability Management (ALM) system in NBFC's

e) NBFC Public Deposits RBI Directions 1998

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

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. as mentioned above.

We further report that

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

Adequate notice is given to all 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 Act and Secretarial Standards on Board Meeting are complied with. There are certain businesses which can be transacted through Video Conferencing / Audio Visual means as provided under the Companies Act, 2013 and the relevant Rules made there under. Such meetings of board through video conferencing were properly convened and recorded in compliance with the provisions of Section 173 (2) of the Companies Act, 2013 read with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014 relating to businesses that have been transacted through Video Conferencing / Audio Visual means.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors / Committee Members and no Director / Member dissented on the decisions taken at such Board / Committee Meeting.

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

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

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

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

1. Obtained the approval of the Board of Directors at their meeting held on 31st May, 2018 for the approval of Equity infusion up to an amount not exceeding ₹ 50 crores in one or more tranches in Cholamandalam Home Finance Limited, a wholly owned subsidiary.
2. Obtained the approval of the members at the Annual General Meeting held on 26th July, 2018 to borrow up to ₹ 60,000 Crores under section 180(1)(c) of the Companies Act, 2013.
3. Issued secured redeemable non-convertible debentures for ₹ 3,059.40 crores and unsecured redeemable non-convertible debentures for ₹ 821 crores.
4. Redeemed secured redeemable non-convertible debentures for ₹ 4,678 crores and unsecured redeemable non-convertible debentures for ₹ 186.50 crores.

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

CS. R. Sridharan
CP No. 3239
FCS No. 4775
UIN : S2003TN063400

Place : Chennai
Date : April 27, 2019

Annexure-II

Form No. MGT-9-Extract of Annual Return

As on the financial year ended 31 March, 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 Identity Number (CIN)	L65993TN1978PLC007576
2) Registration Date	17 August, 1978
3) Name of the Company	Cholamandalam Investment and Finance Company 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.2, N.S.C. Bose Road, Parrys, Chennai 600 001 Phone: 044 40907172 (bd.) 40907055 (d); Fax: 044 25346464 E-mail: sujathap@chola.murugappa.com investors@chola.murugappa.com
6) Listed Company (Yes / No)	Yes
7) Name, address and contact details of Registrar and transfer agent, if any	Karvy Fintech Private Limited (Unit: Cholamandalam Investment and Finance Company Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Financial District Nanakramguda, Hyderabad - 500 032, Telangana Phone: 040-67161514; Toll free: 1800-345-4001; Fax: 040-23420814 E-mail: einward.ris@karvy.com Contact person: Mrs. Varalakshmi P - Asst. General Manager - RIS

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below

SN.	Name and description of main products / services	NIC code of the product / service*	% to total turnover of the company
1.	Financial services - Lending	Section K - Group 649 - Other Financial Service activities, except insurance and pension funding activities	97.49%

*As per National Industrial Classification, Ministry of Statistics and Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1.	Cholamandalam Securities Limited Dare House, No.2, N.S.C. Bose Road, Parrys, Chennai 600 001	U65993TN1994PLC028674	Subsidiary company	100.00%	Section 2(87)
2.	Cholamandalam Home Finance Limited Dare House, No.2, N.S.C. Bose Road, Parrys, Chennai 600 001	U67190TN2000PLC045617	Subsidiary company	100.00%	Section 2(87)
3.	White Data Systems India Private Limited Old No. 24, New No. 39, Periaswamy Road, (East), R S Puram, Coimbatore 641 002	U72200TZ2015PTC021273	Subsidiary Company up to 30-Sep 2018	63.00%	Section 2(87)
			Associate Company Since 1-Oct 2018	31.00%	Section 2(6)

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

(i) Category-wise Shareholding:

S. No	Category of Shareholder	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
		Demat	Physical	Total No. of Shares	% to total no. of shares	Demat	Physical	Total No. of Shares	% to total no. of shares	
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	**INDIAN**									
(a)	Individual / HUF	28,95,836	-	28,95,836	1.85	25,96,069	-	25,96,069	1.66	(0.19)
(b)	Central Government /State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	7,96,87,304	-	7,96,87,304	50.97	7,96,72,304	-	7,96,72,304	50.95	(0.02)
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	3,73,380	-	3,73,380	0.24	6,93,877	-	6,93,877	0.44	0.21
	Sub-Total A(1) :	**8,29,56,520**	**-**	**8,29,56,520**	**53.06**	**8,29,62,250**	**-**	**8,29,62,250**	**53.06**	**0.00**
(2)	**FOREIGN**									
(a)	Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	2,578	-	2,578	0.00	0.00
	Sub-Total A(2) :	**-**	**-**	**-**	**-**	**2,578**	**-**	**2,578**	**0.00**	**0.00**
	Total A=A(1)+A(2)	**8,29,56,520**	**-**	**8,29,56,520**	**53.06**	**8,29,64,828**	**-**	**8,29,64,828**	**53.06**	**0.00**
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds /UTI	2,47,90,593	100	2,47,90,693	15.86	2,52,98,486	100	2,52,98,586	16.18	0.32
(b)	Financial Institutions /Banks	17,540	-	17,540	0.01	49,930	-	49,930	0.03	0.02
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	3,16,52,050	-	3,16,52,050	20.25	2,96,21,286	-	2,96,21,286	18.94	(1.31)
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-

(i) Category-wise Shareholding (Contd.)

S. No	Category of Shareholder	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
		Demat	Physical	Total No. of Shares	% to total no. of shares	Demat	Physical	Total No. of Shares	% to total no. of shares	
(i)	Others - Alternate Investment Funds	10,38,127	-	10,38,127	0.66	11,87,149	-	11,87,149	0.76	0.10
	Sub-Total B(1) :	**5,74,98,310**	**100**	**5,74,98,410**	**36.12**	**5,61,56,851**	**100**	**5,61,56,951**	**35.92**	**(0.20)**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	52,33,129	2,647	52,35,776	3.35	63,83,219	1,997	63,85,216	4.08	0.73
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	71,77,506	3,48,985	75,26,491	4.81	83,62,838	2,76,689	86,39,527	5.53	0.72
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	18,88,619	-	18,88,619	1.21	12,56,062	-	12,56,062	0.80	(0.41)
(c)	Others									
	Clearing Members	3,72,005	-	3,72,005	0.24	1,41,776	-	1,41,776	0.09	(0.15)
	Foreign Nationals	529	-	529	0.00	370	-	370	0.00	0.00
	IEPF	53,173	-	53,173	0.03	58,260	-	58,260	0.04	0.01
	NBFC	43,183	-	43,183	0.03	59,596	-	59,596	0.04	0.01
	Non Resident Indians	3,11,784	9,702	3,21,486	0.21	3,22,015	7,702	3,29,717	0.21	0.00
	Non Resident Indians - Non-repatriable	11,51,170	-	1,51,170	0.10	2,03,618	-	2,03,618	0.13	0.03
	Trusts	2,84,009	-	2,84,009	0.18	1,63,192	-	1,63,192	0.10	(0.08)
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-Total B(2) :	**1,55,15,107**	**3,61,334**	**1,58,76,441**	**10.16**	**1,69,50,946**	**2,86,388**	**1,72,37,334**	**11.02**	**0.86**
	Total B=B(1)+B(2):	**7,30,13,417**	**3,61,434**	**7,33,74,851**	**46.94**	**7,31,07,797**	**2,86,488**	**7,33,94,285**	**46.94**	**0.00**
	Total (A+B)	**15,59,69,937**	**3,61,434**	**15,63,31,371**	**100.00**	**15,60,72,625**	**2,86,488**	**15,63,59,113**	**100.00**	**0.00**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**	-	-	-	-	-	-	-	-	-
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C)	**15,59,69,937**	**3,61,434**	**15,63,31,371**	**100.00**	**15,60,72,625**	**2,86,488**	**15,63,59,113**	**100.00**	**0.00**

(ii) Shareholding of promoters and promoter group:

SN.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
	PROMOTERS							
1.	M. V. Murugappan (HUF)	-	-	-	-	-	-	-
2.	M. V. Murugappan holds shares jointly with M. A. Alagappan and M. M. Murugappan	-	-	-	-	-	-	-
3.	M. V. Subbiah	3,14,925	0.20	-	3,14,925	0.20	-	0.00
4.	S. Vellayan	2,45,493	0.16	-	2,45,493	0.16	-	0.00
5.	A. Vellayan	27,157	0.02	-	27,157	0.02	-	0.00
6.	V. Narayanan	50,800	0.03	-	50,800	0.03	-	0.00
7.	V. Arunachalam	48,503	0.03	-	48,503	0.03	-	0.00
8.	A. Venkatachalam	41,921	0.03	-	41,921	0.03	-	0.00
9.	Arun Venkatachalam	80,750	0.05	-	80,750	0.05	-	0.00
10.	M. M. Murugappan	18,418	0.01	-	4,207	0.00	-	(0.01)
11.	M. M. Veerappan	-	-	-	-	-	-	-
12.	M. M. Muthiah	-	-	-	-	-	-	-
13.	M. M. Venkatachalam	94,826	0.06	-	-	-	-	(0.06)
14.	M. V. Muthiah	-	-	-	-	-	-	
15.	M. V. Subramanian	-	-	-	-	-	-	
16.	M. A. Alagappan	5,63,546	0.36	-	5,63,546	0.36	-	(0.05)
17.	Arun Alagappan	1,90,000	0.12	-	1,90,000	0.12	-	0.00
18.	M. A. M. Arunachalam	10,000	0.01	-	13,000	0.01	-	0.00
19.	E.I.D. Parry (India) Ltd.	393	0.00	-	393	0.00	-	0.00
20.	Coromandel International Ltd.	-	-	-	-	-	-	
21.	New Ambadi Estates Pvt. Ltd.	-	-	-	-	-	-	
22.	Ambadi Enterprises Ltd.	58,276	0.04	-	58,276	0.04	-	0.00
23.	Ambadi Investments Ltd. (Formerly Ambadi Investments Private Limited)	72,19,374	4.62	-	69,19,374	4.43	-	(0.18)
24.	Tube Investments of India Limited	-	-	-	-	-		
25.	Cholamandalam Financial Holdings Limited (Formerly known as TI Financial Holdings Limited)	7,22,33,019	46.21	-	7,25,33,019	46.39	-	0.18
26.	Carborundum Universal Ltd.	100	0.00	-	100	0.00	-	0.00
27.	Murugappa & Sons (M. V. Murugappan, M. A. Alagappan and M. M. Murugappan hold shares on behalf of the Firm)	-	-	-	-	-	-	0.00
	PROMOTER (A)	**8,11,97,501**	**51.94**	**-**	**8,10,91,464**	**51.86**	**-**	**(0.08)**
	PROMOTER GROUP (B)	**17,59,019**	**1.13**	**-**	**18,73,364**	**1.20**	**-**	**0.07**
	TOTAL (A)+(B)	**8,29,56,520**	**53.06**	**-**	**8,29,64,828**	**53.06**	**-**	**0.00**

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

SN.		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.	At the beginning of the year - promoter	8,11,97,501	51.94	-	-
2.	Date wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease				
i	Ambadi Investment Limited				
	At the beginning of the year	72,19,374	4.62		
	19-Sep-18 - Market sale of shares	(3,00,000)	(0.18)	8,08,97,501	51.75
ii	Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Limited)				
	At the beginning of the year	7,22,33,019	46.20		
	19-Sep-18 - Purchase of shares	3,00,000	0.19	8,11,97,501	51.94
iii	M.A.M. Arunachalam				
	At the beginning of the year	10,000	0.006		
	14-Nov-18 - Purchase of shares	3,000	0.002	8,12,00,501	51.94
iv	M.M. Murugappan				
	At the beginning of the year	18,418	0.012		
	31-Dec-18 - Disposal by way of settlement in favour of M/s. M.M. Veerappan Family Trust	(9,211)	(0.006)	8,11,91,290	51.94
	26-Mar-19 - Disposal by way of settlement in favour of M/s Meenakshi Murugappan Family Trust	(5,000)	(0.003)	8,11,86,290	51.93
v	M.M. Venkatachalam				
	At the beginning of the year	94,826	0.061		
	31-Dec-18 - Disposal by way of settlement in favour of M/s. M.V. Subramanian Family Trust	(94,826)	(0.061)	8,10,91,464	51.87
3.	At the end of the year - promoter			8,10,91,464	51.87

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

SN.	Name of the Share Holder	Shareholding at the beginning of the year (01-04-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	CARTICA CAPITAL LTD	88,91,865	5.69					
				05-10-2018	2,33,007	Purchase	91,24,872	5.84
				09-11-2018	1,28,217	Purchase	92,53,089	5.92
				16-11-2018	(3,10,070)	Sale	89,43,019	5.72
				23-11-2018	(35,413)	Sale	89,07,606	5.70
				14-12-2018	(3,24,641)	Sale	85,82,965	5.49
				21-12-2018	(8,65,179)	Sale	77,17,786	4.94
				28-12-2018	(1,28,874)	Sale	75,88,912	4.85
				11-01-2019	(1,65,953)	Sale	74,22,959	4.75
				18-01-2019	(11,628)	Sale	74,11,331	4.74
				25-01-2019	(2,34,539)	Sale	71,76,792	4.59
				01-02-2019	(84,019)	Sale	70,92,773	4.54
				08-02-2019	(2,89,459)	Sale	68,03,314	4.35

SN.	Name of the Share Holder	Shareholding at the beginning of the year (01-04-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				15-02-2019	(2,32,391)	Sale	65,70,923	4.20
				22-02-2019	(3,43,136)	Sale	62,27,787	3.98
				01-03-2019	(1,81,000)	Sale	60,46,787	3.87
				08-03-2019	1,00,000	Purchase	61,46,787	3.93
				31-03-2019	-	-	61,46,787	3.93
2.	OPPENHEIMER DEVELOPING MARKETS FUND	69,24,201	4.43					
				31-03-2019	-	-	69,24,201	4.43
3.	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPOR	54,69,493	3.5					
				04-05-2018	12,000	Purchase	54,81,493	3.51
				06-07-2018	56,829	Purchase	55,38,322	3.54
				14-09-2018	1,00,000	Purchase	56,38,322	3.61
				28-09-2018	2,76,000	Purchase	59,14,322	3.78
				05-10-2018	7,400	Purchase	59,21,722	3.79
				12-10-2018	1,75,988	Purchase	60,97,710	3.90
				19-10-2018	2,00,000	Purchase	62,97,710	4.03
				16-11-2018	(9,000)	Sale	62,88,710	4.02
				28-12-2018	26,000	Purchase	63,14,710	4.04
				04-01-2019	12,000	Purchase	63,26,710	4.05
				18-01-2019	39,000	Purchase	63,65,710	4.07
				25-01-2019	1,28,000	Purchase	64,93,710	4.15
				01-02-2019	1,64,000	Purchase	66,57,710	4.26
				08-02-2019	37,000	Purchase	66,94,710	4.28
				15-02-2019	23,000	Purchase	67,17,710	4.30
				22-02-2019	1,50,000	Purchase	68,67,710	4.39
				01-03-2019	1,03,500	Purchase	69,71,210	4.46
				31-03-2019			69,71,210	4.46
4.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	51,02,978	3.26					
				06-04-2018	50,000	Purchase	51,52,978	3.30
				06-04-2018	(11,325)	Sale	51,41,653	3.29
				13-04-2018	(1,00,000)	Sale	50,41,653	3.22
				20-04-2018	20,000	Purchase	50,61,653	3.24
				20-04-2018	(45,205)	Sale	50,16,448	3.21
				11-05-2018	(14,021)	Sale	50,02,427	3.20
				18-05-2018	(75,706)	Sale	49,26,721	3.15
				25-05-2018	1,50,000	Purchase	50,76,721	3.25
				25-05-2018	(1,61,800)	Sale	49,14,921	3.14
				08-06-2018	(6,627)	Sale	49,08,294	3.14
				03-08-2018	1,25,000	Purchase	50,33,294	3.22
				03-08-2018	(1,00,000)	Sale	49,33,294	3.16
				28-09-2018	(90,991)	Sale	48,42,303	3.10
				05-10-2018	(2,71,875)	Sale	45,70,428	2.92
				12-10-2018	31,000	Purchase	46,01,428	2.94
				12-10-2018	(1,01,911)	Sale	44,99,517	2.88

SN.	Name of the Share Holder	Shareholding at the beginning of the year (01-04-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				19-10-2018	(78,522)	Sale	44,20,995	2.83
				02-11-2018	12,200	Purchase	44,33,195	2.84
				21-12-2018	1,34,553	Purchase	45,67,748	2.92
				15-02-2019	31,000	Purchase	45,98,748	2.94
				15-02-2019	(25,000)	Sale	45,73,748	2.93
				01-03-2019	20,882	Purchase	45,94,630	2.94
				29-03-2019	(6,911)	Sale	45,87,719	2.93
				31-03-2019			45,87,719	2.93
5.	SBI LONG TERM ADVANTAGE FUND SERIES I	43,64,143	2.79					
				29-06-2018	14,100	Purchase	43,78,243	2.80
				28-09-2018	(52,542)	Sale	43,25,701	2.77
				02-11-2018	9,400	Purchase	43,35,101	2.77
				30-11-2018	19,850	Purchase	43,54,951	2.79
				31-03-2019			43,54,951	2.79
6.	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE MUTUAL FUND	25,87,233	1.66					
				06-04-2018	(1,48,500)	Sale	24,38,733	1.56
				04-05-2018	(2,319)	Sale	24,36,414	1.56
				11-05-2018	(1,00,458)	Sale	23,35,956	1.49
				18-05-2018	(8,042)	Sale	23,27,914	1.49
				01-06-2018	(1,20,000)	Sale	22,07,914	1.41
				08-06-2018	(10,000)	Sale	21,97,914	1.41
				15-06-2018	(2,000)	Sale	21,95,914	1.40
				29-06-2018	(2,37,500)	Sale	19,58,414	1.25
				06-07-2018	1,36,500	Purchase	20,94,914	1.34
				06-07-2018	(1,47,000)	Sale	19,47,914	1.25
				20-07-2018	(1,41,000)	Sale	18,06,914	1.16
				27-07-2018	95,000	Purchase	19,01,914	1.22
				27-07-2018	(5,92,984)	Sale	13,08,930	0.84
				03-08-2018	(67,000)	Sale	12,41,930	0.79
				10-08-2018	(42,500)	Sale	11,99,430	0.77
				28-09-2018	(2,06,221)	Sale	9,93,209	0.64
				05-10-2018	(96,672)	Sale	8,96,537	0.57
				12-10-2018	2,64,500	Purchase	11,61,037	0.74
				12-10-2018	(4,72,432)	Sale	6,88,605	0.44
				19-10-2018	(51,500)	Sale	6,37,105	0.41
				26-10-2018	(1,27,000)	Sale	5,10,105	0.33
				02-11-2018	(86,000)	Sale	4,24,105	0.27
				07-12-2018	(19,077)	Sale	4,05,028	0.26
				14-12-2018	1,22,500	Purchase	5,27,528	0.34
				14-12-2018	(2,22,870)	Sale	3,04,658	0.19
				11-01-2019	(9,500)	Sale	2,95,158	0.19
				18-01-2019	(22,000)	Sale	2,73,158	0.17
				25-01-2019	(11,000)	Sale	2,62,158	0.17
				01-02-2019	22,202	Purchase	2,84,360	0.18
				08-02-2019	14	Purchase	2,84,374	0.18

SN.	Name of the Share Holder	Shareholding at the beginning of the year (01-04-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				08-02-2019	(4,000)	Sale	2,80,374	0.18
				15-02-2019	(44,500)	Sale	2,35,874	0.15
				22-02-2019	1	Purchase	2,35,875	0.15
				22-02-2019	(24,000)	Sale	2,11,875	0.14
				01-03-2019	18	Purchase	2,11,893	0.14
				01-03-2019	(13,000)	Sale	1,98,893	0.13
				08-03-2019	4,660	Purchase	2,03,553	0.13
				08-03-2019	(15,500)	Sale	1,88,053	0.12
				15-03-2019	596	Purchase	1,88,649	0.12
				22-03-2019	180	Purchase	1,88,829	0.12
				29-03-2019	9,630	Purchase	1,98,459	0.13
				31-03-2019			1,98,459	0.13
7.	MATTHEWS INDIA FUND	25,12,456	1.61					
				04-05-2018	(52,516)	Sale	24,59,940	1.57
				11-05-2018	(1,42,976)	Sale	23,16,964	1.48
				20-07-2018	(97,257)	Sale	22,19,707	1.42
				03-08-2018	1,43,103	Purchase	23,62,810	1.51
				17-08-2018	39,961	Purchase	24,02,771	1.54
				24-08-2018	4,426	Purchase	24,07,197	1.54
				31-08-2018	15,818	Purchase	24,23,015	1.55
				07-09-2018	81,705	Purchase	25,04,720	1.60
				14-09-2018	96,253	Purchase	26,00,973	1.66
				26-10-2018	66,082	Purchase	26,67,055	1.71
				08-02-2019	20,110	Purchase	26,87,165	1.72
				22-02-2019	7,119	Purchase	26,94,284	1.72
				31-03-2019			26,94,284	1.72
8.	SMALLCAP WORLD FUND, INC	22,98,000	1.47					
				28-09-2018	(7,25,000)	Sale	15,73,000	1.01
				31-03-2019			15,73,000	1.01
9.	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	16,37,049	1.05					
				06-04-2018	3,000	Purchase	16,40,049	1.05
				06-04-2018	(48,000)	Sale	15,92,049	1.02
				13-04-2018	(34,151)	Sale	15,57,898	1.00
				04-05-2018	(17,268)	Sale	15,40,630	0.99
				11-05-2018	32,841	Purchase	15,73,471	1.01
				18-05-2018	29,742	Purchase	16,03,213	1.03
				25-05-2018	70,135	Purchase	16,73,348	1.07
				01-06-2018	(319)	Sale	16,73,029	1.07
				29-06-2018	(44,486)	Sale	16,28,543	1.04
				06-07-2018	66,719	Purchase	16,95,262	1.08
				13-07-2018	(863)	Sale	16,94,399	1.08
				20-07-2018	8,281	Purchase	17,02,680	1.09
				24-08-2018	(84,471)	Sale	16,18,209	1.04
				31-08-2018	25,000	Purchase	16,43,209	1.05
				14-09-2018	908	Purchase	16,44,117	1.05

SN.	Name of the Share Holder	Shareholding at the beginning of the year (01-04-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				21-09-2018	24,092	Purchase	16,68,209	1.07
				28-09-2018	2,20,588	Purchase	18,88,797	1.21
				05-10-2018	2,22,481	Purchase	21,11,278	1.35
				12-10-2018	1,47,644	Purchase	22,58,922	1.44
				19-10-2018	15	Purchase	22,58,937	1.44
				26-10-2018	29,332	Purchase	22,88,269	1.46
				02-11-2018	(49,562)	Sale	22,38,707	1.43
				09-11-2018	(344)	Sale	22,38,363	1.43
				16-11-2018	(13,921)	Sale	22,24,442	1.42
				23-11-2018	1,199	Purchase	22,25,641	1.42
				30-11-2018	(2,056)	Sale	22,23,585	1.42
				07-12-2018	31,438	Purchase	22,55,023	1.44
				14-12-2018	57	Purchase	22,55,080	1.44
				21-12-2018	(43,920)	Sale	22,11,160	1.41
				28-12-2018	7	Purchase	22,11,167	1.41
				04-01-2019	50,000	Purchase	22,61,167	1.45
				11-01-2019	(50,751)	Sale	22,10,416	1.41
				18-01-2019	(11,313)	Sale	21,99,103	1.41
				25-01-2019	25,007	Purchase	22,24,110	1.42
				01-02-2019	25,000	Purchase	22,49,110	1.44
				08-02-2019	(690)	Sale	22,48,420	1.44
				15-02-2019	15	Purchase	22,48,435	1.44
				01-03-2019	20	Purchase	22,48,455	1.44
				15-03-2019	2,360	Purchase	22,50,815	1.44
				22-03-2019	(37,836)	Sale	22,12,979	1.42
				29-03-2019	6,345	Purchase	22,19,324	1.42
				29-03-2019	(62,155)	Sale	21,57,169	1.38
				31-03-2019			21,57,169	1.38
10.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	19,55,068	1.25					
				06-04-2018	(30,042)	Sale	19,25,026	1.23
				13-04-2018	2,482	Purchase	19,27,508	1.23
				27-04-2018	(91,974)	Sale	18,35,534	1.17
				04-05-2018	112	Purchase	18,35,646	1.17
				11-05-2018	(48,419)	Sale	17,87,227	1.14
				18-05-2018	(37,515)	Sale	17,49,712	1.12
				25-05-2018	(2,91,566)	Sale	14,58,146	0.93
				01-06-2018	(87,309)	Sale	13,70,837	0.88
				08-06-2018	27,017	Purchase	13,97,854	0.89
				15-06-2018	(25,140)	Sale	13,72,714	0.88
				22-06-2018	7,201	Purchase	13,79,915	0.88
				29-06-2018	15,868	Purchase	13,95,783	0.89
				06-07-2018	32,588	Purchase	14,28,371	0.91
				13-07-2018	9,805	Purchase	14,38,176	0.92
				20-07-2018	(1,22,995)	Sale	13,15,181	0.84
				27-07-2018	(6,152)	Sale	13,09,029	0.84

SN.	Name of the Share Holder	Shareholding at the beginning of the year (01-04-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				03-08-2018	37,749	Purchase	13,46,778	0.86
				03-08-2018	(91,945)	Sale	12,54,833	0.80
				10-08-2018	(1,03,239)	Sale	11,51,594	0.74
				17-08-2018	3,280	Purchase	11,54,874	0.74
				24-08-2018	8,737	Purchase	11,63,611	0.74
				31-08-2018	21,484	Purchase	11,85,095	0.76
				31-08-2018	(8,491)	Sale	11,76,604	0.75
				07-09-2018	11,337	Purchase	11,87,941	0.76
				14-09-2018	1,55,278	Purchase	13,43,219	0.86
				21-09-2018	1,01,790	Purchase	14,45,009	0.92
				28-09-2018	14,882	Purchase	14,59,891	0.93
				05-10-2018	(1,17,052)	Sale	13,42,839	0.86
				12-10-2018	(3,758)	Sale	13,39,081	0.86
				19-10-2018	82,205	Purchase	14,21,286	0.91
				26-10-2018	4,034	Purchase	14,25,320	0.91
				02-11-2018	3,911	Purchase	14,29,231	0.91
				02-11-2018	(51,622)	Sale	13,77,609	0.88
				09-11-2018	88,911	Purchase	14,66,520	0.94
				16-11-2018	(90,256)	Sale	13,76,264	0.88
				23-11-2018	28,716	Purchase	14,04,980	0.90
				30-11-2018	4,221	Purchase	14,09,201	0.90
				30-11-2018	(6,216)	Sale	14,02,985	0.90
				07-12-2018	67,000	Purchase	14,69,985	0.94
				07-12-2018	(25,768)	Sale	14,44,217	0.92
				21-12-2018	3,337	Purchase	14,47,554	0.93
				28-12-2018	35,939	Purchase	14,83,493	0.95
				31-12-2018	3,284	Purchase	14,86,777	0.95
				04-01-2019	22,811	Purchase	15,09,588	0.97
				11-01-2019	1,29,505	Purchase	16,39,093	1.05
				18-01-2019	2,313	Purchase	16,41,406	1.05
				25-01-2019	(2,322)	Sale	16,39,084	1.05
				01-02-2019	8,800	Purchase	16,47,884	1.05
				01-02-2019	(5,749)	Sale	16,42,135	1.05
				08-02-2019	14,522	Purchase	16,56,657	1.06
				15-02-2019	1,349	Purchase	16,58,006	1.06
				22-02-2019	25,293	Purchase	16,83,299	1.08
				01-03-2019	(6,240)	Sale	16,77,059	1.07
				08-03-2019	(1,19,503)	Sale	15,57,556	1.00
				15-03-2019	(81,235)	Sale	14,76,321	0.94
				22-03-2019	(30,870)	Sale	14,45,451	0.92
				29-03-2019	(1,62,001)	Sale	12,83,450	0.82
				31-03-2019			12,83,450	0.82
11.	L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA VALUE	15,75,517	1.01					
				06-04-2018	26,400	Purchase	16,01,917	1.02
				13-04-2018	(12,300)	Sale	15,89,617	1.02

SN.	Name of the Share Holder	Shareholding at the beginning of the year (01-04-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				27-04-2018	21,600	Purchase	16,11,217	1.03
				11-05-2018	24,800	Purchase	16,36,017	1.05
				25-05-2018	10,000	Purchase	16,46,017	1.05
				01-06-2018	(9,000)	Sale	16,37,017	1.05
				27-07-2018	(1,000)	Sale	16,36,017	1.05
				10-08-2018	1,00,000	Purchase	17,36,017	1.11
				10-08-2018	(61,117)	Sale	16,74,900	1.07
				17-08-2018	(38,883)	Sale	16,36,017	1.05
				28-09-2018	1,19,883	Purchase	17,55,900	1.12
				05-10-2018	26,500	Purchase	17,82,400	1.14
				07-12-2018	26,200	Purchase	18,08,600	1.16
				07-12-2018	(8,400)	Sale	18,00,200	1.15
				21-12-2018	(2,300)	Sale	17,97,900	1.15
				15-03-2019	15,000	Purchase	18,12,900	1.16
				22-03-2019	57,200	Purchase	18,70,100	1.20
				29-03-2019	73,300	Purchase	19,43,400	1.24
				31-03-2019			19,43,400	1.24
12.	UTI - LONG TERM EQUITY FUND (TAX SAVING)	16,37,303	1.05					
				13-04-2018	4,805	Purchase	16,42,108	1.05
				20-04-2018	5,650	Purchase	16,47,758	1.05
				27-04-2018	6,024	Purchase	16,53,782	1.06
				27-04-2018	(27,000)	Sale	16,26,782	1.04
				04-05-2018	3,149	Purchase	16,29,931	1.04
				11-05-2018	6,961	Purchase	16,36,892	1.05
				11-05-2018	(5,785)	Sale	16,31,107	1.04
				18-05-2018	8,177	Purchase	16,39,284	1.05
				29-06-2018	(16,160)	Sale	16,23,124	1.04
				20-07-2018	(10,840)	Sale	16,12,284	1.03
				27-07-2018	12,422	Purchase	16,24,706	1.04
				03-08-2018	(24,976)	Sale	15,99,730	1.02
				10-08-2018	(1,00,000)	Sale	14,99,730	0.96
				17-08-2018	676	Purchase	15,00,406	0.96
				24-08-2018	3,140	Purchase	15,03,546	0.96
				24-08-2018	(1,80,000)	Sale	13,23,546	0.85
				07-09-2018	(17,000)	Sale	13,06,546	0.84
				14-09-2018	(4,672)	Sale	13,01,874	0.83
				19-10-2018	7,114	Purchase	13,08,988	0.84
				19-10-2018	(18,000)	Sale	12,90,988	0.83
				16-11-2018	(55,983)	Sale	12,35,005	0.79
				30-11-2018	(51,623)	Sale	11,83,382	0.76
				07-12-2018	(13,817)	Sale	11,69,565	0.75
				14-12-2018	(13,183)	Sale	11,56,382	0.74
				21-12-2018	(36,000)	Sale	11,20,382	0.72

SN.	Name of the Share Holder	Shareholding at the beginning of the year (01-04-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				15-03-2019	(18,000)	Sale	11,02,382	0.71
				29-03-2019	14,000	Purchase	11,16,382	0.71
				31-03-2019			11,16,382	0.71
13.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND	11,52,037	0.74					
				06-04-2018	2,500	Purchase	11,54,537	0.74
				13-04-2018	25,000	Purchase	11,79,537	0.75
				11-05-2018	(3,14,500)	Sale	8,65,037	0.55
				01-06-2018	28,220	Purchase	8,93,257	0.57
				01-06-2018	(21,500)	Sale	8,71,757	0.56
				08-06-2018	(1,208)	Sale	8,70,549	0.56
				29-06-2018	(9,000)	Sale	8,61,549	0.55
				13-07-2018	(16,500)	Sale	8,45,049	0.54
				20-07-2018	(1,46,220)	Sale	6,98,829	0.45
				10-08-2018	(13,508)	Sale	6,85,321	0.44
				24-08-2018	1,97,191	Purchase	8,82,512	0.56
				07-09-2018	(13,000)	Sale	8,69,512	0.56
				21-09-2018	(173)	Sale	8,69,339	0.56
				28-09-2018	2,79,232	Purchase	11,48,571	0.73
				05-10-2018	1,57,600	Purchase	13,06,171	0.84
				12-10-2018	25,000	Purchase	13,31,171	0.85
				12-10-2018	(1,000)	Sale	13,30,171	0.85
				26-10-2018	14,000	Purchase	13,44,171	0.86
				09-11-2018	(25,042)	Sale	13,19,129	0.84
				23-11-2018	(44,037)	Sale	12,75,092	0.82
				30-11-2018	(31,000)	Sale	12,44,092	0.80
				07-12-2018	(1,805)	Sale	12,42,287	0.79
				21-12-2018	43,000	Purchase	12,85,287	0.82
				21-12-2018	(26,000)	Sale	12,59,287	0.81
				04-01-2019	(9,718)	Sale	12,49,569	0.80
				11-01-2019	34,000	Purchase	12,83,569	0.82
				08-02-2019	84,077	Purchase	13,67,646	0.87
				08-02-2019	(1,695)	Sale	13,65,951	0.87
				15-02-2019	27,000	Purchase	13,92,951	0.89
				01-03-2019	66,500	Purchase	14,59,451	0.93
				22-03-2019	(300)	Sale	14,59,151	0.93
				29-03-2019	35,000	Purchase	14,94,151	0.96
				31-03-2019			14,94,151	0.96

Notes:

1. The shares of the company are traded on a daily basis and hence the dates above refer to the beneficiary position dates.
2. The above list comprises Top 10 shareholders as on 01-04-2018 and as on 31-03-2019.

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

SN.	Name of the Director / KMP	Shareholding at the beginning of the year (01-04-2018)		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
	Directors:							
1.	Mr. M.M. Murugappan*	18,418	0.01					
				31-12-2018	(9,211)	*Interse* transfer	9,207	0.006
				26-03-2019	(5,000)	*Interse* transfer	4,207	0.003
				31-03-2019			4,207	0.003
2.	Mr. V. Srinivasa Rangan	10,000	0.006					
				31-03-2019			10,000	0.006
3.	Mr. Ashok Kumar Barat	0	0					
				31-03-2019			0	0
4.	Ms. Bharati Rao	0	0					
				31-03-2019			0	0
5.	Mr. N. Ramesh Rajan$	0	0					
				31-03-2019			0	0
6.	Mr. Rohan Verma^	0	0					
				31-03-2019			0	0
7.	Mr. Arun Alagappan	1,90,000	0.122					
				31-03-2019			1,90,000	0.122
8.	Mr. M.B.N. Rao@	500	0.0003					
				31-03-2019			Not applicable	
9.	Mr. N. Srinivasan#	25,000	0.016					
				31-03-2019			Not applicable	
	KMP:							
10.	Mr. D. Arul Selvan	13,340	0.009					
				28-09-2018	1,500	Allotment of shares on exercise of ESOPs	14,840	0.009
				31-03-2019			14,840	0.009
11.	Ms. P. Sujatha	16,527	0.011					
				31-03-2019			16,527	0.011

Note:

* - Appointed as an additional director effective 31 May, 2018 and as chairman effective 27 July, 2018.

$ - Appointed as an additional director effective 30 October, 2018.

^ - Appointed as an additional director effective 25 March, 2019.

@ - Retired at the close of 40th annual general meeting held on 26 July, 2018.

- Resigned as executive vice chairman and managing director at the close of business hours of 18 August, 2018.

V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING / ACCRUED BUT NOT DUE FOR PAYMENT:

₹ in lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount (1)	31,74,211	5,73,310	-	37,47,521
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	67,658	17,854		85,512
Total (i+ii+iii)	**32,41,869**	**5,91,164**	**-**	**38,33,033**
Change in indebtedness during the financial year				
• Addition	26,86,187	15,87,665	-	42,73,852
• Reduction	16,69,579	13,74,700	-	30,44,279
Net Change	10,16,608	2,12,965	-	12,29,573
Indebtedness at the end of the financial year				
i. Principal Amount (2)	41,90,819	7,86,275	-	49,77,094
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	61,001	18,579	-	79,580
Total (i+ii+iii)	**42,51,820**	**8,04,854**	**-**	**50,56,674**
(1) net of unamortised charges	25,447	14,060		39,507
(2) net of unamortised charges	36,107	14,745		50,852

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to executive director(s)

₹ in lakhs

SN.	Particulars of Remuneration	N. Srinivasan, EVC & Managing Director (up to 18-Aug-2018)	Arun Alagappan, Executive Director
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	285.96
	(b) Value of perquisites u/s 17(2) of the Income-tax	-	25.68
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5.	Others, please specify*	254.79	-
	Total	**254.79**	**311.64**
	Total remuneration paid to executive director(s)		**566.43**
	Ceiling as per the Act		**18,311.29**

*Deputation Charges

B. Remuneration to other directors

₹ in lakhs

SN.	Particulars of Remuneration	Name of Directors						
1.	**Independent Directors**	**V. Srinivasa Rangan**	**Bharati Rao**	**Ashok Kumar Barat**	**N. Ramesh Rajan**	**Rohan Verma**	**M.B.N. Rao**	**Total Amount**
	- Fee for attending board / committee meetings	4.85	4.60	4.85	1.30	Nil	2.15	17.75
	- Commission	7.50	7.50	7.50	3.14	0.14	4.81	30.59
	- Others	-	-	-	-	-	-	-
	Total (1)	**12.35**	**12.10**	**12.35**	**4.44**	**0.14**	**6.96**	**48.34**
2.	**Other Non-Executive Director**	**M.M. Murugappan**						**Total Amount (₹ in lakhs)**
	- Fee for attending board committee meetings	2.85						2.85
	- Commission	6.27						6.27
	- Others	-						-
	Total (2)	**9.12**						**9.12**
	Total (B)=(1+2)							**57.46**
	Total Managerial Remuneration							**57.46**
	Overall Ceiling as per the Act							**1831.13**

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

₹ in lakhs

SN.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	Chief Financial Officer	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	99.95	118.15	218.10
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	7.82	6.95	14.77
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option*			
	(a) Allotment of Shares (including premium)	-	15.15	-
	(b) Share application money pending allotment	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify			
	Total	**107.77**	**125.10**	**232.87**

* Total does not include the value of stock options.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES AGAINST THE COMPANY / DIRECTORS / OFFICERS IN DEFAULT

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

Annexure-III

CSR Report

Annual Report on Corporate Social Responsibility (CSR) Activities

1. **A brief outline of the company's CSR policy, including overview of projects or programs the company, undertakes and a reference to the website link to the CSR policy:**

   As one of the largest NBFCs, Chola believes that it has a responsibility to fulfill towards the people and the environment in shaping a better future for the nation and enabling a better life. Sustainable development forms an integral part of Chola's corporate governance framework. Every year, we set aside a budget as per CSR norms for our programmes that are structured to result in successful outcomes for marginalized communities and the environment.

   For Chola, the priority has always been people before products, rendering services before profits and community welfare before commercial success. Our CSR initiatives are currently focused in 17 states Tamil Nadu, Karnataka, Telangana, Maharashtra, Odisha, Rajasthan, Chhattisgarh, Delhi, Uttar Pradesh, Lakshadweep, Himachal Pradesh, Assam, Madhya Pradesh, West Bengal, Jharkhand, Bihar and Gujarat.

   Company's Strategic Directions

   The key focus areas where development programmes have been initiated are:

   1) **Access to quality health care services** - In several rural and remote areas across India, gaining access to quality health care services is a challenge. Bad road conditions and limited transport facilities make even primary healthcare facilities inaccessible. Chola has taken a step forward to address this issue in certain parts of Uttar Pradesh, Delhi, Odisha and Tamil Nadu. Chola has implemented and supported projects that take healthcare facilities to the doorsteps of communities. With the help of mobile medical vans and health camps that are regularly conducted, people living in rural areas are able to get treatment for a wide range of ailments and diseases.

   2) **Eye & health camps for truck drivers** - Truck drivers have always been close to Chola's heart and Chola is committed to their overall wellbeing. Due to the intense working conditions, truck drivers face various health issues like cataract, high blood pressure, diabetes, etc. Majority of truck drivers have not had any health screening in their entire life. Chola has implemented a trucker's health program and started vision centers (RAAHI Drishti Kendra) in 7 states. It also conducted eye camps in Uttar Pradesh, Maharashtra, Gujarat, West Bengal, Karnataka, Madhya Pradesh, Rajasthan, Delhi, Odisha and Tamil Nadu that focuses primarily on truckers' eye health. More than 51,000 truck drivers have been screened for their eye health in these camps. It was identified that almost 45% people from trucking community suffer from cataract and poor vision. They have been provided with spectacles and referred for cataract surgery either free or at affordable cost.

   3) **Improving the quality of education through arts and technology** - Education takes a backseat in several rural communities across Tamil Nadu, where the literacy rate is poor, there is a growing number of school drop outs, school infrastructure is in a sad state and there are no alternative educational opportunities for these school children. To facilitate access to quality education for the less privileged children, Chola is presently working in Chennai, Villupuram, Nagercoil, Salem, Tiruvallur and Kanchipuram districts of Tamil Nadu. The focus is to make learning fun, concentrate on the overall development of the child, use arts and technology to improve learning proficiency and reduce school dropouts.

   4) **Assured water supply to villages and towns** - Water scarcity is a problem that people face every day not just in the cities, more in the villages especially in the water deficient states of Odhisa, Telangana, Madhya Pradesh and Tamil Nadu. With a goal of providing sustainable water supply to villages, towns and transport nagars, Chola has facilitated installation of bore-wells, overhead tanks and reverse osmosis (RO) water purification plants. This has resulted in an assured water supply, awareness about sustainable measures to save and use water and improved health conditions of the local residents and the thousands of users every day.

   5) **Environmental sustainability** - Chola supports on training programmes for conserving wildlife and thus part of the ecology, and specific infrastructural support for conserving wildlife endangered by extinction.

   6) **Rural development** - Chola adopts villages and extends interventions such as individual toilets, purified drinking water facilities, toilets and water facilities in schools etc. focussing on the upliftment of rural population.

7) **Supporting children with disabilities** - Chola believes that every child deserves not just good education but also they have equal access to the best play opportunities. Chola has sponsored special playground equipment, special furniture and other infrastructure for children with disabilities and special needs.

8) **Road safety** - During the calendar year 2016, the total number of road accidents is reported at 4,80,652 and claiming 1,50,785 lives in the country *(source: Open Government Data (OGD) Platform India)*. This would translate, on an average, 55 accidents and 17 deaths every hour. Road accidents kill more people than any other disease in India. Combined efforts from all stakeholders are likely to ensure a safe road environment for citizens of the country. The stakeholders involved in the road safety ecosystem can play an important role in reducing road accidents and deaths. This condition has created a need to take initiatives toward a sustainable road safety project which is of a continuous nature that speaks to their audience. Our endeavour in road safety Jaldi Kya Hai has touched upon the lives of everyone. This initiative focuses on the different situations where one speeds beyond the limits and the downsides of over speeding. The project spreads knowledge and awareness in 32 cities of 16 states of India.

Web link to the company's CSR policy is as follows:

https://www.cholamandalam.com/Company-policies.aspx

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

Ms. Bharati Rao, Chairperson (Independent Director)

Mr. M.M. Murugappan (Non-executive Director)

Mr. Arun Alagappan (Executive Director)

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

₹ 1,15,321.74 lakhs

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

₹ 2,306.43 lakhs

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

₹ in lakhs

Program	Thematic Area	State	District	Execution Partner	Amount
Mobile health van	Health	Assam	Guwahati	AMM	33.06
Promotion of healthcare services at Valliammai Achi Hospital (VAH)	Health	TN	Kanyakumari	AMM	48.00
Infrastructure development of Sir Ivan Stedeford Hospital	Health	TN	Chennai	AMM	507.22
Infrastructure development of VAH	Health	TN	Kanyakumari	AMM	199.94
Research and Development on sustainable agricultural practices	Education	TN	Chennai	MCRC	120.00
Research and Development on nutritional foods	Education	TN	Chennai	MCRC	70.00
Studies on Bioenergy from agro and other wastes for rural India	Education	TN	Chennai	MCRC	47.00
Developing solar energy based devices used in daily life by people	Education	TN	Chennai	MCRC	65.00
Research and development on climate change mitigation	Education	TN	Chennai	MCRC	30.00
Studies on waste water treatment	Education	TN	Chennai	MCRC	33.00
Promotion of safe road safety behaviour	Education	TN	Chennai	Bhumi	409.63
Scholarship Program for children	Education	Karnataka	Bengaluru	Christel House	2.21
Samaveshi Shiksha - program for Children with disability	Education	TN	Vellore	Worth trust	22.43
Enabling education for children	Education	TN	Kancheepuram	AID India	10.00
Scholarship Program for children	Education	TN	Coimbatore	Isha Vidhya	15.00
Education Program for youth	Education	TN	Chennai	IMCTF	37.50
Mobile health van	Health	TN	Chennai	Neurosciences India	20.00
The Eye health camps for truck drivers	Health	Rajasthan	PAN Rajasthan	Aravalli	25.24
Conservation program in Nilgiris Hills	Environment Sustainability	TN	Nilgiris	Lovedale	20.00
RAAHI - Eye health camps for truck drivers	Health	PAN India	PAN India	Sightsavers India	174.41

5. Details of CSR spend during the financial year: (Contd.)

₹ in lakhs

Program	Thematic Area	State	District	Execution Partner	Amount
Swachh Marathwada - phase II	WASH	Maharashtra	Parbhani and Hingoli	Bala Vikasa	19.89
Swachh Marathwada - phase III	WASH	Maharashtra	Lathur	Bala Vikasa	14.85
Mobility and Children with disability	Education	Tamil Nadu	Chennai	United Way	28.05
Conservation of historical monument	Arts and Crafts	UP	Allahabad	Adi Sankara Vimana	10.00
Promotion of arts and Culture	Arts and Crafts	TN	Chennai	Madras Crafts Foundation	25.00
Promotion of arts and culture in Dakshinchitra	Arts and Crafts	TN	Chennai	Madras Crafts Foundation	25.00
Conservation of arte facts	Arts and Crafts	TN	Chennai	Melattur Trust	1.00
Mismatches in Coastal fisheries	Environment Sustainability	Lakshdweep	Lakshdweep	NCF	20.84
Livelihood program in Spiti	Environment Sustainability	Himachal Pradesh	Spiti	NCF	24.86
Sports Scholarship program for Lawn Tennis	Sports	West Bengal	Kolkata	Enrico Pieperno	5.00
Swachh Odisha	WASH	Odisha	Angul	WEE	20.03
Conservation of Poondi Lake	WASH	TN	Thiruvallur	Voice Foundation	49.56
EcoQuest Nature Discovery Centre	Environment Sustainability	Karnatka	Mysore	NCF	10.02
Scholarship Program for youth	Education	Tamil Nadu	Chennai	Samskriti Trust	80.00
Training for preventive health care	Health	Tamil Nadu	Chennai	SaGa	5.00
Admin	Admin				78.13
Total					**2306.87**

a. **Total amount to be spent for the financial year:** ₹ 2,306.43 Lakhs

b. **Amount unspent, if any:** Nil

c. **Manner in which the amount spent during the financial year is detailed below:**

(1) SN.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or program (1) Local area or other (2) Specify the State and district where projects or program were undertaken	(5) Amount outlay (budget) projects or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount spent: Direct (D) or through implementing agency (IA)
					₹ in lakhs		
1	Mobile health van	Health	Assam Guwahati	33.06	33.06	33.06	IA
2	Promotion of healthcare services at VAH	Health	Tamil Nadu Kanyakumari	48	48	48	IA
3	Infrastructure development of Sir Ivan Stedeford Hospital	Health	Tamil Nadu Chennai	507.22	507.22	507.22	IA
4	Infrastructure development of VAH	Health	Tamil Nadu Kanyakumari	199.94	199.94	199.94	IA
5	Research and Development on sustainable agricultural practices	Education	Tamil Nadu Chennai	120	120	120	IA

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

(1) SN.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or program (1) Local area or other (2) Specify the State and district where projects or program were undertaken	(5) Amount outlay (budget) projects or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount spent: Direct (D) or through implementing agency (IA)
					₹ in lakhs		
6	Research and Development on nutritional foods	Education	Tamil Nadu Chennai	70	70	70	IA
7	Studies on Bioenergy from agro and other wastes for rural India	Education	Tamil Nadu Chennai	47	47	47	IA
8	Developing solar energy based devices used in daily life by people	Education	Tamil Nadu Chennai	65	65	65	IA
9	Research and development on climate change mitigation	Education	Tamil Nadu Chennai	30	30	30	IA
10	Studies on waste water treatment	Education	Tamil Nadu Chennai	33	33	33	IA
11	Promotion of safe road safety behaviour	Education	Tamil Nadu Chennai	409.63	409.63	409.63	IA
12	Scholarship program for children	Education	Karnataka Bengaluru	2.21	2.21	2.21	IA
13	Samaveshi shiksha - program for children with disability	Education	Tamil Nadu Vellore	22.43	22.43	22.43	IA
14	Enabling education for children	Education	Tamil Nadu Kancheepuram	10	10	10	IA
15	Scholarship program for children	Education	Tamil Nadu Coimbatore	15	15	15	IA
16	Education program for youth	Education	Tamil Nadu Chennai	37.50	37.50	37.50	IA
17	Mobile health van	Health	Tamil Nadu Chennai	20	20	20	IA
18	The eye health camps for truck drivers	Health	Rajasthan Chittorgarh	25.24	25.24	25.24	IA
19	Conservation program in Nilgiris Hills	Environment Sustainability	Tamil Nadu Nilgiris	20	20	20	IA
20	RAAHI - eye health camps for truck drivers	Health	PAN India	174.41	174.41	174.41	IA
21	Swachh Marathwada- phase II	WASH	Maharashtra Parbhani & Hingoli	19.89	19.89	19.89	IA
22	Swachh Marathwada- phase III	WASH	Maharashtra Lathur	14.85	14.85	14.85	IA
23	Mobility and children with disability	Education	Tamil Nadu Chennai	28.05	28.05	28.05	IA
24	Conservation of historical monument	Arts and Crafts	UP Allahabad	10	10	10	IA

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

(1) SN.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or s program (1) Local area or other (2) Specify the State and district where projects	(5) Amount outlay (budget) projects or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount spent: Direct (D) or through implementing agency (IA)
					₹ in lakhs		
25	Promotion of arts and culture	Arts and Crafts	Tamil Nadu Chennai	25	25	25	IA
26	Promotion of arts and culture in Dakshinchitra	Arts and Crafts	Tamil Nadu Chennai	25	25	25	IA
27	Conservation of artefacts	Arts and Crafts	Tamil Nadu Chennai	1	1	1	IA
28	Mismatches in coastal fisheries	Environment Sustainability	Lakshdweep	20.84	20.84	20.84	IA
29	Livelihood program in Spiti	Environment Sustainability	Himachal Pradesh Spiti	24.86	24.86	24.86	IA
30	Sports Scholarship program for Lawn Tennis	Sports	West Bengal Kolkata	5	5	5	IA
31	Swachh Odisha	WASH	Odisha Angul	20.03	20.03	20.03	IA
32	Conservation of Poondi Lake	WASH	Tamil Nadu Thiruvallur	49.56	49.56	49.56	IA
33	EcoQuest Nature Discovery Centre	Environment Sustainability	Karnataka Mysore	10.02	10.02	10.02	IA
34	Scholarship Program for youth	Education	Tamil Nadu Chennai	80	80	80	IA
35	Training for preventive health care	Health	Tamil Nadu Chennai	5	5	5	IA
36	Admin	Admin		78.13	78.13	78.13	D
	Total			**2,306.87**	**2,306.87**	**2,306.87**	

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's 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 the CSR Policy is in compliance with the CSR objectives and policy of the company.

On behalf of the board

Place : Chennai
Date : April 27, 2019

Arun Alagappan
Executive Director

Bharati Rao
Chairperson - CSR Committee

Annexure-IV

Information under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the board's report for the year ended 31 March, 2019

Nature of Disclosure	Particulars		
a) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	**Name of the Director / Designation**	**% increase of Remuneration in 2019 as compared to 2018#**	**Ratio of Remuneration to Median Remuneration of employees**
	Non-Executive Directors		
	Mr. M.M. Murugappan, Non-executive Director / Chairman	Nil	1.42:1
	Mr. V. Srinivasa Rangan, Non-executive / Independent Director	Nil	1.42:1
	Ms. Bharati Rao, Non-executive / Independent Director	Nil	1.42:1
	Mr. Ashok Kumar Barat, Non-executive / Independent Director	Nil	1.42:1
	Mr. N. Ramesh Rajan, Non-executive / Independent Director (Since 30 October, 2018)	NA	1.42:1
	Mr. Rohan Verma, Non-executive / Independent Director (Since 25 March, 2019)	NA	1.42:1
	Mr. M.B.N. Rao, Non-executive / Independent Chairman (Up to 26 July, 2018)	Nil	2.85:1
	Executive Directors		
	Mr. Arun Alagappan, Executive Director	10.19%	67.01:1
	Mr. N. Srinivasan, Executive Vice Chairman and Managing Director (up to 18 August, 2018)	11.65%	77.78:1
b) Percentage increase in remuneration of CFO, CS in the financial year	**Name of the KMP / Designation**	**% increase in remuneration in 2019 as compared to 2018**	
	Mr. D. Arul Selvan, Chief Financial Officer	10.76%	
	Ms. P. Sujatha, Company Secretary	11.65%	
c) Percentage increase in median remuneration of employees in the financial year	21% increase in median remuneration		

Nature of Disclosure	Particulars		
d) Number of permanent employees on the rolls of company (as of 31 March, 2019)	7,003		
e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	For employees other than managerial personnel who were in employment for the whole of FY 18 and FY 19, the average increase is 13.08%. The average increase for managerial personnel is 10.92%.		
f) Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration is in line with the remuneration policy of the company.		

Note:

Commission/Remuneration figures have been annualised.

On behalf of the board

Place : Chennai
Date : April 27, 2019

M.M. Murugappan
Chairman

Management Discussion and Analysis

MACROECONOMIC OVERVIEW

The financial year 2019 was a year of two distinct halves. The first half started on a positive note with tailwinds from smooth functioning of the goods and services tax (GST) infrastructure, 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. Real gross domestic product (GDP) growth surged to a nine-quarter high of 8.2% in Q1, extending the sequential acceleration to four successive quarters.

The second half was marked by the first black swan event in the economic history of modern India with few leading finance companies defaulting on payments to its lenders. It was being compared to the global financial crisis in 2008, triggering panic in the markets. This triggered stress in the system and other lending entities that had exposures of concentrated nature like builder finance, corporate lending, loan against shares etc. also were seen to be impacted. This default exposed Indian financial market to the financial risks in relation to the non-banking financial companies (NBFCs). Credit flow to the sector declined ensuing severe liquidity crunch. It had a direct effect on the real estate sector, which depends significantly on NBFCs for growth and expansion. Risk aversion, tight liquidity conditions and decelerated global and domestic economy were the hallmarks of second half. Domestic economic activity decelerated for Q3 to 6.6% due to a slowdown in consumption, both public and private.

Globally, downward revisions in growth rates were observed in most of the countries. After peaking at close to 4% in 2017, global growth hovered at 3.8% in the first half (H1) of 2018, but dropped to 3.2% in the second half (H2) of the year. The International Monetary Fund (IMF) has projected that global growth will be 3.3% in 2019.

Outlook for Indian economy for financial year (FY 20) is positive. Favourable factors such as an increase in financial flows to the commercial sector, stabilisation of crude oil and other commodity prices, consumption and investment enhancing proposals in the Union Budget 2019-20, and the expectation of a normal monsoon are expected to boost economic activity. GDP growth is projected at 7.2% - in the range of 6.8% - 7.1% in H1:2019-20 and 7.3% - 7.4% in H2 with risks evenly balanced. Strong macro-economic fundamentals and recent shift in central banks focus from inflationary concerns to sustaining growth momentum will augur well for the healthy growth path of the economy. It is expected that RBI will continue its liquidity enhancing activities like open market operations (OMO), Swaps etc. leading to a softer interest regime.

INDUSTRY GROWTH PROSPECTS

AUTO INDUSTRY

Domestic commercial vehicle (CV) Industry touched 10 lakh units in sales in FY 19. The industry delivered strong growth numbers during H1 of FY 19 following a healthy demand from freight generation sectors and infrastructure pick-up. The adverse impact due to tightening of financing following the liquidity crunch, higher fuel costs and weak freight rates affected CV demand in H2 of FY 19. However the pace of decline has reduced over the past few months, reflecting that the impact of liquidity crunch may have eased. Despite the drop in H2 of FY19, CV segment (comprising of medium and heavy commercial vehicle (MHCV), light commercial vehicle (LCV) and Buses) grew by 18% year-on-year (YOY). The growth has been across all these segments, with LCV registering the maximum growth at 21% (YOY).

While the outlook for H1 of FY 20 is not positive, for FY 20 as a whole it is positive with potential pre-buying ahead of implementation of Bharat Stage VI (BS-VI) emission norms (from April 2020 onwards). As vehicle prices are expected to increase 10-12% post BS-VI implementation, industry may witness pre-buying during the second half of FY 20. As it is mandated that BS-IV vehicles will not be allowed to be registered from April 2020, it is expected that auto original equipment manufacturers (OEMs) will slow down production of BS-IV vehicles well before the deadline, leading to higher demand in H2. The implementation of scrappage policy is pushed to April 2020, coinciding with implementation of BS-VI norms. The impact is expected to be minimal as this policy is applicable for vehicles older than 20 years and there are very few MHCV vehicles that have a life of 20 years and above. Besides this, other factors like higher replacement demand and e-commerce growth will be key drivers for growth in the LCV segment in FY 20. Replacement demand from state road transport undertakings (SRTUs), growth in urban population, demand from schools, intercity travel operators and improvement of public transport system across various cities will be key drivers for growth in the bus segment. Expected improvement in Industrial GDP and pick up in road construction and infrastructure activities will be other key factors driving growth for MHCV segment in FY 20.

Domestic Car and Utility Vehicle industry had a modest growth of 4% in FY 19. This is due to higher cost of ownership around 6%-8%, as compared to 2%-4%, average growth in cost of ownership in last five years. Higher cost of ownership in the form of higher fuel prices, insurance pay-outs and interest rates has impacted demand in FY 19. In FY 20, with income growth, affordability and increasing employment opportunities, vehicle penetration is expected to increase in the near term.

Tractor industry grew by 12% in FY 19 supported by normal monsoon and government support through subsidies and farm loan waivers. Higher minimum support price set up by government along with higher mandi prices for major crops improved the farm sentiments. Tractor sales is expected to grow in FY 20 as well, with government support by way of farm loan waivers and direct farm income support. Government's thrust towards doubling farm income, increasing spend towards irrigation, increasing mechanization on farm fields and improving crop productivity is expected to drive growth in long term.

HOME EQUITY

The loan against property (LAP) market grew by 23% between FY 14 to FY 17. While the market had been stagnant during the last two years due to demonetization, GST implementation and stagnant property prices, the tighter liquidity conditions prevailing in the debt market since September 2018 added to the slow-down and the industry was able to grow only by 14% between FY 17 to FY 19. The current market environment provides great opportunity for select players with strong credentials and will eliminate frivolous players.

LAP segment is predominantly funded to micro, small and medium enterprises (MSME) sector and is expected to register better growth in the next 2 years. Slow growth in MSME credit by public sector undertakings (PSU) banks supported the LAP segment gaining share on the overall MSME credit and is at 23% of the overall MSME credit. Demand for formal MSME credit is also expected to rise post GST and with stabilization in property prices especially in Tier 2 and 3 cities, market is expected to grow.

The delinquency levels in this segment have also started stabilizing after sharp rise in the earlier years. Average loan-to-value (LTV), ticket sizes and tenure are key determinants of asset quality. LAP book is expected to grow better in the near term as compared to previous years. The key demand drivers will be continued demand for MSME credit through LAP, operating market and customer segment, ticket sizes and LTV.

HOME LOANS

The Indian housing finance market has grown rapidly, especially in the affordable housing segment (30%+), with mortgage lending significantly contributing to growth in construction and demand for housing. This growth was due to government support through special schemes and higher growth in non-metro cities on account of improved transparency and higher focus by NBFCs and housing finance companies (HFCs) in Tier II, III, IV cities and towns leading to higher finance penetration.

Due to recent liquidity crisis, there has been a slow-down in the housing finance credit growth in H2 FY 19. However, from the demand stand point there is no slow down as pointed by industry reports. This provides opportunity for small and medium size housing finance lenders with strong balance sheet and good credentials to grow their book.

The total housing credit portfolio is around ₹ 19 lakh crore and is expected to grow especially in the affordable housing loans segment. Government's tax incentives on home loans and subsidies under credit-linked subsidy scheme (CLSS) for economically weaker section, lower and middle income groups have improved affordability levels of the borrowers, and is likely to boost demand.

Source: CRISIL, ICRA research

BUSINESS ANALYSIS

VEHICLE FINANCE

The Vehicle Finance (VF) business has demonstrated consistent growth levels in terms of disbursements, business assets under management (AUM) and profit before tax (PBT) growth over the past 5 years. The business grew disbursements by 21% and PBT by 28% in FY 19. The disbursements during the year were ₹ 24,807 crores as against ₹ 20,540 crores in the previous year. The PBT during the year was ₹ 1,278 crores as against ₹ 996 crores in the previous year. The division continued its focus on strengthening its business operations and improving asset quality through aggressive collections efforts, which resulted in reduction of its gross stage 3 assets from 2.32% to 1.77%. (The numbers have been reported as per INDAS).

The VF segment continues to have one of the best return on assets (ROA) and asset quality amongst the players operating in similar product segments. The business continues to capitalize on its people, process and technological capabilities to maximize ROA by focusing on profitable market segments and devising suitable product offerings for each of the micro markets. Advanced data mining techniques are utilized to build homogeneous clusters of customers and prospects for each product, geography and customer category combination. Optimal sales and collections strategies are then deployed for each cluster to further continuous improvement.

Efforts to build a future ready VF business are underway. Industry leading domain and strategy consulting firms have been engaged to create a highly productive workforce leveraging digital credit underwriting, cost effective collections processes, and digital backend operations. The company has designed a multi-pronged long term strategy to minimize the cost of operations, credit losses and maximize ROA and customer experience. Strategy execution is being supported by dedicated teams of internal and external resources.

Significant investments are being made to digitize all activities throughout the tenure of the loan. Loan originations and management systems are being continuously upgraded in anticipation of current and future customer requirements. Company's management information system (MIS) and Analytics infrastructure are being augmented.

The business will continue to expand and strengthen its existing relationships with customers, manufacturers, brokers and dealers, utilizing new tools and platforms such as Gaadi Bazaar an online market place which not only support best price discovery for used vehicles but will make the entire sale-purchase process seamless. Credit and underwriting strategy is being entirely digitized to swiftly launch new marketing and promotional campaigns while maintaining the risks under acceptable limits. New age vendors are helping the company in this initiative. Risk based pricing and tailored customer delight strategies are being implemented to expand prospect universe to achieve our long term growth strategy targets.

The business has increased its branch network to 901 branches by end of this financial year (129 additional branches). This will support in growing the market share and enhance dealer coverage. These branch expansions were in smaller towns and will help in acquiring new customers and the closer proximity with the customers will help in improving collection efficiency and increasing repeat business.

HOME EQUITY

The year has been a come-back year for Home Equity (HE) business with substantial improvements across key metrics such as disbursements, business AUM and profits. Asset quality improved year on year with the Securitisation And Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) resolutions yielding very good results to the bottom line. The credit loss for the year FY 19 was a reversal of ₹ 4.25 crores levels and we expect to sustain similar performance in next year as well. This is primarily due to resolution of long overdue cases with the help of legal recourse.

Managed assets for the business grew by 15% during FY 19 and stood at ₹ 11,626 crores as against ₹ 10,095 crores during FY 18. The overall disbursements during FY 19 stood at ₹ 3,837 crores as against ₹ 3,174 crores during FY 18, a growth of 21%. The PBT grew by 38% and stood at ₹ 305 crores as against ₹ 221 crores in FY 18. This is primarily due to improved asset quality resulting in reversals of credit losses. Gross Stage 3 assets dropped to 5.53% in March 2019 from 6.63% in March 2018, due to multiple factors such as, improvement in operating environment of the borrowers as demonetization and GST related headwinds waned, targeted strategies built on right ticket size for a given customer type and geography combination, focus on direct selling agents (DSA) empanelment to increase the quality and quantity of leads generated, etc. A drive was launched to improve the number of business partners sourcing new business for the company. Backend processes were streamlined to deliver quick turn around and higher acceptance rates for the new business sourced delivering win-win solution for the company and DSAs.

The liquidity crisis witnessed in September 2018 forced banks, mutual funds and other fund providers to tighten lending to weaker NBFCs. This provided an unexpected window of opportunity for the company. With liquidity challenges gradually easing and continued demand for credit, robust business growth is expected in FY 20 also.

The company working closely with a renowned global consultancy firm has jointly developed a long term strategic roadmap for Home Equity business. Digitization, process efficiency and data driven decisions are key components of the growth strategy. Industry data was churned to identify optimal growth locations for our branches. Industry benchmarks were analysed to design the features on loan origination and loan management systems and digitize the entire process with the end outcome of strengthening underwriting process, improving sales team productivity, effective DSA engagement, shorter turnaround time for the customer and improving collection efficiency.

Keeping this in mind, the business expanded its branch network from 148 branches in March 2018 to 231 branches as of March 2019 and will continue to expand geographically, reaching out to customers in the Tier 3 and Tier 4 cities to pursue further growth in the following years.

HOME LOANS

Home Loans business (Affordable Housing) was started in 2013. The company through its wholly owned subsidiary Cholamandalam Home Finance Ltd. has made an application for HFC certificate of registration with National Housing Bank (NHB). The business expects to obtain the same shortly. The Affordable Home Loans (HL) business has increased the disbursement to ₹ 1,157 crores during FY 19 as against ₹ 606 crores in FY 18, registering a growth of 91%. Managed Assets was at ₹ 1,912 crores in FY 19 as against ₹ 984 crores in FY 18, registering a healthy growth of 94%. Since the asset base is low and there are huge opportunities ahead in this segment we will be growing this segment into newer markets next year as well.

The Government's initiative of providing housing to all has been a fillip for the housing sector. Under the PMAY, opportunities of unprecedented scale have presented themselves and the need of the hour is to build a Home Finance Company that leverages digital, data and analytics, and agile tech platforms. To that effect a yearlong project was initiated with multiple strategies and technical consultants. Our product design team have built 5 new products enabling us to cater to the current and future demand for affordable housing finance.

As a next step we redesigned the "application to account" journey which is now completely digital. A new loan origination system "FALCON" was designed, empowering the company representatives to provide conditional decision based on loan and applicant parameters captured at the clients' location. Digitization of application process has a multiplier effect on employee productivity while providing an excellent customer experience. This in-house built system captures information from various sources which is then fed to custom underwriting scorecards for each customer and product segment. These scorecards are proprietary knowledge of the company, designed to accurately assess risk of applicants and offer a risk based price. FALCON is now fully operational.

ASSET LIABILITY MANAGEMENT

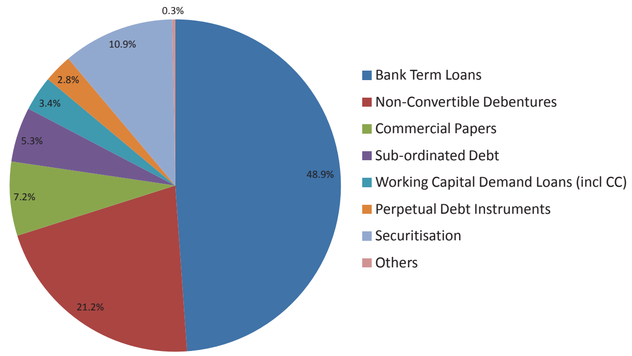
FY 19 was a tough year for NBFCs and HFC, especially the second half, due to the liquidity concerns arising out of tight market conditions. The conservative policy of the company in ensuring that there are no negative mismatches in any of the time buckets in its structural liquidity statement ensured the company was completely insulated from the liquidity tightness in the market. During the first half of FY 19, the company maintained optimum Asset Liability Management (ALM) position while ensuring that the cost of funds is kept under control. In the second half, the focus shifted to holding higher liquid cash on account of market concerns on the NBFC sector. However, the company was successful in ensuring optimum ALM with manageable cost of funds, although the cost of funds for the second half included the cost of maintaining higher liquidity. Post September 2018, the company had maintained a high level of liquid assets to ensure meeting minimum two months of maturities.

The company shifted its stance in long term borrowings moving from market borrowings to bank borrowings as there were tight liquidity conditions with regard to availability of market borrowings through non-convertible debentures (NCDs). The company was successful in getting higher volumes of bank term loans at competitive rates and maintained a healthy ALM position throughout this period.

Long-term borrowings - in the form of medium-term loans, medium/long-term NCDs, external commercial borrowings (ECB) and Tier II - contributed ~46% of the gross incremental borrowings. Sale of receivables by way of securitisation/bilateral assignments amounting to ₹ 4311 crores helped in the matching of inflows and outflow, over the tenure of the loan book as well as reducing the borrowing costs.

RESOURCES & TREASURY

During the year, the company raised funds from banks (including an offshore lender) and from money markets to support the growth of its businesses at competitive interest rates without compromising the right mix of long and short-term borrowings and thereby maintaining a healthy asset liability position. The borrowing profile as on 31 March, 2019, is given below:



BANK BORROWING

In FY 19, the company mobilised ₹ 15,190 crores of medium-term loans and ₹ 1,320 crores (net) as working capital / cash credit / short term loan facilities from banks. The company continued getting support for its money market issuances from banks through subscription of commercial papers (CPs) and NCDs. During Q4 of FY 19, the company successfully negotiated ECB to the tune of ₹ 346 crores which was fully hedged to avoid any exchange fluctuation risks. The strength of the company's banking relationship ensured that the best available opportunities to borrow from banks flowed steadily and this helped to maintain liquidity and manage borrowing costs, inspite of negative news around NBFC / HFC sector during the second half of FY 19.

MARKET BORROWING

During FY 19, the company raised ₹ 14,027 crores* and repaid ₹ 12,675 crores* of CPs. CP outstanding as at the end of the year was ₹ 3752 crores. Medium and long-term secured NCDs to the tune of ₹ 3,059 crores were mobilised at competitive rates. At the end of FY 19, outstanding NCD stood at ₹ 9,991 crores. New investor profiles were added to ensure no undue concentration in any single/group of investors.

Tier II borrowings during the year constituted ₹ 821 crores and as at the end of FY 19, stood at ₹ 4108.21 crores.

(*gross borrowings)

MOVEMENT IN INTEREST COST

The company's sourcing strategy (including bank loans / NCD) without losing sight of ALM, was able to maintain interest cost as a percentage of average borrowings, at 8.0% in FY 19 as compared to FY 18. Interest cost was monitored closely and by selecting the right mix of borrowings, kept under control.

Securitisation / assignment of receivables to the tune of ₹ 4,311 crores at lower rates resulted in good savings of interest costs. The benefits of the low interest cost on these deals will continue to accrue to the company in subsequent financial years.

CAPITAL ADEQUACY RATIO (CAR)

As at the end of FY 19, the capital adequacy ratio stood at 17.36% (Tier I: 12.44% and Tier II: 4.92%)

INVESTMENTS

The company's investments of ₹ 72.92 crores include investments in subsidiaries of ₹ 72.90 crores and investments in equity shares of ₹ 0.02 crores (net of provisions).

FINANCIAL REVIEW

The company's aggregate loan disbursements grew by 21% from ₹ 25,114 crores in FY 18 to ₹ 30,451 crores in FY 19. The business AUM for the company as a whole grew by 26% (YoY) and the growth of on-balance sheet assets was 25%. The business AUM (including on book and assigned net of provisions) in FY 19 stood at ₹ 54,279 crores as against ₹ 42,924 crores recorded in FY 18.

Consistent collection efforts helped in improving asset quality which resulted in Gross stage 3 assets dropping steeply to 2.69% in FY 19 as compared to of 3.43% in FY 18 at 3 months overdue basis.

The company maintained PBT Return on Total Assets (PBT - ROTA) at 3.7% in FY 19 as compared to FY 18. This was attained through optimal product mix, improved marginal yields and reduction of loan losses. The PBT-ROTA has been maintained despite increase in cost of funds by 16 bps in FY 19 over FY 18.

The net profit after tax for the year rose by 29% to ₹ 1,186.15 crores from ₹ 918.30 crores in the previous year. Earnings per share for the year stood at ₹ 75.87 and the book value per share stood at ₹ 394.97 as against ₹ 58.75 and ₹ 326.11 in the previous year respectively.

HUMAN RESOURCES (HR)

Talent Resourcing:

In the year FY19 the company had 25% of growth in overall staff headcount. Employee referrals continued to be the primary source for Talent Identification. To address the challenge of increasing new entrants in the NBFC space and people poaching from competition, targeted zone wise, talent resourcing initiatives were rolled out including market mapping, walk in drives, alternate sourcing channels and leveraging social media and job portals.

Business Partnering:

- **Career Development Initiatives:** Top performing branch offices were transformed as area offices, creating opportunities for all performing branch employees to grow by job enrichment / higher responsibility through career development initiatives. Talent across branch, area and region mapped against the product lines.

  This increased the team morale thereby contributing to high level of engagement and talent retention in VF business.

- **Partnering for productivity augmentation**
  - Productivity enhancement for supervisory level employees / first time supervisors in vehicle finance business at regional / area level were conducted.
  - Acceler8 – a DST productivity enhancement pilot project for Home Loans, rolled out in the month July, 2018.

  In parallel the teams were also trained to align the sales process in-order to increase productivity.

- **Partnering in setting up of Home Finance**

  The company in partnership with a leading consulting group worked towards setting up of the HFC including a cross functional project team, branch playbook role definition and roll out a unified organization structure.

Capability Building:

- Gamification of the Product and process knowledge to ensure relevance and interest was done.
- A learning App for capturing learning progress and the assimilation, the learning & development team has explored and implemented tools for capturing the understanding of the participants during training with a live projection of the same on the screen, e-book for individuals to browse through and learn and capturing the feedback through a QR code scanning.

HR Digitization:

Under the tie-up with PeopleStrong, Chola Connect, our new human resources management system portal would provide a unified experience from recruitment to retirement to all employees, recruiters, candidates and business users. Embracing this technology was a big leap for the organization to delight the employees by providing a seamless channel to connect and collaborate, experience a single window for right decision making.

Talent Engagement & Retention:

Voices, an employee engagement study was conducted towards seeking employee perception of their experiences and creates an enabling environment at Chola.

- Based on the survey inputs a customized action plan was generated.
- A manager development program was initiated for managers who had more opportunities to increase the team scores. 56 managers were earmarked to benefit through these interventions. 35 Managers have completed Manager Effectiveness training.

Employee wellbeing:

The year focused on driving health and safety initiatives across length and breadth of Chola, with a determination to provide a safe and healthy working environment while emphasizing safety when on the roads. Across regions, several customized interventions were rolled out:

- collaborated with a fit-tech start up that specializes in health and fitness events and activities at workplace.
- Wellness camps have been conducted in different regions and approximately 1500 employees have been covered.
- #JaldiKyaHai a road safety initiative against over-speeding. In the fast-paced world that we live in, over speeding has become a casual, everyday occurrence. Through this campaign, we hope to bring about a change in the behaviour of road users and make the road a safer place.
- Daily Safety Notification - Safety notification messages via sms / pop ups triggered periodically to all field executives in order to remind them to drive safe.
- My Safety Story – A weekly campaign driving safety while driving to employees through peer testimonials.

Awards & Recognition:

CII awards: The company was awarded as the Winner in Large service category in the employee relations and employee engagement category in the National HR circle competition conducted by Confederation of Indian Industry (CII). The award for the interventions focused on organization culture transformation.

TECHNOLOGY INITIATIVES

The digital technology team focused on 'Agile Digitization' during the course of the year. The focus for our digitization efforts have been on two key areas.

The first is related to our business ecosystem - customers, dealers and manufacturers (in the Vehicle Finance space) and DSA and Builders (in the Home Loans/Home Equity space). A lot of enhancements have been carried out on the current LEAP Tab application to optimize the customer on-boarding process. For our Home Loan product, the entire customer journey has been reimagined. A significant amount of information is brought together by using digital application programme interface (API) related to customer identity, address / location, financial analysis, and employment status etc. We have also built a complete paperless e-sign capability in the new originations function for our customers. This Aadhaar and digital signature based feature will be rolled out after clearance on usage guidelines from Unique Identification Authority of India (UIDAI).

On similar lines, a new lead management solution accessible from browser and mobile devices has been developed for centralized way of managing leads from different sources / channels, track status of leads, as well as effectiveness of sourcing channels and productivity of channel partners. This will be further enhanced to deliver campaign management capabilities to assist in our cross-sell and customer communication efforts. Enhancements have also been done to our dealer and broker on-boarding, management, and process for request and approval of Inventory Funding and Trade Advance lines in conjunction with the larger Gaadi Bazaar initiative.

The second part is related to our operational processes - processes used within our business and functions as part of our business operations. As part of digital initiative in this area, we have identified the manual / human activity index for core process related work done in our back-office Operations. Using a combination of Robotic Process Automation (RPA) and custom application development and related enhancements, we have started increasing the digital / automated aspects of such businesses. The objective is to progressively increase the automation for repetitive activities using RPA before expanding the usage to cognitive automation. As part of the increasing digitization in the customer service space, a pilot was done for ChatBot and initial solution rollout will be done soon.

Even while being in the process of rapidly delivering solutions, there was continued effort to ensure the platform stability is not affected. Increased rigor around capacity management, performance tuning, and insight into application performance ensured that the applications, servers, and network infrastructure were able to handle record volumes. Potential hot-spots are identified on a pro-active basis and speedy issue resolution is put in place, thereby minimizing business impact.

There were quite a few areas of innovation that the technology team worked on during the course of the year. For instance, development and digitization of the credit scoring model was always flagged by the business as an extremely slow activity. While the original models were developed by the Analytics team, the digital technology team comes into picture for system development and integration with our LEAP Tab application. Historically, this was developed using a Business Rule Engine (BRE) that led to testing and 'time to delivery' related challenges. To address this, a two pronged approach was taken. The initial development was done internally using common Oracle technology along with configuration options for the Business and Analytics team. This reduced the development time as well as the self-serve ability of the users. In the second stage, Machine Learning Virtual Machine option has been provided so that the original model can now be directly deployed as a web service for consumption by the LEAP Tab application. This has dramatically reduced deployment and testing efforts as well as significantly reduced dependency on IT staff for rollout of new models.

Similarly, the team has also developed a highly configurable system for handling our pay-outs using combination of in-house development and a flexible automation engine. These initiatives clearly highlight the ability to deliver digital innovation using right combination of technology as well as optimal mix of internal and external capabilities.

RISK MANAGEMENT

The company is committed to create value for its stakeholders through sustainable business growth and with that intent 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 company is engaged in, the risk framework recognizes that there is uncertainty in creating and sustaining such value as well as in identifying opportunities. Risk management is therefore made an integral part of the company's effective management practice.

Risk Management Framework: Company'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.

Company's risk management division works as a value centre by constantly engaging with the business providing reports based on key analysis and insights. The key risks faced by the company are credit risk, liquidity risk, interest rate risk, operational risk, reputational and regulatory risk, which are broadly classified as credit risk, market risk and operational risk. The company has a well-established risk reporting and monitoring framework. The in-house developed risk monitoring tool, Chola composite risk Index, measures the movement of top critical risks. This provides the level and direction of 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 company's risk appetite framework approved by the board. The company also developed such risk reporting and monitoring mechanism for the risks at business / vertical level. The company identifies and monitors risks periodically. This process enables the company to reassess the top critical risks in a changing environment that need to be focused on.

Risk governance structure: Company's risk governance structure operates with a robust board and risk management committee with a clearly laid down charter and senior management direction and oversight. The board oversees the risk management process and monitors the risk profile of the company directly as well as through a board constituted risk management committee. The committee, which meets a minimum of four times a year, 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 risk management division has established a comprehensive risk management framework across the business and provides appropriate reports on risk exposures and analysis in its pursuit of creating awareness across the company about risk management. The company's risk management initiatives and risk MIS are reviewed monthly by the top management.

CREDIT RISK

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

MARKET RISK

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

OPERATIONAL RISK

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

INTERNAL CONTROL SYSTEMS

An internal control framework, including internal financial controls, encompassing clear delegation of authority and standard operating procedures, are available across all businesses and functions. Clear segregation of duties exists between various functions. Key operational processes (finance and operations) are centralised at head office for better control. The company has instituted a strong IT security system to ensure information security. All policies are reviewed and approved by the board on a periodic basis.

The company adopts a co-sourced model of internal audit. M/s.Deloitte Haskins & Sells LLP - internal auditors provide an independent perspective on internal control systems. Further, the in-house internal audit department executes a rigorous audit calendar spanning multiple business processes. The audit teams conduct an independent review of the design and operating effectiveness of internal financial controls established by the management and recommends improvements. Critical audit observations are shared with the audit committee on a quarterly basis to effectively monitor controls and implement recommendations.

On compliance, a methodical system of monthly self- assessment exists in all functions. A robust mechanism is in place to control, detect and prevent fraud. The investigations are reviewed by a disciplinary committee comprising senior management members and chaired by the executive director.

The internal financial control systems are constantly monitored both by an in-house team as well as the external internal auditors. The risk and control matrices are reviewed by the internal audit team on a quarterly basis, control measures are tested and results are communicated to the audit committee. These measures have helped in ensuring the adequacy and operating effectiveness of internal financial controls.

The statutory auditors of the company have also certified on the existence and operating effectiveness of the internal financial controls relating to financial reporting as of March 2019.

RESULT OF OPERATIONS

Balance Sheet

The company has transitioned from Indian GAAP to Indian accounting standards (INDAS) during the financial year FY 19. Hence all previous year numbers were re-cast as per INDAS for comparable purposes. The company's balance sheet size has steadily grown, compared to the previous year. A summarised version of the same is given below:

₹ in crores

Particulars	March 2019	March 2018	Growth %
Assets			
Business Assets	52,622	42,253	25%
Cash & Bank Balances	3,675	888	313%
Other Assets	1,129	949	19%
TOTAL	**57,426**	**44,090**	**30%**
Liabilities			
Net worth	6,176	5,098	21%
Borrowings	45,074	32,708	38%
Securitisation	5,493	5,622	(2%)
Other Liabilities	683	662	3%
TOTAL	**57,426**	**44,090**	**30%**

STATEMENT OF PROFIT & LOSS

The company's PBT increased from ₹ 1,401 crores in FY 18 to ₹ 1,823 crores in FY 19. The summarised version is given below:

₹ in crores

Particulars	March 2019	March 2018	Growth %
Disbursements	**30,450.95**	**25,113.51**	**21%**
Income	6,992.64	5,479.66	28%
Cost of Funds	(3,588.74)	(2,659.33)	(35%)
Net Margin	**3,403.90**	**2,820.33**	**21%**
Operating Expenses	(1,269.55)	(1,115.26)	(14%)
Provisions and Losses	(311.20)	(303.70)	2%
Profit Before Tax (PBT)	**1,823.15**	**1,401.37**	**30%**
Current and Deferred Tax	(637.00)	(483.07)	32%
Profit After Tax (PAT)	**1,186.15**	**918.30**	**29%**

KEY PARTNERSHIPS AND TIE-UPS

Particulars	Institution
Life Insurance business	HDFC Standard Life Insurance Company Limited
General Insurance business	Cholamandalam MS General Insurance Company Limited
Manufacturer Tie ups	Tata Motors Limited
	Mahindra & Mahindra Limited
	Ashok Leyland Limited
	SML Isuzu Limited
	Force Motors Limited
	Daimler India Commercial Vehicles
	Eicher Polaris
	John Deere India
	Mahindra Gujarat Tractors Limited
	Sany India
	Hyundai Construction Equipment India
	Escorts Construction Equipment
	Action Construction Equipment
	Terex India

Key Ratios

Particulars	March 2019	March 2018
Return on Equity - PAT	20.9%	19.6%
Return on Total Assets - PAT	2.4%	2.4%
Total Assets under Management (₹ in crores)	57,560	43,629
Earnings Per Share - Basic in ₹	75.87	58.75
Market Price - as of 31 March (in ₹)	1,447.5	1,449.7
Market Capitalisation - as of 31 March (₹ in crores)	22,624	22,667
CAR	17.4	18.1
Operating Expenses to Assets	2.6	3.0
Profit Before Tax to Income	26.1	25.6

CONSOLIDATED RESULTS

The consolidated profit after tax for the year under review was ₹ 1,196.94 crores in FY 19, as against ₹ 917.69 crores in FY 18.

On behalf of the board

Place : Chennai
Date : April 27, 2019

M.M. Murugappan
Chairman

Report on Corporate Governance

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

CORPORATE GOVERNANCE PHILOSOPHY

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

The company has always believed in and practices the highest standards of corporate governance. The board recognises that governance expectations are constantly evolving and is committed to keeping standards of transparency and dissemination of information under continuous review to meet both letter and spirit of the law and its own demanding levels of business ethics.

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

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

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

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

BOARD OF DIRECTORS

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

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

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

The company’s day to day affairs are managed by the executive director (ED), assisted by a competent management team, under the overall supervision of the board. The company has in place an appropriate risk management system covering various risks that the company is exposed to, including fraud risks, which are discussed and reviewed by the audit committee and the board every quarter.

The company’s commitment to ethical and lawful business conduct is a fundamental shared value of the board, the senior management and all employees of the company. Consistent with its values and beliefs, the company has formulated a Code of Conduct applicable to the board and senior management. Further, the company has also adopted a Code of Conduct to regulate, monitor and report trading by insiders in the securities of the company and a whistle blower policy for reporting any concerns or grievances by directors, employees / customers and vendors in their dealings with the company. In order to ensure that the whistle blower mechanism is effective and as prescribed, direct access to the chairman of the audit committee is provided to the complainant.

Composition

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

Core Skills / expertise / competencies

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

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

Formal induction and familiarisation programme for directors

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

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

The details of directors as at 31 March, 2019, including the details of their other board directorship and committee membership reckoned in line with regulation 26 of the Listing Regulations and the Act as well as their shareholdings, are given below:

Name of the director	Executive / Non-executive / Independent / Promoter	No. of directorship including CIFCL* (Out of which as chairman)	No. of shares held in the company	No. of board committee membership including CIFCL** (Out of which as chairman)
Mr. M.M. Murugappan	Non-executive / Promoter director / Chairman	14(6)	4,207	5(3)
Mr. V. Srinivasa Rangan	Non-executive / Independent director	12	10,000	9(1)
Ms. Bharati Rao	Non-executive / Independent director	9(1)	Nil	9(1)
Mr. Ashok Kumar Barat	Non-executive / Independent director	9	Nil	8(3)
Mr. N. Ramesh Rajan	Non-executive / Independent director	4(1)	Nil	3(3)
Mr. Rohan Verma	Non-executive / Independent director	3(1)	Nil	Nil
Mr. Arun Alagappan	Executive / Promoter director	8	1,90,000	2

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

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

The names of the other listed entities where the directors are holding directorship as at 31 March, 2019 are given below:

Name of the director	Name of the listed entity	Category of directorship
Mr. M.M. Murugappan	Tube Investments of India Limited	Non-Executive Chairman
	Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Limited)	
	Carborundum Universal Limited	
	Cholamandalam MS General Insurance Company Limited (Debt listed company)	
	Mahindra and Mahindra Limited	Independent Director
	Cyient Limited	Non-Executive Director
	Coromandel International Limited	Non-Executive Chairman
Mr. V. Srinivasa Rangan	Housing Development Finance Corporation Limited	Executive Director
	Atul Limited	Non-Executive / Independent Director
Ms. Bharati Rao	Carborundum Universal Limited	Non-Executive / Independent Director
	Neuland Laboratories Limited	
	Can Fin Homes Limited	Non-Executive / Independent / Chairperson
	SBI Global Factors Ltd. (Debt listed company)	Non-Executive / Independent Director
	TATA Teleservices Limited (Debt listed company)	
Mr. Ashok Kumar Barat	Cholamandalam Financial Holdings Limited	Non-Executive / Independent Director
	Bata India Limited	
	Birlasoft Limited	
	DCB Bank Limited	
Mr. N. Ramesh Rajan	Indo - National Limited	Non-Executive / Independent / Chairman
	TTK Healthcare Limited	Non-Executive / Independent Director
Mr. Rohan Verma	-	-
Mr. Arun Alagappan	Lakshmi Machine Works Limited	Non-Executive / Independent Director

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

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

Separate meeting of independent directors

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

Board Meetings

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

The dates of the board meetings are fixed in advance for the calendar year to enable maximum attendance from directors. During the year, the board met 6 times on 23 April, 2018, 31 May, 2018, 26 July, 2018, 30 October, 2018, 30 January, 2019 and 19 March, 2019. The Act, read with the relevant rules made there under, facilitates the participation of a director in board / committee meetings through video conferencing or other audio visual means. Accordingly, the company also provides the option to participate through video conferencing to enable the directors' participation at the meetings.

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

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

Certificate from Company Secretary in Practice

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

COMMITTEES OF THE BOARD

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

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

The board at the time of constitution of each committee fixes the terms of reference and also delegates powers from time to time. Various recommendations of the committees are submitted to the board for approval. The minutes of the meetings of all the committees are circulated to the board for its information.

AUDIT COMMITTEE

Terms of Reference

The committee acts as a link between the board, the statutory auditors and the internal auditors. The role of the audit committee includes overseeing the financial reporting process and disclosure of financial information, review of financial statements, adequacy of internal financial controls and risk management systems, findings of internal audits / investigations, whistle blower policy, monitoring the usage of funds from issue proceeds, review the financial statements, in particular, the investments made by the unlisted subsidiary companies, review of usage of loans, advances received, investment in the subsidiaries exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, review compliance with the provisions of SEBI Prohibition of the Insider Trading Regulations at least once a financial year. The committee also verifies the adequacy in the systems for internal controls, to grant approvals for related party transactions which are in the ordinary course of business and on an arm's length basis, scrutiny of inter-corporate loans and investments, besides recommending the appointment / removal of the statutory auditors, the internal auditors and fixing their remuneration and review of the effectiveness of audit process.

Composition & Meetings

As at 31 March, 2019 the committee comprised four non-executive directors. All members of this committee are independent directors. The committee comprised Mr. V. Srinivasa Rangan, independent director as the chairman, Mr. N. Ramesh Rajan, Ms. Bharati Rao and Mr. Ashok Kumar Barat as its members and Mr. M.M. Murugappan, chairman of the board and Mr. Arun Alagappan, executive director as invitees. The company secretary acts as the secretary to the committee. During the year, the committee met eight times. All members of audit committee have knowledge of financial management, audit and accounts. The statutory auditors, the internal auditors and senior management are invited to attend the meetings of the committee. The company has in place a system for an independent meeting of the committee with the statutory and internal auditors without the presence of the non-independent directors and management team. The committee met the statutory auditors as well as internal auditors during the year.

Effective 1 April, 2019, the committee is reconstituted with Mr. N. Ramesh Rajan, Ms. Bharati Rao and Mr. Ashok Kumar Barat as its members. Mr. Rajan is the chairman of the committee.

NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

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

Composition & Meetings

As at 31 March, 2019, the committee comprised Mr. V. Srinivasa Rangan, independent director as the chairman, Mr. N. Ramesh Rajan, Ms. Bharati Rao and Mr. Ashok Kumar Barat as its members. All members of this committee are independent directors. The committee had five meetings during the year ended 31 March, 2019.

Effective 1 April, 2019, the committee is reconstituted with Mr. N. Ramesh Rajan, Ms. Bharati Rao and Mr. Ashok Kumar Barat as its members. Mr. Ramesh Rajan is the chairman of the committee.

REMUNERATION OF DIRECTORS

Remuneration Policy

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

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

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

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

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

Criteria for Board Nomination

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

Criteria for appointment in senior management

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

Performance Evaluation

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

Policy on Board diversity

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

Remuneration of executive vice chairman & managing director/executive director:

Details of the remuneration of the executive vice chairman & managing director (EVC & MD) and executive director for the year ended 31 March, 2019 are as follows:

₹ in lakhs

Name of the Director	Salary	Allowance	Incentive (provisional)	Perquisites & Contributions	Total
1. Mr. N. Srinivasan, EVC & MD (upto 18-Aug-2018)	109.59	52.97	62.64	29.59	254.79
2. Mr. Arun Alagappan, ED	88.41	125.27	112.77	43.16	369.61

Note:
Mr. Arun Alagappan and Mr. N. Srinivasan are not eligible for any severance fee. Service contract and the notice period are as per the terms of agreement entered into by them with the company.

Remuneration of non-executive directors

Directors of the company were paid a sitting fee of ₹ 25,000/- for every meeting of board, audit committee and business committee and ₹ 15,000/- for every meeting of stakeholders' relationship committee, nomination and remuneration committee, risk management committee, corporate social responsibility committee and IT strategy committee during FY 19. The details of commission provided / sitting fees paid to non-executive directors for the year ended 31 March, 2019 are as follows:

₹ in lakhs

Name of the director	Commission	Sitting Fees paid	Total
Mr. M.M. Murugappan	6.27	2.85	9.12
Mr. V. Srinivasa Rangan	7.50	4.85	12.35
Ms. Bharati Rao	7.50	4.60	12.10
Mr. Ashok Kumar Barat	7.50	4.85	12.35
Mr. N. Ramesh Rajan	3.14	1.30	4.44
Mr. Rohan Verma	0.14	-	0.14
Mr. M.B.N. Rao	4.81	2.15	6.96
TOTAL	**36.86**	**20.60**	**57.46**

Notes:

Commission is provided based on the tenure the directors have served on the board and will be paid subject to deduction of tax as applicable.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Terms of Reference

The role of the committee includes formulation of shareholders' servicing plans and policies, consideration of valid share transfer requests with folios beyond 5000 shares, share transmissions, issue of duplicate share certificates, issue of share certificates for split, rematerialisation, consolidation of shares, etc. The committee also monitors and reviews the mechanism of share transfers, dematerialisation of shares and payment of dividends, adherence to the service standards in respect of various services being rendered by the Registrar & Share Transfer Agent, measures taken for effective exercise of voting rights by shareholders, approve transfer of shares to the Investors Education and Protection Fund. It further looks into the redressing of shareholders' grievances like non-receipt of balance sheet, non-receipt of declared dividends and determining, monitoring and reviewing the standards for resolution of shareholders' grievances.

During the year, the company had received six complaints from the shareholders which have been resolved. There were no investor complaints pending as at 31 March, 2019.

Composition & Meetings

As at 31 March, 2019, the committee comprised Ms. Bharati Rao as the chairperson and Mr. Ashok Kumar Barat and Mr. Arun Alagappan as its members. Ms. P. Sujatha, company secretary is the compliance officer. During the year, the committee held two meetings.

RISK MANAGEMENT COMMITTEE

Terms of Reference

The role of the committee includes review of the risk management policy developed by the management, review of the annual risk management framework document and implementation of the actions planned in and periodical review of the process for systematic identification and assessment of the business risks. Besides, the committee periodically monitors the critical risk exposures by specialised analysis and quality reviews and reports to the board the details of any significant developments, identify and make recommendations to the board, to the extent necessary on resources and staffing required for effective risk management and the action taken to manage the exposures and carry out any other function as may be necessary to ensure that an effective risk management system is in place.

Composition & Meetings

As at 31 March, 2019, the committee comprised Mr. V. Srinivasa Rangan as the chairman, Mr. M.M. Murugappan, Mr. N. Ramesh Rajan, Mr. Arun Alagappan as its members and the various business and functional heads of the company as invitees. Effective 1 April, 2019, the board inducted Mr. Ashok Kumar Barat as a member of the committee consequent to retirement of Mr. Srinivasa Rangan effective 31 March, 2019. The committee held four meetings during the year ended 31 March, 2019.

IT STRATEGY COMMITTEE

Terms of Reference

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

Composition & Meetings

As at 31 March, 2019, the committee comprised Mr. Ashok Kumar Barat and Mr. Arun Alagappan as its members. The committee held three meetings during the year ended 31 March, 2019. Effective 27 April, 2019, the board inducted Mr. Rohan Verma as a member of the committee.

BUSINESS COMMITTEE

Terms of Reference

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

Composition & Meetings

As at 31 March, 2019, the business committee comprised Mr. M.M. Murugappan as the chairman and Mr. Ashok Kumar Barat and Mr. Arun Alagappan as its members. The senior management is invited to attend the meetings of the committee. The committee held five meetings during the year.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of Reference

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

Composition & Meetings

As at 31 March, 2019, the committee comprised Ms. Bharati Rao as the chairperson, Mr. M.M. Murugappan and Mr. Arun Alagappan as its members. The committee held two meetings during the year ended 31 March, 2019.

ATTENDANCE AT BOARD, COMMITTEE AND GENERAL MEETINGS

Name of the directors	Board (Attendance %)	Audit committee	Stakeholders relationship committee	Nomination & remuneration committee	Business committee	Risk management committee	Corporate social responsibility committee	IT strategy committee	Attendance at last AGM
Mr. M.M. Murugappan*	5 (100%)	NA	NA	NA	4	3	1	NA	Yes
Mr. V. Srinivasa Rangan	6 (100%)	8	NA	5	NA	4	NA	NA	Yes
Ms. Bharati Rao	6 (100%)	8	2	5	NA	NA	2	NA	Yes
Mr. Ashok Kumar Barat	6 (100%)	4	1	5	4	NA	NA	3	Yes
Mr. N. Ramesh Rajan$	3 (100%)	1	NA	1	NA	1	NA	NA	NA
Mr. Rohan Verma@	Not Applicable (NA)								
Mr. Arun Alagappan	6 (100%)	NA	2	NA	4	4	2	2	Yes
Mr. M.B.N. Rao^	3 (100%)	4	NA	NA	1	1	NA	NA	Yes
Mr. N. Srinivasan#	3 (100%)	NA	1	NA	1	1	1	1	Yes

* - Appointed as an additional director effective 31 May, 2018 and as chairman effective 27 July, 2018.
$ - Appointed as an additional director effective 30 October, 2018
@ - Appointed as an additional director effective 25 March, 2019
^ - Retired at the close of 40th AGM held on 26 July, 2018
# - Resigned as EVC & MD at the close of business hours of 18 August, 2018

GENERAL BODY MEETINGS

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

Year	Date and Time	Venue
2016	29 July, 2016 at 4.00 p.m.	The Music Academy, New No.168 (Old No.306), T.T.K Road, Royapettah, Chennai - 600 014
2017	27 July, 2017 at 4.00 p.m.	-do-
2018	26 July, 2018 at 4.00 p.m.	-do-

DETAILS OF SPECIAL RESOLUTIONS PASSED

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

Date of AGM	Details
29 July, 2016	Issue of securities on private placement basis under section 42 of the Act
27 July, 2017	-do-
26 July, 2018	Approval for borrowing powers of the company
	Issue of securities on private placement basis under section 42 of the Act

POSTAL BALLOT

No Postal Ballot was conducted during the FY 19.

Proposed resolutions through postal ballot:

The approval of shareholders through postal ballot is sought for sub-division of equity share of face value of ₹ 10/- fully paid up into equity shares of face value of ₹ 2/- each fully paid up, alteration of clause V - capital clause, clause III(A)13(j), III(B)10 and III(B)11 - object clause of memorandum of association of the company.

COMPLIANCE REPORT

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

SECRETARIAL AUDIT

The company annually conducts a secretarial audit by an independent practicing company secretary. For the year ended 31 March, 2019, M/s. R. Sridharan & Associates, company secretaries, have conducted the secretarial audit and the certificate was placed before the board and attached to this report.

RECONCILIATION OF SHARE CAPITAL AUDIT

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

CODE OF CONDUCT

The board has laid down a "Code of Conduct" for all the board members and the senior management of the company and the Code of Conduct has been posted on the website of the company.

Annual declaration confirming compliance of the code is obtained from every person covered by the code of conduct. A declaration to this effect signed by Mr. Arun Alagappan, ED is attached to this report.

CODE FOR PREVENTION OF INSIDER TRADING

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The auditors' certificate on compliance of corporate governance norms is annexed to the report.

CEO/CFO CERTIFICATION

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

SUBSIDIARY COMPANIES

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

DISCLOSURES

Related party transactions

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

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

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

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

Total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to M/s. S.R. Batliboi & Associates (Batliboi), statutory auditors of the company and other firms in the network entity of which the statutory auditor is a part, as included in the consolidated financial statements of the company for the year ended 31 March, 2019, is as follows:

₹ in lakhs

Particulars	Amount
Fees for audit and related services paid to Batliboi and affiliates firms and to entities of the network of which the statutory auditor is a part	70.97
Other fees paid to Batliboi & affiliates firms and to entities of the network of which the statutory auditor is a part	-
Total fees	**70.97**

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

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

Whistle blower policy / vigil mechanism

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

Penalties

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

COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

The company has complied with all mandatory requirements of corporate governance norms as enumerated in chapter IV of the Listing Regulations. The requirements of regulation 17 to regulation 27 of the Listing Regulations and clauses (b) to (i) of the sub-regulation (2) of regulation 46 to the extent applicable to the company have been complied with as disclosed in this report.

The company has also adopted the following discretionary requirements specified in Part E of Schedule II in terms of regulation 27(1) of the Listing Regulations:

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

ii. Separate posts of chairman and CEO: The positions of the chairman and ED are separate.

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

MEANS OF COMMUNICATION

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

MANAGEMENT DISCUSSION & ANALYSIS

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

GENERAL SHAREHOLDER INFORMATION

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

On behalf of the board

Place : Chennai
Date : April 27, 2019

M.M. Murugappan
Chairman

Declaration on Code of Conduct

This is to confirm that the board has laid down a Code of Conduct for all board members and senior management of the company. The Code of Conduct has also been posted on the website of the company. It is further confirmed that all directors and senior management personnel of the company have affirmed compliance with the Code of Conduct of the company for the year ended 31 March, 2019, as envisaged in schedule V under regulation 34 (3) of the Listing Regulations.

Place : Chennai
Date : April 27, 2019

Arun Alagappan
Executive Director

Certificate from Company Secretary in Practice

[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) 2015]

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

We have examined the relevant 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 INVESTMENT AND FINANCE COMPANY LIMITED (CIN: L65993TN1978PLC007576) having its Registered Office at Dare House No. 2 N S C Bose Road, Parrys, Chennai - 600001 (hereinafter referred to as "The Company") for the purpose of issue of a certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 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 31 March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI (Board) /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.	00030248	V. Srinivasa Rangan*	Non Executive - Independent Director
3.	01892516	Bharati Rao	Non Executive - Independent Director
4.	00492930	Ashok Kumar Barat	Non Executive - Independent Director
5.	01628318	N. Ramesh Rajan	Non Executive - Independent Director
6.	01797489	Rohan Verma	Non Executive - Independent Director
7.	00291361	Arun Alagappan	Executive Director

* The term of office of Mr. V. Srinivasa Rangan expired at the close of business hours of 31 March, 2019.

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 **R. Sridharan & Associates**
Company Secretaries

CS R. Sridharan
CP No. 3239
FCS No. 4775
UIN : S2003TN063400

Place : Chennai
Date : April 27, 2019

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 Investment and Finance Company Limited
Dare House, No. 2, N.S.C. Bose Road, Parrys, Chennai - 600 001

1. The accompanying Corporate Governance Report prepared by Cholamandalam Investment and Finance Company 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 1, 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;

(f) Corporate Social Responsibility committee; and

(g) Risk management 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
Place of Signature : Chennai
Date : April 27, 2019

General Shareholders Information

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER (CIN)

L65993TN1978PLC007576

ANNUAL GENERAL MEETING

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

FINANCIAL YEAR

1 April to 31 March.

DATES OF BOOK CLOSURE

Wednesday, the 24 July, 2019 to Tuesday, the 30 July, 2019 (both days inclusive).

DIVIDEND PAYMENT DATE

The board at its meeting held on 30 January, 2019 had approved payment of an interim dividend on the equity shares for the year ending 31 March, 2019 at the rate of 45% (₹ 4.50 per equity share of ₹ 10 each) and fixed a record date as 11 February, 2019. The dividend was paid to all the shareholders by 16 February, 2019.

The board at its meeting held on 27 April, 2019 has further recommended payment of a final dividend of 20% (₹ 2 per equity share of ₹ 10 each), for the year ended 31 March, 2019. The same will be paid within 7 days upon declaration by the shareholders at the ensuing annual general meeting.

Upon sub-division of equity shares the final dividend if declared at the ensuing AGM would be paid proportionately at the rate of 20% on the equity shares of ₹ 2 each i.e. ₹ 0.40 per share.

LISTING ON STOCK EXCHANGES

Equity Shares:

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

Debt Securities:

The Wholesale Debt Market (WDM) Segment of NSE and F - Class Segment of BSE Limited.

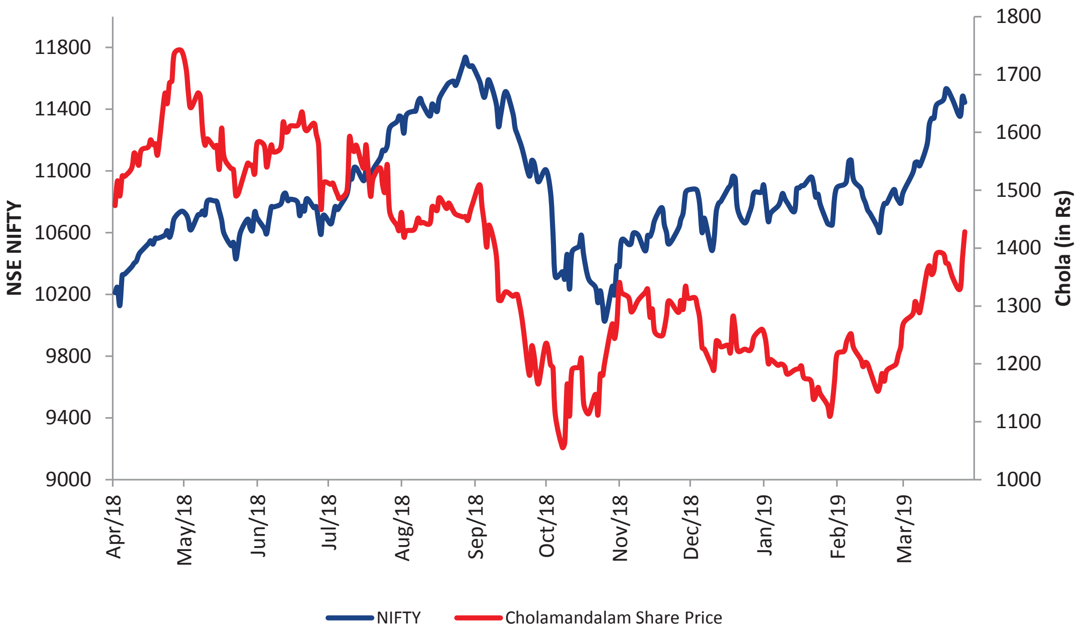
The listing fees for both equity shares and debt securities for FY 19 were paid to the above stock exchanges.

SHARE PRICE DATA

in ₹

Month	BSE			NSE		
	High	Low	Vol.	High	Low	Vol.
April, 2018	1,739.50	1,476.25	2,79,294	1,741.45	1,473.50	67,80,909
May, 2018	1,711.70	1,488.45	7,47,897	1,710.45	1,490.70	59,56,915
June, 2018	1,635.65	1,478.00	4,92,696	1,635.45	1,468.15	58,20,064
July, 2018	1,588.20	1,432.40	8,55,736	1,591.45	1,430.65	83,24,777
August, 2018	1,488.15	1,422.90	3,20,910	1,487.40	1,419.75	53,61,334
September, 2018	1,509.95	1,168.95	4,07,518	1,509.70	1,166.75	89,12,949
October, 2018	1,268.80	1,049.95	6,55,782	1,270.50	1,055.35	89,59,915
November, 2018	1,333.70	1,248.05	3,19,762	1,339.05	1,248.35	61,97,476
December, 2018	1,315.60	1,188.10	3,45,421	1,314.30	1,189.60	77,49,042
January, 2019	1,256.55	1,107.90	3,33,899	1,255.15	1,109.10	58,40,647
February, 2019	1,249.85	1,150.20	2,45,076	1,251.55	1,153.45	59,81,755
March, 2019	1448.40	1,268.35	3,12,129	1,452.40	1,269.15	70,71,174

Cholamandalam share price performance in comparison with NSE NIFTY



REGISTRAR AND SHARE TRANSFER AGENT

Pursuant to the composite scheme of arrangement and amalgamation, Karvy Computershare Private Limited has been amalgamated with Karvy Fintech Private Limited (KFPL), Hyderabad. KFPL is the Registrar and Share Transfer Agent (RTA) for handling the physical and electronic registry work. The shareholders are requested to send their share related requests / queries to the RTA.

The contact details of the RTA are as follows:
Karvy Fintech Private Limited
(Unit: Cholamandalam Investment and Finance Company Limited)
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District
Nanakramguda, Hyderabad - 500 032, A.P. | Phone: 040-67161514; Fax: 040-23420814
E-mail: einward.ris@karvy.com; | Website: www.karvyfintech.com
Contact person: Mrs. Varalakshmi P - Asst. General Manager-RIS

TRUSTEES FOR THE DEBENTURE HOLDERS

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

The contact details of the Trustees are as follows:

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

2. **Catalyst Trusteeship Limited (Formerly GDA Trusteeship Ltd.)**
   GDA House, Plot No. 85, Bhusari Colony (Right),
   Paud Road, Pune - 411 038
   Phone : 020-2528 0081
   Website : www.catalysttrustee.com
   E-mail : dt@ctltrustee.com
   Contact person : Ms. Madhura Gokhale - Sr. Manager

Share Transfer System

For speedy processing of share transfers, the board has delegated powers to approve share transfers to the executive director up to certain limits and beyond that to the stakeholders' relationship committee. Depending on the number of requests received, share transfers are processed every week.

Securities and Exchange Board of India (SEBI) has mandated that transfer of securities would be carried out in dematerlialised form only till 31 March, 2019 and any transfer documents that has been re-submitted by the shareholder which was rejected by the RTA earlier shall be accepted if the documents are in order for processing the transfer. Accordingly, the company / RTA accepted documents for transfer of shares till 31 March, 2019 and valid documents were processed.

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

Dematerialisation of shares and liquidity

The company's shares are tradable in the electronic form only. The company has established connectivity with National Securities Depository Limited and Central Depository Services (India) Limited. As of 31 March, 2019, 99.81% of the company's shares were held in dematerialised form. The company's shares are regularly traded on National Stock Exchange of India Limited and BSE Limited under the ISIN: INE121A01016.

However, there are still 2,908 shareholders holding 0.18% of the company's shares in physical form. Those shareholders whose shares are held in physical mode may consider moving to dematerialised mode as it is a safer and easier way to hold and to transact in shares.

Nomination facility

The company is accepting nomination forms from shareholders in the prescribed form. All those who are desirous of making a nomination are requested to contact the RTA. The shareholders holding shares in dematerialised 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.

Payment of dividend through NACH

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

Green initiative in corporate governance

The Companies Act, 2013 and the underlying rules permit companies to send various documents including the financial statements through electronic mode to the shareholders. To support the green initiative and to receive all documents, notices, including annual reports and other communications of the company, shareholders are requested to register their e-mail ID with the depository participant, if the holding is in electronic mode. If shares are held in physical mode, the shareholders may give a positive consent in writing to RTA for receiving by electronic mode.

Details of complaints received and redressed

During the year, six investor service complaints relating to non-receipt of dividend, updation of signature in RTA records, non-receipt of duplicate share certificates, claim in respect of the forfeited share certificates were received. No investor service complaint was pending as at 31 March, 2019.

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

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

Ms. P. Sujatha, Company Secretary
"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai-600 001
Phone: 044 40907172 (bd.) 40907055 (d). Fax: 044 25346464

E-mail: sujathap@chola.murugappa.com;
investors@chola.murugappa.com

CREDIT RATING

The credit rating details of the company as at 31 March, 2019 are as follows:

Rating Agency	Term	Type	Rating as on 31 March 2018	Revisions during the year	Obtained during the year
ICRA	LT	NCD / SD / CC / TL	[ICRA]AA with Positive Outlook	NCD : Upgraded from [ICRA]AA with positive outlook to [ICRA]AA+ with stable outlook on April 24, 2018 SD : Upgraded from [ICRA]AA with positive outlook to [ICRA]AA+ with stable outlook on April 24, 2018	NCD : [ICRA]AA+ with stable Outlook on June 18, 2018
	LT	PD	[ICRA]AA- with Stable Outlook	PD : Upgraded from [ICRA]AA- with positive outlook to [ICRA]AA with Stable Outlook on April 24, 2018	PD : [ICRA]AA with Stable Outlook on Feb 4, 2019
	ST	CP / WCDL	[ICRA]A1+		Revalidated CP : [ICRA]A1+ on January 7, 2019
CRISIL	ST	CP	[CRISIL]A1+		CP : [CRISIL]A1+ on January 23, 2019
	LT	SD	[CRISIL]AA+ / Stable	Upgraded from CRISIL AA with stable outlook to [CRISIL]AA+ stable outlook on June 22, 2018	
CARE	LT	SD	CARE AA+		
	LT	PD	CARE AA		
	ST	CP	CARE A1+		Revalidation CP : CARE A1+ on March 15, 2019
INDIA Ratings and Research Private Ltd	LT	NCD / SD	IND AA+ with Stable Outlook		NCD : IND AA+ with Stable Outlook on June 15, 2018
	LT	PD	IND AA with Stable Outlook		PD : IND AA with Stable Outlook on Jan 30, 2019

Payment of unclaimed / unpaid dividend

In respect of unclaimed dividends, the company sends periodical reminders to the shareholders before transferring the unclaimed dividends to the investor education and protection fund (IEPF) established by the central government. The dividends that are lying unclaimed / unpaid for a period of seven consecutive years are transferred from time to time to IEPF. The company has remitted ₹ 4.81 lakhs to IEPF during the year.

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

FY to which the dividend relates	Date of declaration	Due date for transfer to IEPF
2012 - Final	30 July, 2012	04 September, 2019
2013 - Interim	18 January, 2013	23 February, 2020
- Final	31 July, 2013	04 September, 2020
2014 - Interim	29 January, 2014	05 March, 2021
- Final	31 July, 2014	04 September, 2021
2015 - Interim	27 January, 2015	03 March, 2022
- Final	31 July, 2015	04 September, 2022
2016 - Interim	29 January, 2016	05 March, 2023
- Final	29 July, 2016	03 September, 2023
2017 - Interim	25 January, 2017	01 March, 2024
- Final	27 July, 2017	31 August, 2024
2018 - Interim	30 January, 2018	06 March, 2025
- Final	26 July, 2018	30 August, 2025
2019 - Interim	30 January, 2019	06 March, 2026

Transfer of Equity Shares to IEPF

In accordance with the provisions of section 124 and 125 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF), shares of all dividends which remain unpaid/unclaimed for a period of seven consecutive years be transferred to Investor Education and Protection Fund (IEPF). As required under the said rules, the company had published a notice in the newspapers inviting the shareholders attention to the aforesaid rules. The company had also sent out individual communication to the concerned shareholders whose shares are liable to be transferred to IEPF Account, pursuant to the said rules and also displayed the details of such shareholders and shares due for transfer on the website of the company at www.cholamandalam.com in line with the requirements. During the year, the company had transferred 5,087 shares pertaining to 62 shareholders to the demat account maintained by IEPF authority. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed from IEPF authority, as per the procedure prescribed in the rules. No claim shall lie in respect thereof with the company.

Unclaimed Suspense Account

In terms of regulation 34(3) of the Listing Regulations, all the shares issued in physical form pursuant to a public issue or any other issue, which remain unclaimed had been transferred into one folio in the name of unclaimed suspense account and dematerialised. The voting rights of these shares shall remain frozen till the rightful owner of such shares claims the shares. During the year, the company transferred 150 shares to the IEPF authority for which the dividend remained unpaid/unclaimed during the seven consecutive years in the unclaimed suspense account.

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

S. No.	Description	Total No. of cases	Total Shares
1	No. of shareholders and outstanding shares lying in the unclaimed suspense account at the beginning of the year	3	191
2	No. of shareholders who approached for transfer of shares from unclaimed suspense account during the year	-	-
3	No. of shareholders to whom shares were transferred from the unclaimed suspense account during the year	-	-
4	No. of shares transferred to IEPF authority	2	150
5	No. of shareholders and outstanding shares lying in the unclaimed suspense account at the end of the year	1	41

Distribution of Shareholding as on 31 March, 2019

Sl. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 500	45,753	92.37	416,3,467	2.66
2	501 - 1000	1,849	3.73	13,30,357	0.85
3	1001 - 3000	1,156	2.34	19,85,341	1.27
4	3001 - 10000	408	0.82	21,37,800	1.36
5	10001 - 20000	109	0.22	15,58,466	1.00
6	20001 - 100000	174	0.35	82,48,513	5.28
7	100001 and above	84	0.17	13,69,35,169	87.58
	TOTAL	**49,533**	**100.00**	**15,63,59,113**	**100.00**

SHAREHOLDING PATTERN

Category (Shares)	As at 31, March 2019	
	No. of Shares	% of shareholding
Promoter and promoter group	8,29,64,828	53.06
Foreign Portfolio Investors	2,96,21,286	18.94
Mutual Funds / Trust / Banks	2,55,11,708	16.32
Alternative Investment Fund	11,87,149	0.76
Private Corporate Bodies / NBFCs	64,44,812	4.12
Resident Individuals and others	1,06,29,330	6.80
TOTAL	**15,63,59,113**	**100.00**

OUTSTANDING GDRs/ADRs ETC.

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

COMMODITY PRICE RISK / FOREIGN EXCHANGE RISK AND COMMODITY HEDGING ACTIVITIES

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

LOCATION

The company's registered office is in Chennai and it operates out of 911 branches across the country.

On behalf of the board

Place : Chennai
Date : April 27, 2019

M.M. Murugappan
Chairman

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the company: **L65993TN1978PLC007576**
2. Name of the company: **Cholamandalam Investment and Finance Company Limited**
3. Registered office address: **"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai - 600001**
4. Website: ***www.cholamandalam.com***
5. E-mail id: **investors@chola.murugappa.com**
6. Financial Year reported: **01.04.2018 - 31.03.2019**
7. Sector(s) that the company is engaged in (industrial activity code-wise):

NIC Code	Group	Description
K	649	Financial Services - Lending

8. List three key services that the company provides (as in balance sheet):
   Key services rendered by the company are
   1. **Vehicle Finance**
   2. **Home Equity, Home Loans**
   3. **Corporate Finance**
9. Total number of locations where business activity is undertaken by the company:
   (a) Number of international locations (Provide details of major 5): **Nil**
   (b) Number of national locations: **911 branches**
10. Markets served by the company - local / state / national / international: **National**

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid Up capital: ₹ **156.36 crores**
2. Total turnover: ₹ **6,991.97 crores**
3. Total profit after taxes: ₹ **1,186.15 crores**
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): **Refer CSR report**
5. List of activities in which expenditure in 4 above has been incurred: **Refer CSR report**

SECTION C: OTHER DETAILS

1. Does the company have any subsidiary company/companies?
   Yes, the company has two subsidiaries as on 31.03.2019 namely*:
   1. **Cholamandalam Securities Limited and**
   2. **Cholamandalam Home Finance Limited**

   ***White Data Systems India Private Limited ceased to be a subsidiary of the company w.e.f. 1 October, 2018.**
2. Do the subsidiary company/companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

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

   Not applicable.

SECTION D: BR INFORMATION

1. Details of director/directors responsible for BR:
   (a) Details of the director/director responsible for implementation of the BR policy/policies:
   1. Director Identification Number (DIN): 00291361
   2. Name: Mr. Arun Alagappan
   3. Designation: Executive Director

(b) Details of the BR head:

SN.	Particulars	Details
1	DIN (if applicable)	**00291361**
2	Name	**Mr. Arun Alagappan**
3	Designation	**Executive Director**
4	Telephone number	**044 - 4090 7172**
5	E-mail id	aa@chola.murugappa.com

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

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

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

* National standards

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

3. Governance related to BR

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

The BR performance is assessed annually.

(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, *https://www.cholamandalam.com/company-policies.aspx*. Report is published annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

The policy extends to the company, its subsidiaries and its business associates.

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

Particulars	Received	Resolved	Pending
Customer complaints	1,428	1,417	11
Shareholder complaints	6	6	0

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

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

   Not applicable - The company being a NBFC is not engaged in a business concerning design of products/services that could raise social concerns, economic risks and/or hazardous opportunities.

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

   Not applicable.

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

   Not applicable.

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

   Yes, the company procures goods and services from local and small producers, including communities surrounding their place of work wherever possible.

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

   Not applicable.

Principle 3 - To promote the well being of all employees

1. Please indicate the total number of employees - **7,003**
2. Please indicate the total number of employees hired on temporary/contractual/casual basis - **0**
3. Please indicate the number of permanent women employees - **170**
4. Please indicate the number of permanent employees with disabilities - **0**
5. Do you have an employee association that is recognized by management - **No**
6. What percentage of your permanent employees is members of this recognized employee association? **- Not applicable.**
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

   Safety Awareness drives in every area offices on 1st & 2nd Saturday of the month. It is one hour session conducted by Human Resources function on safe driving, drunken driving and safety aspects of wearing helmets while riding bikes. Wearing of helmets was made mandatory for all two wheeler riders. Employees not complying with the same are penalised.

   Peer Support: Staffs are encouraged to have conversation with their colleagues who do not follow road safety & drive without Helmets.

Master Health Checkup - All active employees qualify under the Master health checkup program shall mandatorily complete their checkup before 31 March, 2019.

Wellness Programmes:

a) **Sustained Yoga Awareness:** Organized 73 Yoga programmes in Pan India and 2958 employees are participated in that. This is an attempt to reduce the number of deaths among our front end staff and with a view to de-stress our field executives.

b) **General Wellness Camp:** 26 wellness programmes have organized in FY19. Totally, 2,500 employees participated and were benefited in that.

c) **Eye check-up camps:** Drive eye check-up camp made mandatorily in all major area offices of east.

d) **General Health Check-up Camp:** Free full body health check-up camps for employees were organized in Regional Offices. In such health camp, employees are getting their immediate checks on Blood Sugar, Pressure, and ECG etc. along with free doctor consultation & diet plan.

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

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

   Yes.

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

   Not applicable.

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

   Not applicable.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

   The policy on human rights covers the company, customers and its associates.

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

   The company received 1,428 customer complaints and 6 shareholder complaints during the financial year. 99.23% customer complaints were resolved satisfactorily by the management as on 31 March, 2019.

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

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

   The policy is applicable only to the company.

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

   Not applicable.

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

   Not applicable.

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

   No.

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

   No.

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

   Not applicable.

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

   Nil.

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

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

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

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

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

Principle 8 - Businesses should support inclusive growth and equitable development

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

   Yes, please refer CSR Report.

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

   Yes, please refer CSR Report.

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

   We have done impact assessment study in the FY19 for the Health and WASH projects.

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

   Please refer CSR Report.

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

   Yes, in these projects the community is motivated to contribute. The cost will be mobilized by way of membership fee from the beneficiary families. The villagers also provide installation space for the machine. They have formed committees with the guidance of Implementing partners and the Panchayat. These committees not only take care of the project but also create a surplus by monthly fee collection, which they use to sustain the project.

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

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

   0.77% of customer complaints were pending at the end of financial year.

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

   Not Applicable.

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

   No.

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

   Yes, customer satisfaction surveys are carried out periodically and trends measured.

Independent Auditor's Report

To the Members of Cholamandalam Investment and Finance Company 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 Investment and Finance Company Limited ("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 Standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("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 Standalone Ind AS 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 financial 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
Change in financial reporting framework – First time adoption of Indian Accounting Standards ('Ind AS') *(as described in Note 2 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 (Previous 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.	Our audit procedures with regard to the 1st time adoption of Ind AS included assessing the judgements applied by the Management in this regard: • 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;

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
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 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 Ind AS financials statements, this has been an area of significance in our audit. Some of the key adjustments made to the financial statements on first-time adoption of Ind AS for the year ended March 31, 2019 are as follows: 1. The Company earns certain interest income and incurs certain expenses which are directly attributable to the origination of loans disbursed by the Company. 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 cashflows. 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. The Company 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 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 financial statements for the year ended March 31, 2019, the impairment provision based on the expected credit loss model requires the management of the Company 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	• Assessing the judgements exercised by the management in applying the first-time adoption principles of Ind AS 101 as at transition date; • 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; • 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). <u>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>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);

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
(d) Loss given default for various exposures based on past trends / experience, management estimates etc., Note 3.5 to the Standalone Ind AS Financial Statements explains the various matters that the management has considered for developing this expected credit loss model. As at March 31, 2019, the Company has made a provision for impairment loss aggregating ₹ 93,071 Lakhs against the loans outstanding. 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.	• Enquired with the management regarding significant judgments and estimates involved in the impairment computation; • 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. Procedures in relation to Sl no 3: • 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 de-recognised 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.
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, 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. The Company has information technology applications which are used across various class of transactions in its operations including automated and IT dependent manual controls that are embedded in them. 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.
Pending litigations with tax authorities *(as described in Note 38 of the Ind AS Financial Statements)*	
The Company operates in a complex tax environment and is required to discharge direct and indirect tax obligations under various legislations such as Income Tax Act, 1961, the Finance Act, 1994 Goods and Services Tax Acts and VAT Acts of various states.	In assessing the exposure of the Company 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

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter

The tax authorities under these legislations have raised certain tax demands on the Company in respect of the past periods. The Company has disputed such demands and has appealed against them at appropriate forums. As at March 31, 2019 the Company has an amount of ₹ 63,668 Lakhs involved in various pending tax litigations.
 	
Ind AS 37 requires the Company 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.
	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 the Company to ensure completeness of information with respect to tax litigations;
	• Along with our tax experts, we undertook the following procedures:
	  • Reading communications with relevant tax authorities including notices, demands, orders, etc., relevant to the ending 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 the Company;
	  • 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 Standalone Ind AS Financial Statements in accordance with Ind AS 37.

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

The Company's Board of Directors is responsible for the other information. The other information comprises 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 the 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 and those Charged with Governance for the 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

Independent Auditor's Report (Contd.)

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 charged with governance 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.

Independent Auditor's Report (Contd.)

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 financial 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 account;
   (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 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 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 38 to the Standalone Ind AS Financial Statements;
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 7 to the Standalone Ind AS Financial Statements;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: **101049W/E300004**

per Subramanian Suresh
Partner
Membership Number: 083673
Place of Signature : Chennai
Date : April 27, 2019

Annexure 1 referred to in our report of even date

Re: Cholamandalam Investment and Finance Company Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company. Immovable properties of loan and buildings whose title deeds have been pledged in favour of Trustees for the benefit of debenture holders as security for the Redeemable Non-convertible Debentures, are held in the name of the Company based on the Trust Deed executed between the Trustees and 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) (a) The Company has granted loans to one subsidiary Company and one associate covered in the register maintained under Section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/ receipts are regular.

(c) According to the information and explanations given by the management there are no amounts of loans which are overdue for more than ninety days from a Company covered in the register maintained under Section 189 of the Companies Act, 2013.

(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 Act have not been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) 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 Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, value added tax, goods and services tax, duty of custom, cess and other material statutory dues applicable to it. The provisions relating to 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 provident fund, employees' state insurance, income-tax, sales tax, service tax, value added tax, goods and services tax, duty of custom, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Annexure 1 referred to in our report of even date (Contd.)

(c) According to the records of the Company, the dues outstanding of Income tax, Sales Tax, Value Added Tax and Service Tax which have not been deposited on account of any dispute are as follows:

₹ in lacs

Name of the statute	Nature of dues	Amount not deposited	Period to which the amounts relate	Forum where the dispute is pending
Income Tax Act, 1961	Tax and interest	21,292	1990-91, 1991-92 and 2008-09	Income Tax Appellate Tribunal
		2,908	2008-09 to 2014-15	CIT(Appeal)
Bihar Finance Act, 1981	Sales Tax	2.19	1992-93 & 1993-94	Sales Tax Appellate Tribunal
Gujarat Sales Tax Act, 1969	Sales Tax	2.03	1997-98	Sales Tax Appellate Tribunal
Karnataka Sales Tax Act	Sales Tax	357.46	2007-08 to 2013-14	Karnataka High court
Maharashtra Value Added Tax Act, 2002	Sales Tax	2,019	2013-14 to 2015-16	Deputy Commissioner of Sales Tax
Delhi Sales Tax Act, 1975	Sales Tax	7.58	1991-92	Deputy Commissioner of Sales Tax
Odisha Value Added Tax Act, 2004	Sales Tax	302.56	2007-08 to 2013-2014	Sales Tax Appellate Tribunal
Tamil Nadu Value Added Tax Act, 2006	Sales Tax	1,094	2006 - 07 to 2013-14	High Court
Tamil Nadu General Sales Tax Act, 1959	TNGST & CST	998.80	1994-95	High Court of Madras
Uttar Pradesh Sales Tax Act	Sales Tax	62	1987-2003	High Court
Finance Act, 1994	Service Tax	19,690	2005-06 to 2017-18	CESTAT

*net of tax paid under protest/ refund adjusted

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the Management, the Company has not raised any money by way of initial public offer or further public offer. Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilisation were gainfully invested in liquid assets realizable on demand.

(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 material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

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

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

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

Annexure 1 referred to in our report of even date (Contd.)

(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 has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

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

per Subramanian Suresh
Partner
Membership Number: 083673
Place of Signature : Chennai
Date : April 27, 2019

Annexure 2 to the Independent Auditor’s Report of even date on the Standalone Ind AS Financial Statements of Cholamandalam Investment and Finance Company Limted

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 Investment and Finance Company Limited (“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.

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Cholamandalam Investment and Finance Company Limted (Contd.)

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 of Signature : Chennai
Date : April 27, 2019

Balance Sheet

As at March 31, 2019

₹ in lakhs

	Note No.	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
ASSETS				
Financial Assets				
Cash and Cash Equivalents	5	3,13,893	25,379	27,404
Bank balances other than Cash and Cash Equivalents	6	53,592	63,416	69,645
Derivative financial instruments	7	8,869	599	-
Receivables	8			
i) Trade Receivables		441	3,823	1,965
ii) Other Receivables		3,908	5,577	4,492
Loans	9	52,62,227	42,25,323	33,22,439
Investments	10	7,292	7,292	6,968
Other Financial Assets	11	12,432	7,730	13,561
		56,62,654	**43,39,139**	**34,46,474**
Non - Financial Assets				
Current tax assets (Net)		15,719	15,961	10,387
Deferred tax assets (Net)	12	45,300	36,171	31,527
Investment Property	13	47	5	5
Property, Plant and Equipment	14	14,253	14,005	11,809
Intangible assets under development		1,310	380	162
Other Intangible assets	15	1,976	2,070	2,195
Other Non-Financial Assets	16	1,371	1,242	1,158
		79,976	**69,834**	**57,243**
TOTAL ASSETS		**57,42,630**	**44,08,973**	**35,03,717**
LIABILITIES AND EQUITY				
Financial Liabilities				
Derivative financial instruments	7	841	7,655	10,103
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		20,742	17,063	11,017
(II) Other Payables				
i) Total outstanding dues of micro and small enterprises		-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		12,894	10,047	8,143
Debt Securities	17	14,18,431	14,37,395	13,47,094
Borrowings(Other than Debt Securities)	18	32,12,375	20,16,635	13,78,288
Subordinated Liabilities	19	4,25,868	3,79,003	2,94,631
Other Financial Liabilities	20	21,207	19,967	20,093
		51,12,358	**38,87,765**	**30,69,369**
Non - Financial Liabilities				
Provisions	21	7,402	6,343	5,231
Other Non-Financial Liabilities	22	5,296	5,051	642
		12,698	**11,394**	**5,873**
Equity				
Equity share capital	23A	15,643	15,640	15,635
Other Equity	23B	6,01,931	4,94,174	4,12,840
		6,17,574	**5,09,814**	**4,28,475**
TOTAL LIABILITIES AND EQUITY		**57,42,630**	**44,08,973**	**35,03,717**

The accompanying notes are integral 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

Arun Alagappan
Executive Director

M.M. Murugappan
Chairman

Date : April 27, 2019
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Statement of Profit and Loss

For the year ended March 31, 2019

₹ in lakhs

	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
Revenue from Operations			
- Interest Income	24A	6,56,526	5,23,581
- Net gain on derecognition of financial instruments under amortised cost category		8,670	-
- Fee Income	24B	18,631	15,369
- Net gain on Fair value change on financial instruments	24C	6,328	991
- Sale of Services	24D	9,042	7,982
Total Revenue from operations (I)		**6,99,197**	**5,47,923**
- Other income (II)	25	**67**	**43**
Total Income (III) = (I) + (II)		**6,99,264**	**5,47,966**
Expenses			
- Finance costs	26	3,58,874	2,65,933
- Impairment of Financial Instruments	27	31,120	30,370
- Employee benefits expense	28	59,058	53,679
- Depreciation and amortisation expense	13, 14 & 15	5,548	4,968
- Other expenses	29	62,349	52,879
Total Expenses (IV)		**5,16,949**	**4,07,829**
Profit before tax (V) = (III) - (IV)		**1,82,315**	**1,40,137**
Tax expense/(benefit)			
- Current tax	30(c)		
- Pertaining to profit for the current period		71,449	53,359
- Adjustment of tax relating to earlier periods		1,600	-
- Deferred tax		(9,349)	(5,052)
Net tax expense (VI)		63,700	48,307
Profit for the year - A = (V) - (VI)		**1,18,615**	**91,830**
Other Comprehensive income:			
i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans (net)		(678)	66
Income tax impact		237	(23)
Net loss on equity instrument designated at FVOCI for the year		-	(129)
Income tax impact		-	-
ii) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Cashflow Hedge Reserve		1,306	1,100
Income tax impact		(456)	(384)
Other comprehensive income/(loss) for the year (B)		**409**	**630**
Total comprehensive income for the year (A + B)		**1,19,024**	**92,460**
Earnings per equity share of ₹ 10 each			
- Basic (₹)		75.87	58.75
- Diluted (₹)		75.81	58.70

The accompanying notes are integral 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

Arun Alagappan
Executive Director

M.M. Murugappan
Chairman

Date : April 27, 2019
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Statement of Changes in Equity

For the year ended March 31, 2019

₹ in lakhs

a) Equity Share Capital	
Balances as on April 01, 2017	15,635
Add: Issue of share capital	5
Balances as on March 31, 2018	15,640
Add: Issue of share capital	3
Balances as on March 31, 2019	15,643

b) Other Equity (Refer Note 23)

₹ in lakhs

Particulars	Reserve and Surplus								Items of other comprehensive income		
	Share application money pending allotment	Statutory Reserve	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	General Reserve	Retained earnings	Share based Payments reserve	Fair valuation of Investment	Effective portion of cashflow hedge	Total
Balance as at April 01, 2017	**18**	**62,046**	**4**	**3,300**	**1,66,421**	**1,38,777**	**44,883**	**184**	**-**	**(2,793)**	**4,12,840**
Profit for the year	-	-	-	-	-	-	**91,830**	-		-	**91,830**
Re-measurement of defined benefit plans	-	-	-	-	-	-	43	-	-	-	**43**
Total comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(129)	716	**587**
Addition during the year	-	-	-	-	241	-	-	862	-	-	**1,103**
Dividend including DDT	-	-	-	-	-	-	(12,228)	-	-	-	**(12,228)**
Application money transferred on allotment	(18)	-	-	-	17	-	-	-	-	-	**(1)**
Transfer to reserves from retained earnings during the year	-	20,000	-	-	-	50,000	(70,000)	-	-	-	-
Balance as at March 31, 2018	**-**	**82,046**	**4**	**3,300**	**1,66,679**	**1,88,777**	**54,528**	**1,046**	**(129)**	**(2,077)**	**4,94,174**
Profit for the year	-	-	-	-	-	-	1,18,615	-	-	-	**1,18,615**
Re-measurement of defined benefit plans	-	-	-	-	-	-	(441)	-	-	-	**(441)**
Total comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	850	**850**
Dividend including DDT	-	-	-	-	-	-	(12,252)	-	-	-	**(12,252)**
Addition during the year	-	-	-	-	170	-	-	815	-	-	**985**
Transfer to reserves from retained earnings during the year	-	24,000	-	-	-	60,000	(84,000)	-		-	**-**
Balance as at March 31, 2019	**-**	**1,06,046**	**4**	**3,300**	**1,66,849**	**2,48,777**	**76,450**	**1,861**	**(129)**	**(1,227)**	**6,01,931**

Cash Flow Statement

For the year ended March 31, 2019

₹ in lakhs

Particulars	Year ended 31.03.2019		Year ended 31.03.2018	
Cash Flow from Operating Activities				
Profit Before Tax		**1,82,315**		**1,40,137**
Adjustments to reconcile profit before tax to net cash flows:-				
Depreciation and amortisation expense	5,548		4,968	
Impairment of financial instruments	31,120		30,370	
Finance Costs	3,58,874		2,65,933	
Loss on Sale of Property plant and equipment (Net)	13		11	
Net gain on fair value change in financial instrument	(6,328)		(991)	
Interest Income on bank deposits	(7,928)		(4,964)	
Share based payment expense	798		847	
		3,82,097		2,96,174
Operating Profit Before Working Capital Changes		5,64,412		4,36,311
Adjustments for :-				
(Increase)/Decrease in operating Assets				
- Loans	(11,86,243)		(9,33,699)	
- Trade receivables	5,052		(2,943)	
- Other Financial Assets	(4,702)		5,831	
- Other Non Financial Assets	(129)	(11,86,022)	(84)	(9,30,895)
Proceeds from de-recognition of financial assets recognised at amortised cost		1,18,220		-
Increase/(Decrease) in operating liabilities & provisions				
- Payables		5,850		8,016
- Other Financial liabilities		1,228		(135)
- Provisions		1,059		1,112
- Other Non-Financial liabilities		245		4,409
Cash Flow used in Operations		(4,95,008)		(4,81,182)
Finance Costs paid	(3,68,945)		(2,57,109)	
Interest Received on Bank Deposits	7,379		4,933	
		(3,61,566)		(2,52,176)
		(8,56,574)		(7,33,358)
Income tax paid (Net of refunds)		(72,807)		(58,933)
Net Cash Used in Operating Activities (A)		(9,29,381)		(7,92,291)
Cash Flow from Investing Activities				
Purchase of Property, plant and Equipment and Intangible Assets	(5,880)		(7,169)	
Proceeds from Sale of Property, plant and equipment	124		117	
Intangible assets under development	(930)		(218)	
Purchase of Investment designated at FVTPL	(1,29,48,000)		(21,53,500)	
Proceeds from sale of investment designated at FVTPL	1,29,54,328		21,54,491	
Net Cash Used in Investing Activities (B)		(358)		(6,279)
Cash Flow from Financing Activities				
Proceeds from issue of Share Capital (Including Securities Premium)		174		245
Proceeds from issue of Debt securities	17,08,570		14,07,516	
Redemption of Debt securities	(17,36,533)		(13,03,148)	
Proceeds from Borrowing Other than debt securities	32,64,002		16,20,217	

Cash Flow Statement (Contd.)

For the year ended March 31, 2019

₹ in lakhs

Particulars	Year ended 31.03.2019		Year ended 31.03.2018	
Repayment of borrowings other than debt securities	(20,79,556)		(9,86,335)	
Proceeds from issue of subordinated liabilities	82,100		71,500	
Repayment of subordinated liabilities	(18,650)		(7,500)	
		12,19,933		8,02,250
Investment in Bank Fixed Deposits (net of withdrawals)		10,385		6,269
Dividends Paid (Including Distribution Tax)		(12,239)		(12,219)
Net Cash From Financing Activities (C)		12,18,253		7,96,545
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**2,88,514**		**(2,025)**
Cash and Cash Equivalents at the Beginning of the Period		25,379		27,404
Cash and Cash Equivalents at the End of the Period		3,13,893		25,379

The accompanying notes are integral part of the financial statements

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

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

Date : April 27, 2019
Place : Chennai

For and on behalf of the **Board of Directors**

Arun Alagappan
Executive Director

M.M. Murugappan
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Notes forming part of the Financial Statements

For the year ended March 31, 2019

1. Corporate information

Cholamandalam Investment and Finance Company Limited ("the Company") (CIN L65993TN1978PLC007576) is a public limited company domiciled in India. The Company is listed on Bombay Stock Exchange and National Stock Exchange. The Company is one of the premier diversified non-banking finance companies in India, engaged in providing vehicle finance, home loans and Loan against property.

The standalone financial statements are presented in INR which is also functional currency of the Company.

2. 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 (FVOCI) instruments, derivative financial instruments and certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments).

The standalone financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except when otherwise indicated.

The regulatory disclosures as required by Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company Directions, 2016 issued by the RBI ('RBI Master Directions') to be included as a part of the Notes to Accounts are not prepared as per the Ind AS financial statements. Note 49 to the standalone financial statements provides the basis of preparation of such regulatory disclosures included in Note 50 to Note 53.

2.1 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 of the following circumstances

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

3. Significant accounting policies

3.1 Financial instruments – initial recognition

3.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, and borrowings are initially recognised on the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. Loans are recognised when fund transfers are initiated to the customers' account or cheques for disbursement have been prepared by the company (as per the terms of the agreement with the borrowers). The company recognises debt securities and borrowings when funds reach the company.

3.1.2 Initial measurement of financial instruments

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

3.1.3 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

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

3.2 Financial assets and liabilities

3.2.1 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.

3.2.1.1 Business model assessment

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

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

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

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

3.2.1.2 The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

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

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

3.2.2 Equity instruments at FVOCI

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 FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 *Financial Instruments:* Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

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

3.2.3 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

3.2.4 Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these commitments together with the corresponding ECLs are disclosed in notes.

3.3 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2018-19 and 2017-18.

3.4 Derecognition of financial assets and liabilities

3.4.1 Derecognition of financial assets other than due to substantial modification

3.4.1.1 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 Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset

  Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities, when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The company cannot sell or pledge the original asset other than as security to the eventual recipients
- The company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset

  Or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

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.

3.4.2 Financial liabilities

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

3.5 Impairment of financial assets

3.5.1 Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Notes.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The company records an allowance for the LTECLs.

3.5.2 The calculation of ECLs

The Company calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The key elements of the ECL are summarised below:

PD: The *Probability of Default* is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD: The *Exposure at Default* is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred,.

LGD: The *Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

12 months after the reporting date. The company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitment: When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provisions.

3.5.3 Forward looking information

In its ECL models, the Company 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.

3.6 Collateral repossessed

The Company generally does not use the assets repossessed for the internal operations. These repossessed assets which are intended to be realised by way of sale are considered as Stage 3 assets and the ECL allowance is determined based on the estimated net realisable value of the repossessed asset. The Company resorts to regular repossession of collateral provided against vehicle loans. Further, in its normal course of business, the Company from time to time, also exercises its right over property through legal procedures which include seizure of the property.

As per the Company's accounting policy, collateral repossessed are not recorded on the balance sheet.

3.7 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

3.8 Restructured, rescheduled and modified loans

The Company sometimes makes concessions or modifications to the original terms of loans such as changing the instalment value or changing the tenor of the loan, as a response to the borrower's request. The Company considers the modification of the loan only before the loans gets credit impaired.

When the loan has been renegotiated or modified but not derecognised, the Company also reassesses whether there has been a significant increase in credit risk. The Company also considers whether the assets should be classified as Stage 3. Once an asset has been classified as restructured, it will remain restructured for a period of year from the date on which it has been restructured.

3.9 Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged

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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:

3.9.1 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 re-mains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

3.10 Recognition of interest income

3.10.1 The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost. The EIR is the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

3.10.2 Interest Income

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 Company 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.

3.11 Taxes

3.11.1 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 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.

3.11.2 Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, 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

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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.

3.12 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 straightline method over a period of 60 years based on the Company's estimate of their useful lives taking into consideration technical factors, which is the same as the period prescribed in Sch II to the Companies Act 2013.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

3.13 Property, plant and equipment

Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated.

Useful life of assets as per Schedule II:

Asset Description	Estimated Useful Life
Buildings	60 years
Computer Equipment	3 years
Other Equipment	5 years
Leasehold improvements	Lease Period or 5 years, whichever is lower

Useful life of assets based on Management's estimation:

Asset Description	Estimated Useful Life
Furniture and Fixtures*	5 years
Vehicles*	5 years

*Estimated useful life of these assets based on usage and replacement policy of such assets.

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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.

3.14 Intangible assets

The Company's other intangible assets mainly include the value of computer software.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight line basis over a 3 year period or the license period whichever is lower.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

3.15 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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3.16 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Employees' State Insurance: The Company contributes to Employees State Insurance Scheme and recognizes such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

Superannuation: The Company contributes a sum equivalent to 15% of eligible employees' salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India ("LIC"). The company has no liability for future Superannuation Fund benefits other than its contribution and recognizes such contributions as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

The Company makes contribution to a Gratuity Fund administered by trustees and managed by LIC. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year by an independent actuary using the Projected Unit Credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

3.17 Share Based Payments

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the company are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or Credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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.

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3.18 Provisions

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.

3.19 Dividends on ordinary shares

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013 in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.20 Determination of Fair value

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

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

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

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments** - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments** - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.
- **Level 3 financial instruments** - Those that include one or more unobservable input that is significant to the measurement as whole.

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

The company evaluates the levelling at each reporting period on an instrument-by-instrument basis and

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reclassifies instruments when necessary based on the facts at the end of the reporting period.

3.21 Recognition of Income

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. 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 Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

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

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

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

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

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

3.21.1 Interest on overdue balances and Other Charges

Overdue interest in respect of loans is recognised upon realisation

3.21.2 Fee Income & Sale of Service

a) Fee income from loans are recognised upon satisfaction of following:

i) Completion of service

ii) and realisation of the fee income.

b) Servicing and collections fees on assignment are recognised upon completion of service.

c) Advertising income is recognised over the contract period as and when related services are rendered.

3.22 Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, 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.

3.23 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 can avail 50% of the input credit as per the applicable regulatory laws and hence it charges off the balance 50% to the respective expense.

3.24 Foreign Currency transactions

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Income and expenses in foreign currencies are initially recorded by the Company 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

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gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

3.25 Earnings Per Share

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

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

3.26 Segment Information

The accounting policies adopted for Segment reporting are in line with the accounting policies of the company 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”.

3.27 Equity Investment in Subsidiaries and associates

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

3.28 Cash Flow Statement

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

For the purpose of the Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts as they are considered an integral part of cash management of the company.

3.29 Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.30 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.

Operating Lease

Leases 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.

3.31 Trade receivables

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company’s financial statements requires management to make judgements, estimates and

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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 judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.1 De-recognition of Financial instruments

The Company 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 Company has been exposed to. Based on this assessment, the Company 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 Company hence it has been concluded that securitisation transactions entered by the Company 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.

4.2 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.

4.3 Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of temporary adjustments as qualitative adjustment or overlays based on broad range of forward looking information as economic inputs

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4 Provisions and other contingent liabilities

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into

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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.

4A. Standard issued but not yet effective

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 Company continues to evaluate the available transition methods and its contractual arrangements. The company 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 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 it set out the principles on recognition and measurement principle 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 Company 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 Company will apply the interpretation from its effective date. The Company 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 Company.

Ind AS 12 - Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. An entity applies those amendments for annual reporting periods beginning on or after 1st April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its standalone financial statements.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 5 CASH AND CASH EQUIVALENTS			
Cash on hand	4,996	2,525	3,597
Balances with banks			
- In Current Accounts	34,911	21,133	21,067
- In Deposit Accounts - Original maturity of 3 months or less	2,66,662	-	-
Cheques, drafts on hand	7,324	1,721	2,740
Total	**3,13,893**	**25,379**	**27,404**

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 6 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS			
- In Deposit Accounts - Original maturity more than 3 months	1,521	3,481	2,194
- In earmarked accounts			
- In Unpaid Dividend Accounts	68	55	46
- Deposits with Banks as collateral towards securitisation loan	51,995	59,872	67,397
- Other deposit Account on amalgamation of Cholamandalam Factoring Limited	8	8	8
Total	**53,592**	**63,416**	**69,645**

₹ in lakhs

Part 1	As at 31.03.2019			As at 31.03.2018			As at 01.04.2017		
	Notional amounts	Fair Value -Assets	Fair Value -Liabilites	Notional amounts	Fair Value -Assets	Fair Value -Liabilites	Notional amounts	Fair Value -Assets	Fair Value -Liabilites
Note : 7 DERIVATIVE FINANCIAL INSTRUMENTS									
(i) Other derivatives - Cross Currency Interest Rate Swap	2,26,150	8,869	841	3,01,500	599	7,655	2,37,400	-	10,103
Total Derivative financial Instruments	**2,26,150**	**8,869**	**841**	**3,01,500**	**599**	**7,655**	**2,37,400**	**-**	**10,103**
Part II									
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i) Cash flow hedging:									
Others - Cross currency interest rate swap	2,26,150	8,869	841	3,01,500	599	7,655	2,37,400	-	10,103
Total Derivative financial Instruments	**2,26,150**	**8,869**	**841**	**3,01,500**	**599**	**7,655**	**2,37,400**	**-**	**10,103**

The company has a Board approved policy for entering into derivative transactions. Derivative transaction comprises of Currency and Interest Rate Swap. The company undertakes such transactions for hedging borrowings. The Asset Liability Management Committee and Business Committee periodically monitors and reviews the risks involved.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 8 RECEIVABLES (Unsecured)			
(i) Trade Receivables			
Considered Good*	441	3,823	1,965
Subtotal (i)	**441**	**3,823**	**1,965**
(ii) Other Receivables			
Considered Good*	3,908	5,577	4,492
Subtotal (ii)	**3,908**	**5,577**	**4,492**
Total (i)+(ii)	**4,349**	**9,400**	**6,457**

*Included Dues from related parties, Refer note 37(b)

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 9 LOANS (At amortised cost)			
(A)			
(i) Bills Discounted	8,841	13,509	14,717
(ii) Term loans	53,46,457	42,98,073	33,90,298
Total (A) - Gross	**53,55,298**	**43,11,582**	**34,05,015**
Less: Impairment Allowance for (i) & (ii)	(93,071)	(86,259)	(82,576)
Total (A) Net	**52,62,227**	**42,25,323**	**33,22,439**
(B)			
(i) Secured by tangible assets	**53,03,106**	**42,60,173**	**33,73,622**
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank and Govt guarantees	-	-	-
(iv) Unsecured	**52,192**	**51,409**	**31,393**
Total (B) - Gross	**53,55,298**	**43,11,582**	**34,05,015**
Less: Impairment Allowance	**(93,071)**	**(86,259)**	**(82,576)**
Total (B) - Net	**52,62,227**	**42,25,323**	**33,22,439**

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 loans to a subsidiary and associate. These loans have been classified under Stage 1 Category at the various reporting periods and related impairment provision as per the Company's accounting policy has been created. The details of the same are disclosed below:

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Loan - Outstanding value			
Cholamandalam Securities Limited	1,150	-	1,000
White Data System India Private Limited	340	933	275
Impairment provision			
Cholamandalam Securities Limited	1	-	1
White Data System India Private Limited	-	-	-

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 9.1 LOANS

An analysis of changes in the gross carrying amount and corresponding ECL allowances in relations to loans

₹ in lakhs

	Gross Carrying amount				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Bill discounted								
Opening as on April 01, 2018	10,316	850	2,343	13,509	26	62	1,270	1,358
New assets originated/ Increase in existing assets (Net)	5,352	39	892	6,283	13	3	596	612
Exposure de-recognised / matured / repaid	(10,024)	(780)	(147)	(10,951)	(25)	(57)	(41)	(123)
Transfer to Stage 3	(296)	(69)	365	-	(1)	(5)	6	-
Impact on account of exposures transferred during the year between stages	-	-	-	-	-	-	329	329
Impact of changes on items within the same stage	-	-	-	-	-	-	997	997
Closing as on March 31, 2019	**5,348**	**40**	**3,453**	**8,841**	**13**	**3**	**3,157**	**3,173**
Term loans								
Opening as on April 01, 2018	3,956,838	195,115	146,120	4,298,073	19,812	20,693	44,396	84,901
New assets originated / Increase in existing assets (Net)	2,737,274	28,031	5,332	2,770,637	8,880	2,848	1,867	13,595
Exposure de-recognised / matured / repaid	(1,526,840)	(113,191)	(55,853)	(1,695,884)	(1,841)	(3,955)	(6,074)	(11,870)
Transfer to Stage 1	56,448	(49,871)	(6,577)	-	6,206	(4,642)	(1,564)	-
Transfer to Stage 2	(171,530)	178,274	(6,744)	-	2,298	(850)	(1,448)	-
Transfer to Stage 3	(44,907)	(25,631)	70,538	-	(250)	(2,481)	2,731	-
Impact on account of exposures transferred during the year between stages	3	200	1,825	2,028	(6,068)	10,596	14,921	19,449
Impact of changes on items within the same stage	-	-	4,144	4,144	(3,667)	(1,457)	2,885	(2,239)
Write off	(9,024)	(5,825)	(17,692)	(32,541)	(729)	(1,920)	(11,289)	(13,938)
Closing as on March 31, 2019	**4,998,262**	**207,102**	**141,093**	**5,346,457**	**24,641**	**18,832**	**46,425**	**89,898**
Bills Discounted								
Opening as on April 01, 2017	13,098	297	1,322	14,717	31	27	227	284
New assets originated / Increase in existing assets (Net)	10,316	850	273	11,439	26	62	54	141
Exposure de-recognised / matured / repaid	(12,560)	(64)	(23)	(12,647)	(29)	(6)	-	(35)
Transfer to Stage 3	(538)	(233)	771	-	-	(21)	21	-
Impact on account of exposures transferred during the year between stages (net)	-	-	-	-	-	-	968	968
Impact of changes on items within the same stage (net)								
Closing as on March 31, 2018	**10,316**	**850**	**2,343**	**13,509**	**28**	**62**	**1,270**	**1,358**
Term loans								
Opening as on April 01, 2017	2,972,109	239,716	178,473	3,390,298	11,098	19,598	51,595	82,291
New assets originated / Increase in existing assets (Net)	2,239,992	27,790	5,698	2,273,480	8,821	2,892	1,641	13,354
Exposure de-recognised / matured /repaid	(1,159,059)	(113,408)	(60,147)	(1,332,614)	(1,279)	(3,603)	(6,520)	(11,402)
Transfer to Stage 1	99,350	(83,039)	(16,311)	-	10,133	(6,527)	(3,606)	-
Transfer to Stage 2	(147,324)	159,990	(12,666)	-	(591)	3,366	(2,775)	-
Transfer to Stage 3	(40,840)	(29,456)	70,296	-	2,620	(181)	(2,439)	-
Impact on account of exposures transferred during the year between stages	71	262	2,013	2,346	(9,841)	7,762	14,602	12,523
Impact of changes on items within the same stage	-	-	3,712	3,712	(444)	(968)	6,691	5,279
Write off	(7,461)	(6,740)	(24,948)	(39,149)	(705)	(1,646)	(14,793)	(17,144)
Closing as on March 31, 2018	**3,956,838**	**195,115**	**146,120**	**4,298,073**	**19,812**	**20,693**	**44,396**	**84,901**

ECL across stages have been computed on collective basis.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 10 INVESTMENTS			
Investment in Equity Instruments			
a) Subsidiaries at cost			
Cholamandalam Home Finance Limited (Formerly known as Cholamandalam Distribution Services Limited) 42,400,000 Equity shares of ₹ 10 each fully paid up	4,240	4,240	4,240
Cholamandalam Securities Limited 22,500,014 Equity shares of ₹ 10 each fully paid up	2,250	2,250	2,250
b) Associate at cost			
White Data System India Private Limited 1,275,917 Equity shares of ₹ 10 each fully paid up (Subsidiary upto September 2018 and Associate from October 2018)	800	800	800
Total Gross	**7,290**	**7,290**	**7,290**
Less: Impairment allowance	-	-	(453)
Total Net - A	**7,290**	**7,290**	**6,837**
c) Others - Unquoted - FVOCI*			
Amaravathi Sri Venkatesa Paper Mills Limited 293,272 Equity shares of ₹ 10 each fully paid up	-	-	129
Saraswat Co-operative Bank Limited 1,000 Equity shares of ₹ 10 each fully paid up	-	-	-
The Shamrao Vithal Co-operative Bank Limited 1,000 Equity shares of ₹ 25 each fully paid up	-	-	-
Chola Insurance Distribution Services Private Ltd. 19,133 Equity shares of ₹10 each fully paid up	2	2	2
Chennai Willingdon Corporate Foundation 5 shares of ₹ 10 each : Cost ₹ 50 only	-	-	-
Total (B)	**2**	**2**	**131**
Grand Total Net (A+ B)	**7,292**	**7,292**	**6,968**

All Investments represented above are made in India

* The company has designated certain unquoted equity instruments as FVOCI on the basis that these are not held for trading.

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 11 OTHER FINANCIAL ASSET			
Unsecured - considered good (unless otherwise stated)			
At amortised cost			
Security Deposits	1,905	1,829	1,588
Other advances	1,465	1,794	2,238
Interest Only Strip receivable	9,062	4,107	9,735
	12,432	**7,730**	**13,561**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 12 DEFERRED TAX			
Deferred Tax Assets			
Impairment on financial instruments	32,430	28,700	27,938
Provision for Contingencies and Undrawn commitments	1,341	1,341	1,294
Provision for Compensated Absences and Gratuity	1,251	903	886
Impact of Effective interest rate adjustment on Financial Assets	9,761	6,207	5,588
Contract Liability as per IND AS 115	995	995	
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	637	744	472
Others	367	276	235
(A)	**46,782**	**39,166**	**36,413**
Deferred Tax Liability			
Impact of Effective interest rate adjustment on Financial Liabilities	856	1,184	1,516
Gain on de-recognition of loans	-	1,404	3,370
Items recognised in OCI	626	407	
(B)	**1,482**	**2,995**	**4,886**
Net Deferred Tax Assets (A) - (B)	**45,300**	**36,171**	**31,527**

₹ in lakhs

	As at 31.03.2019		As at 31.03.2018	
	Income Statement	OCI	Income Statement	OCI
Deferred Tax Assets				
Impairment of financial instruments	3,731	-	763	-
Provision for Contingencies and Undrawn commitments	-	-	47	-
Provision for Compensated Absences and Gratuity	348	-	17	
Impact of Effective interest rate adjustment on Financial Assets	3,554	-	619	-
Contract revenue recognition as per IND AS 115	-	-	995	-
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	(107)	-	272	-
Re-measurement gains / (losses) on defined benefit plans (net)		237		(23)
Others	91	-	41	-
(A)	**7,617**	**237**	**2,754**	**(23)**
Deferred Tax Liability				
Impact of Effective interest rate adjustment on Financial Liabilities	(328)	-	(332)	-
Gain on de-recognition of financial assets	(1,404)	-	(1,966)	-
Cashflow Hedge reserve	-	456	-	384
(B)	**(1,732)**	**456**	**(2,298)**	**384**
Net deferred tax charge / (reversal) (A) - (B)	**9,349**	**(219)**	**5,052**	**(407)**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

Particulars	Total
Note : 13 INVESTMENT PROPERTY	
Deemed cost as at April 01, 2017	**5**
Additions	-
Disposals	-
Gross carrying amount as at March 31, 2018	**5**
Additions*	**42**
Disposals	-
Gross carrying amount as at March 31, 2019	**47**
Accumulated depreciation and impairment	
Balance as at April 01, 2017	
Depreciation for the year	-
Depreciation on disposals	-
Balance as at March 31, 2018	**-**
Depreciation for the year	-
Depreciation on disposals	-
Balance as at March 31, 2019	**-**
Net Carrying amount	
As at April 01, 2017	**5**
As at March 31, 2018	**5**
As at March 31, 2019	**47**
Useful Life of the asset (In Years)	60
Method of depreciation	Straight line method

Note: The Company 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. 1st April, 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 1st April, 2017 amounting to ₹ 5 lakhs of Investment Property represents gross cost of ₹ 12 lakhs net of accumulated depreciation of ₹ 7 lakhs as at March 31, 2017

*Additions represents transfer from Property plant and Equipment.

The Company's investment property consists of 3 properties as at 31st March, 2019. Company has let out one property as of 31st March, 2019.

i) Income earned and expense incurred in connection with investment property

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Rental Income	29	28
Direct Operating expense from property that generated rental income	1	1
Direct Operating expense from property that did not generate rental income	0	0

ii) Contractual obligations

There are no contractual obligations to purchase, construct or develop investment property.

iii) Leasing Arrangements

Certain investment properties are leased out to tenants under cancellable operating lease.

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
iv) Fair Value			
Investment Property	287	279	271

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted avg)	Sensitivity of the input to fair value	Fair value ₹ in lakhs	Sensitivity
Note : 13 INVESTMENT PROPERTY (Contd.)						
v) Sensitivity analysis						
Investment Property As at March 31, 2019	Professional valuer	Price per Sq. feet	₹ 7,000 - 13,000 per Sq. feet	5% sensitivity 2018-19 - Rate per Sq. ft - 5%, ₹14.35 Lakhs	287	14
Investment Property As at March 31, 2018	Professional valuer	Price per Sq. feet	₹ 7,000 - 13,000 per Sq. feet	5% sensitivity 2017-18 - Rate per Sq. ft - 5%, ₹13.95 Lakhs	279	14
Investment Property As at March 31, 2017	Professional valuer	Price per Sq. feet	₹ 7,000 - 13,000 per Sq. feet	5% sensitivity 2016-17 - Rate per Sq. ft - 5%, ₹13.55 Lakhs	271	14

₹ in lakhs

Particulars	Freehold Land	Buildings (Refer Note below 2&3)	Plant and Machinery	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicles	Total Tangible Asset
Note : 14 PROPERTY, PLANT AND EQUIPMENT								
Deemed cost as at April 01, 2017	**3,956**	**2,576**	**1,954**	**842**	**577**	**1,130**	**774**	**11,809**
Additions	-	-	1,923	786	805	1,810	634	5,958
Disposals	-	-	227	25	17	31	347	647
Gross carrying amount as at March 31, 2018	**3,956**	**2,576**	**3,650**	**1,603**	**1,365**	**2,909**	**1,061**	**17,120**
Additions	-	-	1,911	531	445	734	583	4,204
Disposals	-	42	89	47	54	122	381	735
Gross carrying amount as at March 31, 2019	**3,956**	**2,534**	**5,472**	**2,087**	**1,756**	**3,521**	**1,263**	**20,589**
Accumulated depreciation / amortisation and impairment								
Balance as at April 01, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	-	48	1,457	477	660	727	263	3,632
Depreciation on disposals	-		222	17	16	31	231	517
Balance as at March 31, 2018	**-**	**48**	**1,235**	**460**	**644**	**696**	**32**	**3,115**
Depreciation for the year		48	1,754	452	457	746	321	3,778
Depreciation on disposals		0	87	37	53	109	271	557
Balance as at March 31, 2019	**-**	**96**	**2,902**	**875**	**1,048**	**1,333**	**82**	**6,336**
Net Carrying amount								
As at April 01, 2017	**3,956**	**2,576**	**1,954**	**842**	**577**	**1,130**	**774**	**11,809**
As at March 31, 2018	**3,956**	**2,528**	**2,415**	**1,143**	**721**	**2,213**	**1,029**	**14,005**
As at March 31, 2019	**3,956**	**2,438**	**2,570**	**1,212**	**708**	**2,188**	**1,181**	**14,253**
Useful Life of the asset (In Years)		60	3	5	5	5	5	
Method of depreciation					Straightline method			

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 14 PROPERTY, PLANT AND EQUIPMENT (Contd.)

Note

1. The company 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. 1st April, 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 1st April, 2017 amounting to ₹11,809 lakhs of Property, plant and equipment represents gross cost of ₹23,534 lakhs net of accumulated depreciation of ₹11,725 lakhs as at 31st March, 2017.
2. 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 17.1
3. Disposal represents transfer to Investment property.

₹ in lakhs

Particulars	Computer Software
Note : 15 INTANGIBLE ASSETS	
Deemed cost as at April 01, 2017	**2,195**
Additions	1,211
Disposals	-
Gross carrying amount as at March 31, 2018	**3,406**
Additions	1,676
Disposals	-
Gross carrying amount as at March 31, 2019	**5,082**
Accumulated Amortization and impairment	
Balance as at April 01, 2017	**-**
Amortization for the year	**1,336**
Amortization on disposals	-
Balance as at March 31, 2018	**1,336**
Amortization for the year	**1,770**
Amortization on disposals	-
Balance as at March 31, 2019	**3,106**
Net Carrying amount	
As at April 01, 2017	**2,195**
As at March 31, 2018	**2,070**
As at March 31, 2019	**1,976**
Useful Life of the asset (In Years)	3
Method of depreciation	Straight line method

The Company 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. 1st April, 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 1st April, 2017 amounting to ₹ 2,195 lakhs of Intangible assets represents gross cost of ₹ 6,105 lakhs net of accumulated depreciation of ₹ 3,910 lakhs as at 31st March, 2017.

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 16 OTHER NON FINANCIAL ASSETS			
Unsecured - considered good (unless otherwise stated)			
Prepaid expenses	1,146	1,137	784
Capital Advances	225	105	374
	1,371	**1,242**	**1,158**

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 17 DEBT SECURITIES (at amortised cost)			
Redeemable Non-Convertible Debentures Medium-Term - Secured	10,54,445	12,07,379	10,90,391
Commercial Papers - Unsecured	3,63,986	2,30,016	2,56,703
	14,18,431	**14,37,395**	**13,47,094**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 17 DEBT SECURITIES (at amortised cost) (Contd.)

All debt securities in india

17.1 Security

(i) Redeemable Non-Convertible Debentures - Medium-term is secured by way of specific charge on assets under hypothecation relating to Vehicle Finance, Home Equity, Bills discounted and other loans and *pari passu* charge on immovable property situated at Ahmedabad and Chennai.

(ii) The company 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 17.2 based on the Contractual terms basis.

17.2 Details of Debentures - Contractual principal repayment value

(i) Secured Redeemable Non-Convertible Debentures - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at		Due date of redemption	Rate of interest %
		31.03.2019 ₹ in lakhs	31.03.2018 ₹ in lakhs		
250	10,00,000	2,500	2,500	Nov-26	8.55
1,500	10,00,000	15,000	-	Apr-24	8.65
3,523	10,00,000	35,230	-	Sep-23	8.80
1,500	10,00,000	15,000	15,000	Nov-22	8.00
3,523	10,00,000	35,230	-	Sep-22	8.70
1,050	10,00,000	10,500	500	Mar-22	8.35 to 9.06
3,523	10,00,000	35,230	-	Sep-21	8.45
2,550	10,00,000	25,500	-	Jul-21	8.97 to 9.06
2,000	10,00,000	20,000	20,000	Jun-21	8.52
4,770	10,00,000	47,700	47,700	Apr-21	8.09
600	10,00,000	6,000	-	Feb-21	9.09
4,650	10,00,000	46,500	19,500	Dec-20	8.00 to 9.15
1,750	10,00,000	17,500	17,500	Oct-20	7.75
2,200	10,00,000	22,000	15,000	Jun-20	8.10 to 9.10
4,800	10,00,000	48,000	8,000	May-20	8.12 to 8.90
800	10,00,000	8,000	8,000	Apr-20	8.10 to 9.02
500	10,00,000	5,000	5,000	Mar-20	9.02
9,850	10,00,000	98,500	40,000	Feb-20	8.02 to 8.85
5,500	10,00,000	55,000	55,000	Dec-19	7.97
2,750	10,00,000	27,500	27,500	Nov-19	8.10 to 9.10
5,750	10,00,000	57,500	57,500	Oct-19	8.05 to 8.20
5,850	10,00,000	58,500	83,500	Sep-19	8.06 to 8.46
2,250	10,00,000	22,500	22,500	Aug-19	7.50 to 9.90
7,300	10,00,000	73,000	73,000	Jul-19	7.80 to 9.90
2,750	10,00,000	27,500	27,500	Jun-19	9.13 to 9.90
6,750	10,00,000	67,500	67,500	May-19	8.03 to 9.20
1,100	10,00,000	11,000	11,000	Apr-19	8.00 to 9.20
8,800	10,00,000	-	88,000	Mar-19	7.65 to 9.20
5,200	10,00,000	-	52,000	Feb-19	7.96 to 8.05
2,000	10,00,000	-	20,000	Dec-18	8.20
2,350	10,00,000	-	23,500	Nov-18	7.80 to 10.35
6,400	10,00,000	-	64,000	Sep-18	8.27 to 11.00
500	10,00,000	-	5,000	Aug-18	9.03
5,450	10,00,000	-	54,500	Jun-18	8.95 to 9.13
11,430	10,00,000	-	1,14,300	May-18	8.96 to 10.13
400	10,00,000	-	4,000	Apr-18	9.94 to 9.95
		8,93,390	**10,49,000**		

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

17.2 Details of Debentures - Contractual principal repayment value (Contd.)

(ii) Secured Redeemable Non-Convertible Debentures - Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at 31.03.2019 ₹ in lakhs	Balance as at 31.03.2018 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
1100	10,00,000	11,000	-	May-21	12,94,211	2,94,211
1000	10,00,000	10,000	10,000	Mar-21	12,76,583	2,76,583
2050	10,00,000	20,500	20,500	May-20	12,63,916	2,63,916
190	10,00,000	1,900	1,900	Apr-20	12,56,100	2,56,100
500	10,00,000	5,000	5,000	Apr-20	13,54,976	3,54,976
800	10,00,000	8,000	8,000	Apr-20	12,74,682	2,74,682
750	10,00,000	7,500	7,500	Sep-19	12,66,148	2,66,148
80	10,00,000	800	800	Jul-19	12,98,729	2,98,729
500	10,00,000	5,000	5,000	Jul-19	13,63,101	3,63,101
80	10,00,000	800	800	Apr-19	13,08,150	3,08,150
250	10,00,000	2,500	2,500	Apr-19	13,13,730	3,13,730
250	10,00,000	-	2,500	Mar-19	16,23,240	6,23,240
100	10,00,000	-	1,000	Mar-19	16,19,345	6,19,345
160	10,00,000	-	1,600	Feb-19	16,35,566	6,35,566
580	10,00,000	-	5,800	Nov-18	13,57,496	3,57,496
100	10,00,000	-	1,000	Jul-18	13,02,320	3,02,320
150	10,00,000	-	1,500	Jul-18	12,59,970	2,59,970
100	10,00,000	-	1,000	May-18	15,80,260	5,80,260
250	10,00,000	-	2,500	Apr-18	13,01,077	3,01,077
60	10,00,000	-	600	Apr-18	12,95,193	2,95,193
		73,000	**79,500**			

(iii) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Put option

No. of Debentures	Face Value ₹	Balance as at 31.03.2019 ₹ in lakhs	Balance as at 31.03.2018 ₹ in lakhs	Due date of redemption	Put option date	Rate of interest %
15	10,00,000	150	-	Mar-21	Feb-20	8.85
10	10,00,000	100	-	Aug-23	Jul-21	9.06
500	10,00,000	-	5,000	Mar-19	Feb-18	8.90
2500	10,00,000	-	25,000	Sep-19	Sep-18	8.20
		250	**30,000**			

(iv) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Call option

No. of Debentures	Face Value ₹	Balance as at 31.03.2019 ₹ in lakhs	Balance as at 31.03.2018 ₹ in lakhs	Due date of redemption	Call option date	Rate of interest %
3,250	10,00,000	32,500	32,500	Aug-19	Aug-18	7.85
		32,500	**32,500**			

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 18 BORROWINGS (Other than Debt Securities) at amortised cost			
a) Term Loans			
i) a) From Banks - Secured			
Rupee Loans	21,62,592	9,44,428	5,40,414
Foreign currency Loans	2,00,467	2,96,830	2,30,346
External Commercial Borrowings	34,629	-	-
i) b) From Banks - Unsecured			
Rupee Loans	50,000	42,000	-
ii) From Other Parties - Secured			
Financial Institutions - Rupee Loans	93,481	75,000	-
Securitisation - Rupee Loans	5,49,261	5,62,244	5,37,364
b) Loan from related parties - Unsecured from subsidiaries - Rupee Loans (Cholamandalam Home Finance Limited)	-	-	3,850
c) Loan repayable on demand - Secured from Banks - Rupee Loans	1,21,945	96,133	66,314
	32,12,375	**20,16,635**	**13,78,288**
Borrowings within India	31,77,746	20,16,635	13,78,288
Borrowings Outside India	34,629	-	-

18.1 Security

(i) Secured term loans from banks and financial institution are secured by way of specific /*pari passu* charge on assets under hypothecation relating to automobile financing and loans against immovable property.

(ii) Loan repayable on demand is in the nature of Cash Credit from banks are secured by way of floating charge on assets under hypothecation and other assets

(iii) The Company has not defaulted in the repayment of dues to its lenders.

(iv) Securitisation borrowing represents the net outstanding value (Net of Investment in Pass-through Certificates) of the sale proceeds received by the Company from securitisation trust in respect of loan assets transferred by the Company pursuant to Deed of Assignment. The Company has provided Credit enhancement to the trust by way of cash collateral and Bank guarantee. Refer note 31(1) & 50(a) for further details.

(v) Details of repayment such as date of repayment, interest rate and amount to be paid have been disclosed in note 18.2 based on Contractual terms basis.

18.2 Details of term loans - Contractual principal repayment value

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding 31.03.2019	Amount outstanding 31.03.2018
Base Rate / MCLR	< 1year	1	21,000	22,867
		3	12,000	-
		4	20,000	8,000
	1 - 2 years	1	60,000	56,000
		2	-	10,000
		4	60,000	20,000
		5	-	30,000
	2 - 3 years	1	40,000	60,000
		3	15,000	-
		4	-	70,000
	3 - 4 years	6	1,00,000	20,000
		16	25,000	-

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

18.2 Details of term loans - Contractual principal repayment value (Contd.)

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding 31.03.2019	Amount outstanding 31.03.2018
	4 - 5 years	6	80,000	1,00,000
		16	-	25,000
Base Rate/ MCLR + spread	< 1year	1	52,000	85,000
(0.05% to 0.92%)		2	-	18,000
	1 - 2 years	1	3,10,000	-
		4	50,000	-
	2 - 3 years	1	5,20,000	3,00,000
		4	1,00,000	15,000
		8	1,00,000	-
	3 - 4 years	1	1,00,000	-
	4- 5 years	10	1,00,000	-
		20	3,00,000	-
Rate based on T Bill + Spread	< 1 year	1	5,000	-
	1 - 2 years	1	20,000	10,000
		3	3,000	-
		5	8,334	-
	2 - 3 years	1	-	20,000
		3	-	4,500
	3 - 4 years	3	28,200	-
	4 - 5 years	3	-	28,200
		4	-	10,000
Fixed Rate	< 1year	1	74,000	30,000
	1 - 2 years	1	-	23,439
	2 - 3 years	1	-	-
		10	30,000	-
	3 - 4 years	16	63,000	
	4 - 5 years	1	-	75,000
3 Months Repo	2 - 3 years	1	30,000	-
Total			**23,26,534**	**10,41,006**
USD 2Y MIBOR + Spread	1-2 years	1	4,000	-
USD 3M LIBOR + Spread	< 1year	1	-	28,879
		4	-	30,065
	1-2 years	1	-	27,559
		5	20,000	-
	2-3 years	5	-	20,304
USD 6M LIBOR + Spread	< 1year	1	1,47,500	48,714
	1-2 years	1	-	1,17,177
	2-3 years	1	34,650	-
Total			**2,06,150**	**2,72,698**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

18.2 Details of term loans - Contractual principal repayment value (Contd.)

Details of Securitised loan

₹ in lakhs

Rate of Interest	Maturity	Amount outstanding* 31.03.2019	31.03.2018
	Less than 1 year	1,90,854	1,76,435
Fixed	1-2 year	1,26,195	1,20,697
(6.1% to 8.5%)	2-3 year	56,971	53,672
	3-4 year	13,886	15,188
	4-5 year	6,506	7,949
	more than 5 years	26,700	38,898
Total		**4,21,112**	**4,12,839**
	Less than 1 year	11,287	12,170
Floating	1-2 year	11,921	13,083
Base Rate/ MCLR - spread	2-3 year	12,280	13,926
(0.75% to 2.65%)	3-4 year	12,060	14,320
	4-5 year	12,319	14,072
	more than 5 years	66,786	77,298
Total		**1,26,653**	**1,44,869**

* Represents amounts to be paid to the securiitsation trust as per the securitisation cash flows net of amounts to be received Investment PTC.

18.3 Loan repayable on demand represents cash credit and overdraft facilities

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 19 SUBORDINATED LIABILITIES (at amortised cost)			
Perpetual Debt - Unsecured	1,44,179	1,17,625	1,11,937
Subordinated Debt - Unsecured	2,81,689	2,61,378	1,82,694
	4,25,868	**3,79,003**	**2,94,631**

All Subordinated liabilities have been contracted in India

The Company has not defaulted in the repayment of dues to its lenders.

Details of repayment such as date of repayment, interest rate and amount to be paid have been disclosed in note 19.1 based on the Contractual terms basis.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

19.1 Details of Subordinated Liabilities - Contractual principal repayment value

(i) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at 31.03.2019 ₹ in lakhs	Balance as at 31.03.2018 ₹ in lakhs	Due date of redemption	Rate of interest %
3000	10,00,000	30,000	-	Aug-28	9.75
5300	10,00,000	53,000	31,500	Mar-28	9.05
1500	10,00,000	15,000	15,000	Aug-27	8.53
2500	10,00,000	25,000	25,000	Jun-27	8.78 to 8.80
100	10,00,000	1,000	1,000	Nov-26	9.20
150	10,00,000	1,500	1,500	Jun-24	11.00
50	10,00,000	500	500	May-24	11.00
250	10,00,000	2,500	2,500	Apr-24	11.00
250	10,00,000	2,500	2,500	Mar-24	11.00
200	10,00,000	2,000	2,000	Feb-24	11.00
250	10,00,000	2,500	2,500	Jan-24	11.00
2000	10,00,000	20,000	20,000	Nov-23	9.08 to 9.20
500	10,00,000	5,000	5,000	Oct-23	9.08
150	10,00,000	1,500	1,500	Sep-23	11.00
600	10,00,000	6,000	6,000	Dec-22	11.05 to 11.25
3,150	10,00,000	31,500	31,500	Nov-21	10.02
1,000	10,00,000	10,000	10,000	Jun-21	11.30
1,000	10,00,000	10,000	10,000	May-21	11.30
100	10,00,000	1,000	1,000	Mar-21	11.00
100	10,00,000	1,000	1,000	Feb-21	11.00
150	10,00,000	1,500	1,500	Oct-20	11.00
500	10,00,000	5,000	5,000	Jul-20	10.70
115	10,00,000	1,150	1,150	May-20	11.00
1,000	10,00,000	10,000	10,000	Apr-20	11.00
750	10,00,000	7,500	7,500	Dec-19	11.50
700	10,00,000	7,000	7,000	Jun-19	11.40
1,500	10,00,000	15,000	15,000	May-19	11.70 to 11.75
100	10,00,000	-	1,000	Nov-18	10.55
250	10,00,000	-	2,500	Sep-18	11.25
895	10,00,000	-	8,950	Aug-18	12.25
620	10,00,000	-	6,200	Jun-18	10.55 to 12.25
		2,68,650	**2,35,800**		

(ii) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt -Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at 31.03.2019 ₹ in lakhs	Balance as at 31.03.2018 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
150	10,00,000	1,500	1,500	Nov-23	17,57,947	7,57,947
		1,500	**1,500**			

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

19.1 Details of Subordinated Liabilities - Contractual principal repayment value (Contd.)

(iii) Unsecured Redeemable Non-Convertible Debentures - Perpetual debt

No. of Debentures	Face Value ₹	Balance as at 31.03.2019 ₹ in lakhs	Balance as at 31.03.2018 ₹ in lakhs	Maturity Date - Perpetual	Rate of interest % (increase by 100 bps if call option is not exercised on the due date)
1120	5,00,000	5,600	-	Mar-29	10.83
5000	5,00,000	25,000	-	Feb-29	10.88
500	5,00,000	2,500	2,500	Aug-24	12.80
174	10,00,000	1,740	1,740	Jul-24	12.90
500	5,00,000	2,500	2,500	Jun-24	12.90
500	5,00,000	2,500	2,500	Feb-24	12.90
50	10,00,000	500	500	Jan-24	12.60
1,031	10,00,000	10,310	10,310	Dec-23	12.50 to 12.60
245	10,00,000	2,450	2,450	Oct-23	12.60
1,000	5,00,000	5,000	5,000	Oct-23	12.90
300	10,00,000	3,000	3,000	Feb-23	12.80
1,450	10,00,000	14,500	14,500	Dec-22	12.70 to 12.80
860	5,00,000	4,300	4,300	Sep-22	12.75
2,000	5,00,000	10,000	10,000	Aug-22	12.90
200	5,00,000	1,000	1,000	Mar-22	12.50
700	5,00,000	3,500	3,500	Jan-22	12.50
3,500	5,00,000	17,500	17,500	Dec-21	12.50 to 12.95
320	5,00,000	1,600	1,600	Aug-21	12.50
413	5,00,000	2,065	2,065	Jul-21	12.50
2,021	5,00,000	10,105	10,105	Jun-21	12.50
3,000	5,00,000	15,000	15,000	Oct-20	12.05
		1,40,670	**1,10,070**		

Company can redeem using Call option on the maturity date with prior approval of RBI.

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 20 OTHER FINANCIAL LIABILITIES			
Unpaid Dividend	67	55	46
Advances from customers	1,790	1,170	2,163
Security Deposits received	221	212	345
Collections towards derecognised assets pending remittance	4,607	6,901	8,124
Other liabilities	14,522	11,629	9,415
	21,207	**19,967**	**20,093**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 21 PROVISIONS			
Provision for Employee Benefits			
- Compensated Absences	3,514	2,518	1,481
	3,514	**2,518**	**1,481**
Other Provisions (Refer Note 39)			
Provision for contingencies and service tax claims	3,837	3,813	3,740
Provision for undrawn commitments	51	12	10
	3,888	**3,825**	**3,750**
	7,402	**6,343**	**5,231**

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 22 OTHER NON FINANCIAL LIABILITIES			
Deferred Rent	834	663	396
Income received in advance	2,303	2,965	158
Statutory Liabilities	2,159	1,423	88
	5,296	**5,051**	**642**

₹ in lakhs

	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
Note : 23 A) EQUITY SHARE CAPITAL						
AUTHORISED						
Equity Shares of ₹ 10 each with voting rights	24,00,00,000	24,000	24,00,00,000	24,000	24,00,00,000	24,000
Preference Shares of ₹ 100 each	5,00,00,000	50,000	5,00,00,000	50,000	5,00,00,000	50,000
		74,000		**74,000**		**74,000**
ISSUED						
Equity Shares of ₹ 10 each with voting rights	15,64,95,867	15,650	15,64,68,125	15,647	15,64,14,287	15,641
		15,650		**15,647**		**15,641**
SUBSCRIBED AND FULLY PAID UP						
Equity Shares of ₹ 10 each with voting rights	15,63,59,113	15,636	15,63,31,371	15,633	15,62,77,533	15,628
Add : Forfeited Shares	1,30,900	7	1,30,900	7	1,30,900	7
		15,643		15,640		15,635
		15,643		**15,640**		**15,635**

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

₹ in lakhs

	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
Equity Shares						
At the beginning of the year	15,63,31,371	15,633	15,62,77,533	15,628	15,61,45,644	15,615
Issued during the year - Employees Stock Option (ESOP) Scheme	27,742	3	53,838	5	1,31,889	13
Outstanding at the end of the year	**15,63,59,113**	**15,636**	**15,63,31,371**	**15,633**	**15,62,77,533**	**15,628**
Forfeited shares						
Equity Shares - Amount originally paid up	**1,30,900**	**7**	**1,30,900**	**7**	**1,30,900**	**7**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 23 A) EQUITY SHARE CAPITAL (Contd.)

a) Terms/rights attached to Equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend.

Repayment of capital will be in proportion to the number of equity shares held.

b) Equity Shares held by Holding Company

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Cholamandalam Financial Holdings Limited (formerly known as "TI Financial Holdings Limited") - Holdig Company	7,25,33,019	7,22,33,019	7,22,33,019

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

Equity Shares ₹ in lakhs

	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Nos.	% holding in the class	Nos.	% holding in the class	Nos.	% holding in the class
Cholamandalam Financial Holdings Limited - Holding Company	7,25,33,019	46.39	7,22,33,019	46.22	7,22,33,019	46.22

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 Notes 40 for details of shares reserved for issue under options.

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018
Note : 23 B) OTHER EQUITY		
Statutory Reserve (Refer Note a)		
Balance at the beginning of the year	82,046	62,046
Add: Amount transferred from retained earnings	24,000	20,000
Closing balance at the end of the year	**1,06,046**	**82,046**
Capital Reserve (Refer Note b)		
Balance at the beginning of the year	4	4
Add: Changes during the year	-	-
Closing balance at the end of the year	**4**	**4**
Capital Redemption Reserve (Refer Note c)		
Balance at the beginning of the year	3,300	3,300
Add: Changes during the year	-	-
Closing balance at the end of the year	**3,300**	**3,300**
Securities Premium Account (Refer Note d)		
Balance at the beginning of the year	1,66,679	1,66,421
Add: Premium on ESOPs exercised	170	258
Closing balance at the end of the year	**1,66,849**	**1,66,679**
General Reserve (Refer Note e)		
Balance at the beginning of the year	1,88,777	1,38,777
Add: Amount transferred from retained earnings	60,000	50,000
Closing balance at the end of the year	**2,48,777**	**1,88,777**
Share Based Payments Reserve (Refer Note f)		
Balance at the beginning of the year	1,046	184
Addition during the year	815	862
Closing balance at the end of the year	**1,861**	**1,046**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018
Note : 23 B) OTHER EQUITY (Contd.)		
Retained Earnings (Refer Note g)		
Balance at the beginning of the year	54,528	44,883
Profit for the year	1,18,615	91,830
Less:		
Dividend		
Equity - Final (₹2 per share - March 31, 2018, ₹ 2 per share - March 31, 2017)	(3,127)	(3,126)
Equity - Interim (₹4.5 per share - March 31, 2019, ₹ 4.5 per share - March 31, 2018)	(7,036)	(7,034)
Distribution tax on Equity Dividend	(2,089)	(2,068)
Distribution tax on Preference Dividend	-	-
Transfer to Statutory Reserve	(24,000)	(20,000)
Transfer to General Reserve	(60,000)	(50,000)
Re-measurement Gain / (Loss) on Defined Benefit Obligations (Net) transferred to Retained Earnings	(441)	43
Closing balance at the end of the year	**76,450**	**54,528**
Cash flow hedge reserve (Refer Note h)		
Balance at the beginning of the year	(2,077)	(2,793)
Addition	850	716
Closing balance at the end of the year	**(1,227)**	**(2,077)**
FVOCI Reserve (Refer Note i)		
Balance at the beginning of the year	(129)	-
Addition	-	(129)
	(129)	**(129)**
Share Application Money pending Allotment at the end of the year	**-**	**-**
Total Other Equity	**6,01,931**	**4,94,174**

a) Statutory reserve represents the reserve created as per Section 45IC of the RBI Act, 1934, pursuant to which a Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss account, before any dividend is declared.

b) Capital reserve represents the reserve created on account of amalgamation of Cholamandalam Factoring Limited in the year 2013-14.

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

d) Securities premium reserve is used to record the premium on issue of shares. The premium received during the year represents the premium received towards allotment of 27,742 shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares, buy back of its own shares and securities in accordance with the provisions of the Companies Act, 2013.

e) The general reserve is a free reserve, retained from Group's profits and can be utilized upon fulfilling certain conditions in accordance with statute of the relevant Act.

f) Under IND AS 102, fair value of the options granted is required to be accounted as expense over the life of the vesting period as employee compensation costs, reflecting the period of receipt of service. 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.

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

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 23 B) OTHER EQUITY (Contd.)

h) Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the company accounting policies.

i) FVOCI Reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income.

Proposed dividend

The Board of Directors of the company have recommended a final dividend of 20% being ₹ 2 per share on the equity shares of the company, for the year ended 31st March, 2019 (₹ 2 per share - 31st March, 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.

₹ in lakhs

	Year ended 31.03.2019	Year ended 31.03.2018
Note : 24 REVENUE FROM OPERATIONS		
Note :24A		
(i) Interest - on financial assets measured at amortised cost		
(a) Loans		
- Bills Discounting	1,027	1,573
- Term loans	6,47,571	5,17,044
(b) Bank Deposits		
- Bank Deposits under lien	4,384	4,950
- Other Bank Deposits free of lien	3,544	14
Total (A)	**6,56,526**	**5,23,581**
Note :24B		
(i) Fee Income*		
- Term loans	18,631	15,369
Total (B)	**18,631**	**15,369**
***Services are rendered at a point in time**		
Note :24C		
Net gain on fair value changes on FVTPL - Realised		
Income from mutual funds	6,328	991
Total (C)	**6,328**	**991**
Note :24D		
(i) Sale of Services (Refer note below)		
(a) Servicing and Collection fee on Assignment	242	288
(b) Other Service Income	8,800	7,694
Total (D)	**9,042**	**7,982**
Note: Timing of revenue recognition		
Services rendered at a point in time	8,194	7,491
Services rendered over a time	606	203
Total	**8,800**	**7,694**

Details related to services rendered over a time

a) Contract balances

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Contract Liabilities	2,241	2,847

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.

Notes forming part of the Financial Statements (Contd.)
For the year ended March 31, 2019

Note : 24 REVENUE FROM OPERATIONS (Contd.)

b) Movement in Contract liability during the period as follows

₹ in lakhs

Particulars	2018-19	2017-18
Contract liability at the beginning of the year	2,847	-
Revenue Recognised during the period	606	203
Contract liability at the end of the year	2,241	2,847

c) Total Revenue from Customer

₹ in lakhs

Particulars	2018-19	2017-18
Total Revenue from contracts with Customer	27,673	23,351

d) Due to Company'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 - 31st March, 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 enable space for advertising at the branches and other related services.

g) There are no significant return / refund / other obligations for any of the above mentioned services.

₹ in lakhs

	Year ended 31.03.2019	Year ended 31.03.2018
Note : 25 OTHER INCOME		
Rent	29	28
Miscellaneous Income	38	15
	67	**43**
Rent received are from cancellable operating lease for office space	29	28

₹ in lakhs

	Year ended 31.03.2019	Year ended 31.03.2018
Note : 26 FINANCE COST		
Interest on financial liabilities measured at amortised cost		
- Debt Securities	136,560	1,34,656
- Borrowings Other than Debt securities	1,89,356	1,07,264
- Subordinated Liabilities	31,588	21,515
Others		
- Bank charges	1,370	2,498
	3,58,874	**2,65,933**

₹ in lakhs

	Year ended 31.03.2019	Year ended 31.03.2018
Note : 27 IMPAIRMENT ON FINANCIAL INSTRUMENTS		
Loss Assets Written Off (Net) - Loans	4,364	9,688
Loss on disposal of Re-possessed assets	19,881	17,474
Impairment provision- Loans - measured at amortised cost	6,875	3,661
	31,120	30,823
Investment		
(Reversal) of Impairment provision - Investment at cost	-	(453)
	31,120	**30,370**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

	Year ended 31.03.2019	Year ended 31.03.2018
Note : 28 EMPLOYEE BENEFITS EXPENSES		
Salaries, Bonus and Commission	53,553	47,786
Contribution to Provident and Other Funds		
- Employees' Provident Fund	2,181	1,827
- Superannuation Fund	256	199
Share based payment expense	798	847
Gratuity Expense	670	633
Staff Welfare Expenses	1,600	2,387
	59,058	**53,679**

₹ in lakhs

	Year ended 31.03.2019	Year ended 31.03.2018
Note : 29 OTHER EXPENDITURE		
Rent and facility charges	5,278	4,808
Rates and Taxes	666	2,417
Energy cost	1,190	1,109
Repairs and Maintenance	297	208
Communication Costs	2,546	2,279
Printing and Stationery	1,206	1,118
Advertisement and publicity Expenses	1,599	863
Directors Fees, allowances and Expenses	82	58
Auditors' Remuneration	63	105
Legal and Professional Charges	3,212	3,601
Insurance	1,154	896
Travelling and Conveyance	4,581	6,232
Information Technology Expenses	2,456	2,955
Loss on Sale of Property, Plant and Equipment (Net)	13	11
Recovery Charges	20,294	16,730
Corporate Social Responsibility Expenditure (Refer note 29.3 below)	2,307	1,757
Outsource cost	15,245	7,748
Miscellaneous Expenses	409	220
	62,598	53,115
Less : Expenses Recovered	(249)	(236)
	62,349	**52,879**

29.1 Cancellable operating lease entered for office space	4,603	4,246
29.2 Miscellaneous Expenses includes:		
Donations	50	-
29.3 Details of CSR expenditure		
Gross Amount required to be spent towards CSR u/s 135 (5) of Companies Act , 2013	2,307	1,757
Amount spent during the year		
(a) Construction / acquisition of asset	-	-
(b) Others	2,307	1,757

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 30

a) Share application money pending allotment as at March 31, 2017 represents amount received towards 10,261 Equity shares of the Company pursuant to ESOP scheme and have been subsequently allotted.

b) Earnings Per Share

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit After Tax (₹ in lakhs)	**1,18,615**	**91,830**
Preference Dividend Paid (including tax thereon) (₹ in lakhs)	-	-
Profit After Tax Attributable to Equity Shareholders (₹ in lakhs)	**1,18,615**	**91,830**
Weighted Average Number of Equity Shares (Basic)	15,63,46,240	15,62,99,308
Add: Dilutive effect relating to ESOP	1,15,599	1,54,853
Weighted Average Number of Equity Shares (Diluted)	15,64,61,839	15,64,54,161
Earnings per Share - Basic (₹)	**75.87**	**58.75**
Earnings per Share - Diluted (₹)	**75.81**	**58.70**
Face Value Per Share (₹)	**10.00**	**10.00**

Note:

Earnings per Share calculations are done in accordance with Ind AS 33 "Earnings per Share".

c) Income tax reconciliation

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31st March 2019 and 2018 is, as follows:

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Accounting profit before tax from continuing operations	1,82,315	1,40,137
Income tax rate of 34.94% (March 31, 2018: 34.608%)	63,708	48,499
Effects of:		
Impact of difference in tax base for Donations and CSR Expense	461	420
Share based payment expense - No deduction claimed under tax	279	293
Impact of deduction u/s 35(1)(ii)	(189)	-
Impact Deduction u/s 80JJA	(360)	(357)
Other Adjustments	(199)	(21)
Reversal of provision for diminution in investment	-	(157)
Effect of enacted tax rate on Deferred tax	-	(370)
Income tax expense reported in statement of profit and loss	63,700	48,307

The effective income tax rate for 31st March 2019 is 34.944 % (31st March 2018: 34.608%).

Note : 31 TRANSFER OF FINANCIAL ASSETS

31.1 Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

A) Securitisation

The company has Securitised certain loans, however the company has not transferred substantially all risks and rewards, hence these assets have not been de-recognised in its entirety.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 31 TRANSFER OF FINANCIAL ASSETS (Contd.)

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Securitisations			
Carrying amount of transferred assets measured at amortised cost	564,273	565,367	532,084
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	549,261	562,244	537,364
Fair value of assets	587,198	592,874	556,963
Fair value of associated liabilities	547,398	573,248	533,087
Net position at Fair Value	39,800	19,626	23,876

B) Direct bilateral assignment

The company 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 buyer, the assets have been de-recognised from the Company's balance sheet.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Assignment			
Carrying amount of de-recognised financial asset	1,67,117	67,091	1,02,950
Carrying amount of Retained Assets at amortised cost	19,020	8,648	12,467

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Assignment		
Gain on sale of the de-recognised financial asset	8,670	-

31.2 Transferred financial assets that are derecognised in their entirety but where the company has continuing involvement

The company has not transferred any assets that are derecognised in their entirety where the company continues to have continuing involvement.

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018 Current Auditor	Year ended 31.03.2018 Previous Auditor
Note : 32 AUDITORS' REMUNERATION			
Statutory Audit	39	39	-
Interim Audit	-	9	-
Limited Review	14	5	4
Tax Audit	4	-	4
Other Services	-	30*	9
Reimbursement of Expenses (incl. input tax credit expensed)	6	4	1
Total	**63**	**87**	**18**

*represents professional charges in connection with establishment of Medium Term Note programme in Singapore Stock Exchange - SGX

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 33 MICRO, SMALL & MEDIUM ENTERPRISES

Based on and to the extent of the information received by the company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, there are no amounts due to MSME as at 31st March 2019 and as at 31st March 2018.

The relevant particulars are furnished below:

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Principal amount due to suppliers under MSMED Act, as at the year end	-	-
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 : 34

a) Expenditure in Foreign Currencies

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Travel	18	23
Interest and processing charges for debt instruments	28	3
Membership fees	2	2
Rating fees	73	56
Professional charges	135	50
Others	21	67

b) Remittances in Foreign Currencies

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Purchase of fixed assets	985	1,030

c) There is no dividend paid in foreign currency.

Note : 35 RETIREMENT BENEFIT

A) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions and where there is no legal or constructive obligation to pay further contributions. During the year, the Company recognised ₹ 2,181 lakhs (Previous Year - ₹ 1,827 lakhs) to Provident Fund under Defined Contribution Plan, ₹ 256 lakhs (Previous Year - ₹ 199 lakhs) for Contributions to Superannuation Fund and ₹ 208 lakhs (Previous Year - ₹ 361 lakhs) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

B) Gratuity

The company's defined benefit gratuity plan requires contributions to be made to a separately administered fund. The gratuity plan is funded with Life Insurance Corporation of India (LIC). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans :

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 35 RETIREMENT BENEFIT (Contd.)

Change in Defined Benefit Obligation and Fair value of Plan assets:

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Defined Benefit Obligation at the beginning of the year	**3,063**	**2,511**
Current Service Cost	695	567
Interest Cost	233	173
Re-measurement Losses/(Gains)		
a) Effect of changes in financial assumptions	83	(141)
b) Effect of experience adjustments	525	165
Benefits Paid	(146)	(212)
Transfer in/out	4	-
Defined Benefit Obligation at the end of the year	**4,457**	**3,063**
Change in Fair value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Year	3,398	1,433
Expected Returns on Plan Assets	258	107
Employer's Contribution	37	1,980
Benefits Paid	(146)	(212)
Return on plan assets (excluding interest income)	(70)	90
Transfer in/out	4	-
Fair Value of Plan Assets at the end of the year	**3,481**	**3,398**
Amount Recognised in the Balance Sheet		
Fair Value of Plan Assets as at the End of the Year	3,481	3,398
Defined benefit obligation at the End of the Year	4,456	3,063
Amount Recognised in the Balance Sheet under Other Payables (Note 11 - Other financial assets - March 31, 2018)	**(976)**	**335**
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	695	567
Net interest Expense	233	173
Expected Return on Plan Assets	(258)	(107)
Net Cost recognized in the statement of Profit and Loss	**670**	**633**
Re-measurement Losses/(Gains)		
a) Effect of changes in financial assumptions	83	(141)
b) Effect of experience adjustments	525	165
c) Return on plan assets (excluding interest income)	70	(90)
Net cost recognized in Other Comprehensive Income	**678**	**(66)**
Assumptions		
Discount Rate	7.30% p.a.	7.60% p.a.
Future salary increase	7.50% p.a.	7.50% p.a.
Attrition Rate		
- Senior management	13% p.a.	13% p.a.
- Middle management	13% p.a	13% p.a
- Others	13% p.a	13% p.a
Expected rate of return on Plan Assets	7.50% p.a.	7.50% p.a.
Mortality	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Maturity profile of Defined Benefit Obligations		
Weighted average duration (Based on discounted cash flows)	6 Years	6 Years
Expected Cash flows over the next (valued on undiscounted basis)		
Within the next 12 months (next annual reporting period)	536	378
Between 2 and 5 years	2,234	1,533
Between 5 and 10 years	2,202	1,562
Beyond 10 Years	2,758	2,005
Total Expected Cash flows	**7,730**	**5,478**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 35 RETIREMENT BENEFIT (Contd.)

₹ in lakhs

Particulars	31.03.2019 Increase	31.03.2019 Decrease	31.03.2018 Increase	31.03.2018 Decrease
Sensitivity Analysis:				
Discount Rate (+/- 1%)	4,189	4,754	2,878	3,247
Salary Growth Rate (+/- 1%)	4,725	4,204	3,253	2,872
Attrition Rate (+/- 50% of attrition rates)	4,342	4,574	2,991	3,135
Mortality Rate (+/- 10% of mortality rates)	4,456	4,456	3,063	3,062

Notes:

1. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
2. The Company's best estimate of contribution during the next year is ₹ 1,738 lakhs.
3. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
4. The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).

C) Compensated Absences

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Assumptions		
Discount Rate	7.60% p.a.	7.60% p.a.
Future salary increase	7.50% p.a.	7.50% p.a.
Attrition Rate		
- Senior management	13% p.a.	13% p.a.
- Middle management	13% p.a.	13% p.a.
- Others	13% p.a.	13% p.a.
Mortality	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate

Notes:

1. The company has not funded its Compensated Absences liability and the same continues to remain as unfunded as at 31st March, 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.

Note : 36 SEGMENT INFORMATION

The Company is primarily engaged in the business of financing. All the activities of the company revolve around the main business. Further, the Company does not have any separate geographic segments other than India

During year ending 31st March 2019, For management purposes, the Company has been organised into three operating segments based on products and services, as follows

Vehicle Finance Loans - Loans to customers against purchase of new/used vehicles, tractors, construction equipment and loan to automobile dealers. Home equity - Loans to customer against immovable property Other loans - This includes loans given for acquisition of residential property, loan against shares and other unsecured loans

The Chief Operating Decision Maker (CODM) monitors the operating results of its business units separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements. However, income taxes are managed on a entity as whole basis and are not allocated to operating segments.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 36 SEGMENT INFORMATION (Contd.)

₹ in lakhs

Particulars	Year ended March 31, 2019 Vehicle finance	Home equity	Others	Unallocable	Total
Revenue from Operations					
- Interest Income	5,17,529	1,08,420	22,584	7,993	**6,56,526**
- Net gain on derecognition of financial instruments under amortised cost category	-	8,670	-	-	**8,670**
- Fee Income	16,766	1,711	155	(1)	**18,631**
- Net gain on Fair value change on financial instrument	-	-	-	6,328	**6,328**
- Sale of Services	8,064	238	120	620	**9,042**
Segment revenue from Operations (I)					
- Other income (II)	-	-	-	67	**67**
Total Segment Income - (I) + (II)	**5,42,359**	**119,039**	**22,859**	**15,007**	**6,99,264**
Expenses					
- Finance costs	2,80,263	70,738	12,565	(4,692)	**3,58,874**
- Impairment of Financial Instruments	26,883	(433)	4,670	-	**31,120**
- Employee benefits expense	49,965	5,286	3,614	193	**59,058**
- Depreciation and amortisation expense	4,938	513	97	-	**5,548**
- Other expenses	52,488	5,263	2,281	2,317	**62,349**
Segment Expenses	**4,14,537**	**81,367**	**23,227**	**(2,182)**	**5,16,949**
Segment Profit / (loss) before taxation	**1,27,822**	**37,672**	**(368)**	**17,189**	**1,82,315**
Tax expense					**63,700**
Profit for the year					**1,18,615**

₹ in lakhs

Particulars	Year ended March 31, 2018 Vehicle finance	Home equity	Others	Unallocable	Total
Revenue from Operations					
- Interest Income	3,99,138	1,03,116	16,337	4,990	**5,23,581**
- Fee Income	13,299	1,815	221	34	**15,369**
- Net gain on Fair value change on financial instrument	-	-	-	991	**991**
- Sale of Services	6,536	339	1	1,106	**7,982**
Segment revenue from Operations (I)					
- Other income (II)	-	-	-	43	**43**
Total Segment Income - (I) + (II)	**4,18,973**	**1,05,270**	**16,559**	**7,164**	**5,47,966**
Expenses					
- Finance costs	2,04,538	68,223	8,496	(15,324)	**2,65,933**
- Impairment of Financial Instruments	20,072	7,059	3,692	(453)	**30,370**
- Employee benefits expense	47,028	4,127	2,351	173	**53,679**
- Depreciation and amortisation expense	4,478	416	74	-	**4,968**
- Other expenses	43,263	5,703	2,335	1,578	**52,879**
Segment Expenses	**3,19,379**	**85,528**	**16,949**	**(14,026)**	**4,07,829**
Segment Profit / (loss) before taxation	**99,594**	**19,742**	**(390)**	**21,190**	**1,40,137**
Tax expense					**48,307**
Profit for the year					**91,830**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 36 SEGMENT INFORMATION (Contd.)

₹ in lakhs

Particulars	Vehicle finance	Home equity	Others	Unallocable	Total
As on March 31, 2019					
Segment Assets	40,58,768	9,95,439	2,06,525		**52,60,732**
Unallocable Assets				4,81,898	**4,81,898**
Total Assets					**57,42,630**
Segment Liabilities	36,70,570	9,00,231	1,86,772		**47,57,573**
Unallocable Liabilities				3,67,483	**3,67,483**
Total Liabilities					**51,25,056**
As on March 31, 2018					
Segment Assets	31,44,019	9,42,431	1,38,896		**42,25,346**
Unallocable Assets				1,83,627	**1,83,627**
Total Assets					**44,08,973**
Segment Liabilities	28,35,236	8,49,876	1,25,255		**38,10,367**
Unallocable Liabilities				88,792	**88,792**
Total Liabilities					**38,99,159**
As on April 01, 2017					
Segment Assets	23,63,402	8,62,600	95,436		**33,21,438**
Unallocable Assets				1,82,279	**1,82,279**
Total Assets					**35,03,717**
Segment Liabilities	21,19,163	7,73,457	85,573		**29,78,193**
Unallocable Liabilities				97,049	**97,049**
Total Liabilities					**30,75,242**

In computing the segment information, certain estimates and assumptions have been made by the management, which have been relied upon.

As the asset are allocated to segment based on certain assumptions, hence additions to the Property, plant and equipment have not disclosed separately for each specific segment.

There are no revenue from transactions with a single external customer or counter party which amounted to 10% or more of the Company's total revenue in the Current year and Previous year.

Note : 37 RELATED PARTY DISCLOSURES

List of Related Parties

- **Holding Company :** Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited)
- **Entity having significant influence over holding company:** Ambadi Investments Limited
- **Subsidiaries of Entity having significant influence over holding company:** Parry Enterprises Limited and Parry Agro Limited.
- **Fellow Subsidiaries:** Cholamandalam MS General Insurance Company Limited, Cholamandalam Health Insurance Limited
- **Joint Venture of Holding Company:** Cholamandalam MS Risk Services Limited
- **Subsidiaries:** Cholamandalam Securities Limited, Cholamandalam Home Finance Limited (Formerly known as Cholamandalam Distribution Services Limited), White Data Systems India Private Limited (upto September 2018)
- **Associate :** White Data Systems India Private Limited (Effective October 2018)
- **Key Managerial Personnel:**
  - a) Mr. S. Vellayan, Managing Director (upto August 19, 2017)
  - b) Mr. N. Srinivasan, Executive Vice Chairman and Managing Director (from August 19, 2017 upto August 18, 2018) ;
  - c) Mr. Arun Alagappan, Executive Director (From August 19, 2017)
  - d) Mr. D. Arulselvan, Chief Financial Officer
  - e) Ms. P. Sujatha, Company Secretary

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 37 RELATED PARTY DISCLOSURES (Contd.)

- **Non-Executive Directors**
  1. Mr. M.B.N. Rao (upto July 26, 2018)
  2. Mr. V. Srinivasa Rangan
  3. Ms. Bharati Rao
  4. Mr. Ashok Kumar Barat
  5. Mr. Nalin Mansukhlal Shah (Upto July 27, 2017)
  6. Mr. M.M. Murugappan (Upto October 31, 2017 for FY 17-18, From May 31, 2018 for FY 18-19)
  7. Mr. N. Ramesh Rajan (From October 30, 2018)
  8. Mr. Rohan Verma (From March 25, 2019))

Note:

Related party relationships are as identified by the Management and relied upon by the Auditors

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Note : 37 a) TRANSACTIONS DURING THE YEAR		
Dividend Payments (Equity Shares)		
a) Cholamandalam Financial Holdings Limited	4,709	4,695
b) Ambadi Investments Limited	456	469
c) Parry Enterprises Limited	0	0
Amount received towards reimbursement of expenses		
a) Cholamandalam Financial Holdings Limited	73	38
b) Cholamandalam Securities Limited	75	53
c) Cholamandalam Home Finance Limited	3,556	35
d) Cholamandalam MS General Insurance Company Limited	28	6,602
e) White Data Systems India Private Limited	16	1
f) Cholamandalam MS Risk Services Limited	0	1
Expenses - Reimbursed		
a) Cholamandalam Securities Limited	9	8
b) Cholamandalam MS General Insurance Company Limited	124	97
Services Received		
a) Cholamandalam Securities Limited	6	-
b) White Data Systems India Private Limited	33	51
c) Ambadi Investments Limited	0	-
d) Parry Enterprises Limited	748	2,738
e) Parry Agro Limited	2	-
Expense recovered - Rent		
a) Cholamandalam Securities Limited	60	47
b) Cholamandalam Home Finance Limited	-	12
c) Cholamandalam MS General Insurance Company Limited	56	51
d) Parry Enterprises Limited	1	-
Rental Expense		
a) Cholamandalam Home Finance Limited	8	-
Loans given		
a) Cholamandalam Securities Limited	15,300	15,550
b) White Data Systems India Private Limited	900	3,106

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 37 RELATED PARTY DISCLOSURES (Contd.)

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Loans recovered		
a) Cholamandalam Securities Limited	14,150	16,550
b) White Data Systems India Private Limited	572	2,461
Interest Income		
a) Cholamandalam Securities Limited	47	23
b) White Data Systems India Private Limited	18	92
Loans availed		
a) Cholamandalam Home Finance Limited	41,550	4,350
Loans repaid		
a) Cholamandalam Home Finance Limited	41,550	8,200
Interest Expense		
a) Cholamandalam Home Finance Limited	186	283
b) Cholamandalam MS General Insurance Company Limited	1,991	1,036
Commission and Sitting fees to non-executive Directors	68	48

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 37 b) BALANCES OUTSTANDING AT THE YEAR END			
Rental Deposit Receivable / (Payable)			
a) Cholamandalam Financial Holdings Limited	-	-	(1)
b) Cholamandalam MS General Insurance Company Limited	(21)	(21)	(21)
Loans - Receivable			
a) Cholamandalam Securities Limited	1,150	-	1,000
b) White Data Systems India Private Limited	340	933	275
Debt Securities - Payable			
a) Cholamandalam MS General Insurance Company Limited	(22,249)	(23,341)	-
Borrowings other than Debt Securities - Payable			
a) Cholamandalam Home Finance Limited	-	-	(3,850)
Other Receivable / (Payable)			
a) Cholamandalam Financial Holdings Limited	-	-	3
b) Cholamandalam Securities Limited	1	(1)	1
c) Cholamandalam Home Finance Limited	282	-	0
d) Cholamandalam MS General Insurance Company Limited	43	1,855	1,188
e) White Data Systems India Private Limited	-	11	(1)
f) Parry Enterprises Limited	-	1	-
g) Parry Agro Limited	-	1	0

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 37 RELATED PARTY DISCLOSURES (Contd.)

₹ in lakhs

Nature of Transaction	Year ended 31.03.2019	Year ended 31.03.2018
Note : 37 c) KEY MANAGERIAL PERSONNEL		
Short- term employee benefits	799	885
Post-employment pension (defined Contribution)	81	49
Dividend Payments	16	16
Share based payments	56	88

Disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. Disclosures relating Loans and Advances /Investments

₹ in lakhs

Sl No.	Loans and Advances in the nature of Loans	Maximum Amount Outstanding during year March 2019	Maximum Amount Outstanding during year March 2018
(A)	To Subsidiaries		
	- Cholamandalam Securities Limited	2,600	
	- Cholamandalam Home Finance Limited	-	
(B)	To Associates		
	- White Data Systems India Private Limited	919	1,484

II. Cholamandalam Financial Holdings Limited (CFHL), promoter-group company holds 46% of equity shares of the company. Disclosure relating to transactions with CFHL is given above.

Note : 38 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contested Claims not provided for:

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Income tax and Interest on Tax issues where the company has gone on appeal	17,316	15,577	30,850
Decided in the Company's favour by Appellate Authorities and for which the Department is on further appeal with respect to Income Tax	21,292	38	38
Sales Tax issues pending before Appellate Authorities in respect of which the company is on appeal.	5,081	4,992	2,843
Service Tax issues pending before Appellate Authorities in respect of which the company is on appeal.	19,978	13,702	13,693
Disputed claims against the company lodged by various parties under litigation (to the extent quantifiable)	6,741	8,042	6,274

i) The company 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 Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.

iii) The company does not expect any reimbursement in respect of the above contingent liabilities.

iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 38 CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)

(b) Commitments

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2019	As at 01.04.2017
Capital commitments	1,619	402	964
Disbursements – Undrawn lines	73,345	56,632	38,670

(c) The Supreme Court had passed judgement on 28th February 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 company has complied the same on prospective basis from the date of the SC order.

Note : 39 CHANGES IN PROVISIONS

₹ in lakhs

Particulars	As at 31.03.2018	Additional Provision	Utilisation/ Reversal	As at 31.03.2019
Provision for Contingencies and Service Tax claims	3,813	24	-	3,837
Provision for Undrawn commitments	12	39	-	51

Particulars	As at 01.04.2017	Additional Provision	Utilisation/ Reversal	As at 31.03.2018
Provision for Contingencies and Service Tax claims	3,740	73	-	3,813
Provision for Undrawn commitments	10	2	-	12

Undrawn loan commitments are commitments under which the Company is required to provide a loan under pre-sanctioned terms to the customer.

The undrawn commitments provided by the Company are predominantly in the nature of limits provided for Automobile dealers based on the monthly loan conversions and partly disbursed loans for immovable properties. These undrawn limits are converted within a short period of time and do not generally remain undisbursed / undrawn beyond one year from the reporting date. The undrawn commitments amount outstanding as at 31st March, 2019 is ₹ 73,345 lakhs (₹ 56,632 lakhs as at 31st March, 2018 and ₹ 38,670 lakhs as at 1st April, 2017).

The Company creates expected credit loss provision on the undrawn commitments outstanding as at the end of the reporting period and the related expected credit loss on these commitments as at 31st March, 2019 is ₹ 51 lakhs (₹ 12 lakhs as at 31st March, 2018 and ₹ 10 lakhs as at 1st April, 2017).

Note : 40 ESOP DISCLOSURE

ESOP 2007

The Board at its meeting held on 22nd June, 2007, approved an issue of Stock Options up to a maximum of 5% of the issued Equity Capital of the Company (before Rights Issue) aggregating to 1,904,162 Equity Shares in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines.

ESOP 2016

The Board at its meeting held on 27th October, 2016, approved to create, and grant from time to time, in one or more tranches, not exceeding 31,25,102 Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the company including some of subsidiaries managing director and whole time director, (other than promoter/promoter group of the company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company), as may be decided by the board, exercisable into not more than 31,25,102 equity shares of face value of ₹ 10/- each fully paid-up, on such terms and in such manner as the board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2016.

In this regard, the Company has recognised expense amounting to ₹ 798 lakhs for employees services received during the year, shown under Employee Benefit Expenses (Refer Note 28).

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 40 ESOP Disclosure (Contd.)

The movement in Stock Options during the current year are given below:

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options outstanding As at 31.03.2018	During the Year 2018-19 Option Granted	Options Forfeited / Expired	Options Exercised and allotted	Options outstanding As at 31.03.2019	Options vested but not exercised As at 31.03.2019	Options unvested As at 31.03.2019	Exercise Price	Weighted Average Remaining Contractual Life
Gt 25 Apr 2008	25-Apr-08	300	-	-	300	-	-	-	192	-
GT 27 JAN 2011A	27-Jan-11	15,625	-	-	6,462	9,163	9,163	-	188	-
GT 27 JAN 2011B	27-Jan-11	5,976	-	-	-	5,976	5,976	-	188	-
GT 30 APR 2011	30-Apr-11	14,357	-	400	6,009	7,948	7,948	-	163	-
GT 27 OCT 2011	27-Oct-11	8,036	-	-	100	7,936	7,936	-	155	-
Total		**44,294**	**-**	**400**	**12,871**	**31,023**	**31,023**	**-**		

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding As at 31.03.2018	During the Year 2018-19 Option Granted	Options Forfeited / Expired	Options Exercised and allotted	Options outstanding As at 31.03.2019	Options vested but not exercised As at 31.03.2019	Options unvested As at 31.03.2019	Exercise Price	Weighted Average Remaining Contractual Life
GT25 JAN2017	25-Jan-17	5,22,653	-	34,940	14,871	4,72,842	1,70,418	3,02,424	1,010	1.32 years
GT30 JAN2018	30-Jan-18	55,920	-	6,880	-	49,040	12,260	36,780	1,310	1.34 years
GT30 JAN2018A	30-Jan-18	26,940	-	8,980	-	17,960	3,592	14,368	1,310	1.96 years
GT23 APR2018	23-Apr-18	-	8,980	-	-	8,980	-	8,980	1,562	1.77 years
GT26 JUL2018	26-Jul-18	-	54,972	-	-	54,972	-	54,972	1,497	1.45 years
GT30 OCT2018	30-Oct-18	-	73,460	-	-	73,460	-	73,460	1,269	2.29 years
GT19 MAR2019	19-Mar-19	-	1,17,692	-	-	1,17,692	-	1,17,692	1,390	2.67 years
Total		**6,05,513**	**2,55,104**	**50,800**	**14,871**	**7,94,946**	**1,86,270**	**6,08,676**		

Note: Includes options (vested and unvested) issued to employees of subsidiary as at 31st March 2019 - 11,276 options (31st March 2018 - 11, 276 options)

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 40 ESOP DISCLOSURE (Contd.)

The movement in Stock Options during the previous year are given below:

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options outstanding As at 31.03.2017	During the Year 2017-18 Option Granted	Options Cancelled / lapsed	Options Exercised and allotted	Options outstanding As at 31.03.2018	Options vested but not exercised As at 31.03.2018	Options unvested As at 31.03.2018	Exercise Price	Weighted Average Remaining Contractual Life
Gt 30 Jul 2007	30-Jul-07	4,224	-	-	4,224	-	-	-	193	-
Gt 25 Jan 2008	25-Jan-08	328	-	-	328	-	-	-	262	-
Gt 25 Apr 2008	25-Apr-08	6,069	-	-	5,769	300	300	-	192	-
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	-
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**	**-**		

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding As at 31.03.2017	During the Year 2017-18 Option Granted	Options Cancelled / lapsed	Options Exercised and allotted	Options outstanding As at 31.03.2018	Options vested but not exercised As at 31.03.2018	Options unvested As at 31.03.2018	Exercise Price	Weighted Average Remaining Contractual Life
GT25 JAN2017	25-Jan-17	5,71,000	-	28,180	20,167	5,22,653	88,397	4,34,256	1,010	1.95
GT30 JAN2018	30-Jan-18	-	55,920	-	-	55,920	-	55,920	1,310	1.96
GT30 JAN2018A	30-Jan-18	-	26,940	-	-	26,940	-	26,940	1,310	2.54
Total		**5,71,000**	**82,860**	**28,180**	**20,167**	**6,05,513**	**88,397**	**5,17,116**		

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 40 ESOP DISCLOSURE (Contd.)

The following tables list the inputs to the Black Scholes model used for the plans for the year ended 31st March 2019:

ESOP 2007

Variables						
Date of Grant	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying Share in the Market at the time of the Option Grant (₹)	Fair Value of the Option (₹)
30-Jul-07	7.10% - 7.56%	3-6 years	40.64% -43.16%	5.65%	193.40	61.42
24-Oct-07	7.87% -7.98%	3-6 years	41.24% -43.84%	5.65%	149.90	44.25
25-Jan-08	6.14% -7.10%	3-6 years	44.58% -47.63%	5.65%	262.20	78.15
25-Apr-08	7.79% - 8.00%	2.5-5.5 years	45.78% - 53.39%	3.97%	191.80	76.74
30-Jul-08	9.14% - 9.27%	2.5-5.5 years	46.52% - 53.14%	3.97%	105.00	39.22
24-Oct-08	7.54% - 7.68%	2.5-5.5 years	48.2% - 55.48%	3.97%	37.70	14.01
27-Jan-11						
- Tranche I	8%	4 years	59.50%	10%	187.60	94.82
- Tranche II	8%	3.4 years	61.63%	10%	187.60	90.62
30-Apr-11	8%	4 years	59.40%	25%	162.55	73.07
28-Jul-11	8%	4 years	58.64%	25%	175.35	79.17
27-Oct-11	8%	4 years	57.52%	25%	154.55	67.26

The shareholders of the company, at the 34th Annual General Meeting held on July 30, 2012, authorised extension of exercise period from 3 years from the date of vesting to 6 years from the date of vesting. Accordingly, the Company has measured the fair value of the options using the Black Scholes model immediately before and after the date of modification to arrive at the incremental fair value arising due to the extension of the exercise period. The incremental fair value so calculated is recognised from the modification date over the vesting period in addition to the amount based on the grant date fair value of the stock options.

The incremental (benefit)/cost due to modification of the exercise period from 3 years to 6 years from the date of vesting for the year ended 31st March, 2019 is ₹ Nil (31st March, 2018 - ₹ Nil)

The fair value of the options has been calculated using the Black Scholes model on the date of modification.

The assumptions considered for the calculation of the fair value (on the date of modification) are as follows:

Variables	Post Modification
Risk Free Interest Rate	7.92% - 8.12%
Expected Life	0.12 years - 6.25 years
Expected Volatility	28.28% - 63.00%
Dividend Yield	1.18%
Price of the underlying share in market at the time of the option grant.(₹)	₹ 212.05

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 40 ESOP DISCLOSURE (Contd.)

ESOP 2016

Variables						
Date of Grant	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying Share in the Market at the time of the Option Grant (₹)	Fair Value of the Option (₹)
25-01-2017	6.36% - 6.67%	3.5 - 6.51 years	33.39% - 34.47%	0.54%	1,010.00	401.29
30-01-2018	7.11% - 7.45%	3.5 - 5.50 years	30.16% - 31.46%	0.42%	1,309.70	496.82
30-01-2018	7.11% - 7.45%	3.5 - 5.50 years	30.16% - 31.46%	0.42%	1,309.70	531.84
23-04-2018	7.45% - 7.81%	3.51 - 6.51 years	30.33% - 32.38%	0.42%	1,562.35	646.08
26-07-2018	7.71% - 7.92%	3.51 - 5.51 years	30.56% - 31.83%	0.43%	1,497.30	586.32
30-10-2018	7.61% - 7.85%	3.51 - 6.51 years	32.34% - 32.70%	0.51%	1,268.50	531.36
19-03-2019	6.91% - 7.25%	3.51 - 6.51 years	32.19% - 32.59%	0.47%	1,390.05	564.13

Note : 41 SHARING OF COSTS

The company shares certain costs / service charges with other companies in the Group. These costs have been allocated between the Companies on a basis mutually agreed between them, which has been relied upon by the Auditors.

Note : 42 CAPITAL MANAGEMENT

The company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Company's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

The company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

The company has complied in full with the capital requirements prescribed by RBI over the reported period. Refer Note 52A(i) for disclosure of capital adequacy as per applicable RBI regulations.

42.1 Risk Management

The company 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 company 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 company's effective management practice.

Risk Management Framework: The company's risk management framework is based on (a) clear understanding and identification of various risks (b) disciplined risk assessment by evaluating the probability and impact of each risk (c) Measurement and monitoring of risks by establishing Key Risk Indicators with thresholds for all critical risks and (d) adequate review mechanism to monitor and control risks.

The company has a well-established risk reporting and monitoring framework. The in-house developed risk monitoring tool, Chola Composite Risk Index, 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 company's risk appetite framework approved by the board. The company also developed such risk reporting and monitoring mechanism for the risks at business / vertical level. The company identifies and monitors risks periodically. This process enables the company to reassess the top critical risks in a changing environment that need to be focused on.

Risk Governance structure: The Company's risk governance structure operates with a robust board and risk management committee with a clearly laid down charter and senior management direction and oversight. The board oversees the risk management process and

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 42 CAPITAL MANAGEMENT (Contd.)

monitors the risk profile of the company directly as well as through a board constituted risk management committee. The committee, which meets a minimum of four times a year, 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 risk management division has established a comprehensive risk management framework across the business and provides appropriate reports on risk exposures and analysis in its pursuit of creating awareness across the company about risk management. The company's risk management initiatives and risk MIS are reviewed monthly by the managing director and business heads. The key risks faced by the company are credit risk, liquidity risk, interest rate risk, operational risk, foreign currency risk, reputational and regulatory risk, which are broadly classified as credit risk, market risk, operational risk, liquidity and foreign currency risk.

42.2 Credit Risk

Credit risk 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 company has comprehensive and well-defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes detailed risk assessment of the borrowers, physical verifications and field visits. The company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals. This enables it to implement necessary changes to the credit policy, whenever the need arises. Also, being in asset financing business, most of the company's lending is covered by adequate collaterals from the borrowers. The company 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 company 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.

42.3 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. The company's exposure to market risk is a function of asset liability management activities. The company is exposed to interest rate risk and liquidity risk.

The Company continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee (ALCO) reviews market-related trends and risks and adopts various strategies related to assets and liabilities, in line with the company's risk management framework. ALCO activities are in turn monitored and reviewed by a board sub-committee.

42.4 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 is uniformly affected by changes in economic, political or other conditions. The Company is in retail lending business on pan India basis targeting primarily customers who either do not get credit or sufficient credit from the traditional banking sector. Vehicle Finance (consisting of new and used Commercial Vehicles, Passenger Vehicles, Tractors, Construction Equipment and Trade advance to Automobile dealers) is lending against security (other than for trade advance) of Vehicle/ Tractor / Equipment and contributes to 74% of the loan book of the Company as of 31st March, 2019 (73% as of 31st March, 2018). Hypothecation endorsement is made in favour of the Company in the Registration Certificate in respect of all registerable collateral. Portfolio is reasonably well diversified across South, North, East and Western parts of the country. Similarly, sub segments within Vehicle Finance like Heavy Commercial Vehicles, Light Commercial Vehicles, Car and Multi Utility Vehicles, three wheeler and Small Commercial Vehicles, Refinance against existing vehicles, older vehicles (first time buyers), Tractors and Construction Equipment have portfolio share between 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 company as of 31st March, 2019 (24% as of 31st March, 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 forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 42 CAPITAL MANAGEMENT (Contd.)

The Concentration of risk is managed by company for each product by its region and its subsegments. Company did not overly depend on few regions or sub-segments as of March 31, 2019.

42.5 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.

The operational risks of the company are managed through comprehensive internal control systems and procedures and key back up processes. In order to further strengthen the control framework and effectiveness, the company has established risk control self-assessment at branches to identify process lapses by way of exception reporting. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis. The company also undertakes Risk based audits on a regular basis across all business units / functions. While examining the effectiveness of control framework through self-assessment, the risk-based audit would assure effective implementation of self-certification and internal financial controls adherence, thereby, reducing enterprise exposure.

The company has put in place a robust Disaster Recovery (DR) plan, which is periodically tested. Business Continuity Plan (BCP) is 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 company's readiness.

42.6 Liquidity Risk

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis. The company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required. The company also has lines of credit that it can access to meet liquidity needs.

Refer Note No 47 for the summary of maturity profile of undiscounted cashflows of the company's financial assets and financial liabilities as at reporting period.

42.7 Foreign Currency Risk

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 company arise majorly on account of foreign currency borrowings. The company manages this foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge, the company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment.

The company holds derivative financial instruments such as Cross currency interest rate swap to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The Counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 42 CAPITAL MANAGEMENT (Contd.)

42.8 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 Lakhs)**		**Maturity Date**	**Changes in Fair value of Hedging Instrument (₹ in Lakhs)**	**Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness (₹ in Lakhs)**	**Line item in Balance sheet**
	Asset	Liability	Asset	Liability				
Cross Currency Interest rate swap	5	1	1,82,631	35,491	November 07, 2019 to March 18, 2022	(8,028)	8,415	Borrowings and Finance cost

Cash flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income (₹ in Lakhs)	Hedge Effectiveness recognised in profit and loss (₹ in Lakhs)	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss (₹ in Lakhs)	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign exchange risk and Interest rate risk	1,306	-	-	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 Lakhs)**		**Maturity Date**	**Changes in Fair value of Hedging Instrument (₹ in Lakhs)**	**Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness (₹ in Lakhs)**	**Line item in Balance sheet**
	Asset	Liability	Asset	Liability				
Cross Currency Interest rate swap	4	4	76,901	2,31,655	June 30, 2018 to September 25, 2020	(7,056)	5,363	Borrowings and Finance cost

Cash flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income (₹ in Lakhs)	Hedge Effectiveness recognised in profit and loss (₹ in Lakhs)	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss (₹ in Lakhs)	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign exchange risk and Interest rate risk	1,100	-	-	NA

As at March 31, 2017								
Foreign Exchange Risk on Cash Flow Hedge	**Nominal Value of Hedging Instruments (No. of Contracts)**		**Carrying Value of Hedging Instruments (₹ in Lakhs)**		**Maturity Date**	**Changes in Fair value of Hedging Instrument (₹ in Lakhs)**	**Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness (₹ in Lakhs)**	**Line item in Balance sheet**
	Asset	Liability	Asset	Liability				
Cross Currency Interest rate swap	-	5	-	2,47,503	October 27, 2017 to November 08, 2019	(10,103)	7,310	Borrowings and Finance cost

Cash flow Hedge	Change in the value of Hedging Instrument recognised in Other Comprehensive Income (₹ in Lakhs)	Hedge Effectiveness recognised in profit and loss (₹ in Lakhs)	Amount reclassified from Cash Flow Hedge Reserve to Profit or Loss (₹ in Lakhs)	Line item affected in Statement of Profit and Loss because of the Reclassification
Foreign exchange risk and Interest rate risk	2,793	-	-	NA

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 42 CAPITAL MANAGEMENT (Contd.)

42.9 Collateral and other Credit Enhancements

Although collateral can be an important mitigation of credit risk, it is the Company's practice to lend on the basis of the customer's ability to meet the obligations out of cash flow resources other than placing primary reliance on collateral and other credit risk enhancements.

The company obtains first and exclusive charge on all collateral that it obtains for the loans given. Vehicle Finance and Home Equity loans are secured by collateral at the time of origination. In case of Vehicle loans, Company values the vehicle either through proforma invoice (for new vehicles) or using registered valuer for used vehicles. In case of Home equity loans, the value of the property at the time of origination will be arrived by obtaining two valuation reports from Company's empanelled valuers.

Hypothecation endorsement is obtained in favour of the Company in the Registration Certificate of the Vehicle/ Tractor / Equipment funded under the vehicle finance category.

Immovable Property is the collateral for Home Equity loans. Security Interest in favour of the Company is created by Mortgage through deposit of title deed which is registered wherever required by law.

In respect of Other loans, Home loans follow the same process as Home Equity and pledge is created in favour for the Company for loan against securities.

The company does not obtain any other form of credit enhancement other than the above. 99% of the Company'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 : 43 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in the financial statements.

Note : 44

44.1 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the company 's financial instruments that are not carried at fair value in the balance sheet. This table does not include the fair values of non-financial assets and non-financial liabilities.

₹ in lakhs

	31.03.2019		31.03.2018		01.04.2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets						
Cash and Cash Equivalents	313,893	313,893	25,379	25,379	27,404	27,404
Bank balances Other than Cash and Cash Equivalents	53,592	53,592	63,416	63,416	69,645	69,645
Receivables						
i) Trade Receivables	441	441	3,823	3,823	1,965	1,965
ii) Other Receivables	3,908	3,908	5,577	5,577	4,492	4,492
Loans	5,262,227	5,244,731	4,225,323	4,313,801	3,322,439	3,376,236
Investments	7,292	7,292	7,292	7,292	6,968	6,968
Other Financial Assets	12,432	12,432	7,730	7,730	13,561	13,561
Total Financial Assets	**5,653,785**	**5,636,289**	**4,338,540**	**4,427,018**	**3,446,474**	**3,500,271**
Financial Liabilities						
Payables						
i) Trade Payables	20,742	20,742	17,063	17,063	11,017	11,017
ii) Other Payables	12,894	12,894	10,047	10,047	8,143	8,143
Debt Securities	1,418,431	1,413,496	1,437,395	1,446,861	1,347,094	1,355,132
Borrowings (Other than Debt Securities)	3,212,375	3,210,512	2,016,635	2,027,639	1,378,288	1,374,011
Subordinated Liabilities	425,868	428,174	379,003	369,939	294,631	300,287
Other Financial Liabilities	21,207	21,207	19,967	19,967	20,093	20,093
Total Financial Liabilities	**5,111,517**	**5,107,025**	**3,880,110**	**3,891,516**	**3,059,266**	**3,068,683**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note: 44.1 Fair value of financial instruments not measured at fair value (Contd.)

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.

i) The fair value of loans have estimated by discounting expected future cash flows using discount rate equal to the rate near to the reporting date of the comparable product.

ii) The fair value of debt securities, borrowings other than debt securities and subordinated liabilities have estimated by discounting expected future cash flows discounting rate near to report date based on comparable rate / market observable data.

Note : 44.2 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosure fair value measurement hierarchy of assets as at March 31, 2019

₹ in lakhs

	Carrying Value	Fair value measurement using		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVOCI Equity Instruments	-	-	-	-
Derivative financial instruments	8,869	-	8,869	-
Assets for which fair values are disclosed				
Investment Properties *	47	-	-	287

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

₹ in lakhs

	Carrying Value	Fair value measurement using		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair value				
Derivative financial instruments	841	-	841	-

There have been no transfers between the level 1 and level 2 during the period.

Quantitative disclosure fair value measurement hierarchy of assets as at March 31, 2018

₹ in lakhs

	Carrying Value	Fair value measurement using		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVOCI Equity Instruments	-	-	-	-
Derivative financial instruments	599	-	599	-
Assets for which fair values are disclosed				
Investment Properties *	5	-	-	279

There have been no transfers between different levels during the period.

* Fair value of investment property is calculated based on valuation given by external independent valuer.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 44.2 Fair value hierarchy (Contd.)

Quantitative disclosure fair value measurement hierarchy of liabilities as at March 31, 2018

₹ in lakhs

	Carrying Value	Fair value measurement using		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair value				
Derivative financial instruments	7,655		7,655	

There have been no transfers between different levels during the period.

Quantitative disclosure fair value measurement hierarchy of assets as at April 1, 2017

₹ in lakhs

	Carrying Value	Fair value measurement using		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVOCI Equity Instruments	129			129
Assets for which fair values are disclosed				
Investment Properties *	5			271

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 April 1, 2017

₹ in lakhs

	Carrying Value	Fair value measurement using		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair value				
Derivative financial instruments	10,103		10,103	

There have been no transfers between different levels during the period.

Note : 44.3 Summary of Financial assets and liabilities which are recognised at amortised cost

₹ in lakhs

Particulars	As at		
	31.03.2019	31.03.2018	01.04.2017
Financial Assets			
Cash and Cash Equivalents	313,893	25,379	27,404
Bank balances other than Cash and Cash Equivalents	53,592	63,416	69,645
Loans	5,262,227	4,225,323	3,322,439
Other Financial Assets	12,432	7,730	13,561
Financial Liabilities			
Debt Securities	1,418,431	1,437,395	1,347,094
Borrowings (Other than Debt Securities)	3,212,375	2,016,635	1,378,288
Subordinated Liabilities	425,868	379,003	294,631
Other Financial liabilities	21,207	19,967	20,093

Note : 44.4 Refer Note 13 for sensitivity analysis for investment property, whose fair value is disclosed under the level 3 category.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 45 MATURITY ANALYSIS

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

₹ in lakhs

	Amount	Maturity	
		Within 12 months	After 12 months
As on March 31, 2019			
Financial Assets			
Cash and Cash Equivalents	3,13,893	3,13,893	-
Bank balances Other than Cash and Cash Equivalents	53,592	19,682	33,910
Derivative financial instruments	8,869	7,229	1,640
Receivables			-
i) Trade Receivables	441	441	
ii)Other Receivables	3,908	3,908	
Loans	52,62,227	16,41,911	36,20,316
Investments	7,292	-	7,292
Other Financial Assets	12,432	4,205	8,227
Total Financial Assets	**56,62,654**	**19,91,269**	**36,71,385**
Non-Financial Assets			
Current tax assets (Net)	15,719	-	15,719
Deferred tax assets (Net)	45,300	-	45,300
Investment Property	47	-	47
Property, Plant and Equipment	14,253	-	14,253
Intangible assets under development	1,310	-	1,310
Other Intangible assets	1,976	-	1,976
Other Non-Financial Assets	1,371	1,073	298
Total Non-Financial Assets	**79,976**	**1,073**	**78,903**
Financial Liabilities			
Derivative financial instruments	841	-	841
Payables			
i) Trade Payables	20,742	20,742	-
ii)Other Payables	12,894	12,894	-
Debt Securities	14,18,431	9,59,024	4,59,407
Borrowings (Other than Debt Securities)	32,12,375	8,65,072	23,47,303
Subordinated Liabilities	4,25,868	47,164	3,78,704
Other Financial Liabilities	21,207	21,128	79
Total Financial Liabilities	**51,12,358**	**19,26,024**	**31,86,334**
Non-Financial Liabilities			
Provisions	7,402	7,402	-
Other Non-Financial Liabilities	5,296	3,211	2,085
Total Non-Financial Liabilities	**12,698**	**10,613**	**2,085**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 45 MATURITY ANALYSIS (Contd.) ₹ in lakhs

	Amount	Maturity	
		Within 12 months	After 12 months
As on March 31, 2018			
Financial Assets			
Cash and Cash Equivalents	25,379	25,379	-
Bank balances Other than Cash and Cash Equivalents	63,416	11,250	52,166
Derivative financial instruments	599	28	571
Receivables			
i) Trade Receivables	3,823	3,823	-
ii) Other Receivables	5,577	5,577	-
Loans	4,225,323	1,343,391	2,881,932
Investments	7,292	-	7,292
Other Financial Assets	7,730	2,145	5,585
Total Financial Assets	**4,339,139**	**1,391,593**	**2,947,546**
Non- Financial Assets			
Current tax assets (Net)	15,961	-	15,961
Deferred tax assets (Net)	36,171	-	36,171
Investment Property	5	-	5
Property, Plant and Equipment	14,005	-	14,005
Intangible assets under development	380	-	380
Other Intangible assets	2,070	-	2,070
Other Non-Financial Assets	1,242	1,115	127
Total Non- Financial Assets	**69,834**	**1,115**	**68,719**
Financial Liabilities			
Derivative financial instruments	7,655	2,795	4,860
Payables			
i) Trade Payables	17,063	17,063	-
ii) Other Payables	10,047	10,047	-
Debt Securities	1,437,395	711,103	726,292
Borrowings (Other than Debt Securities)	2,016,635	639,138	1,377,497
Subordinated Liabilities	379,003	53,484	325,519
Other Financial Liabilities	19,967	19,888	79
Total Financial Liabilities	**3,887,765**	**1,453,518**	**2,434,247**
Non-Financial Liabilities			
Provisions	6,343	6,343	-
Other Non-Financial Liabilities	5,051	2,409	2,642
Total Non-Financial Liabilities	**11,394**	**8,752**	**2,642**
As on April 01 , 2017			
Financial Assets			
Cash and Cash Equivalents	27,404	27,404	-
Bank balances Other than Cash and Cash Equivalents	69,645	19,707	49,938
Derivative financial instruments	-	-	-

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 45 MATURITY ANALYSIS (Contd.)

₹ in lakhs

	Amount	Maturity Within 12 months	Maturity After 12 months
Receivables			
i) Trade Receivables	1,965	1,965	-
ii) Other Receivables	4,492	4,492	-
Loans	3,322,439	1,067,549	2,254,890
Investments	6,968	-	6,968
Other Financial Assets	13,561	4,666	8,895
Total Financial Assets	**3,446,474**	**1,125,783**	**2,320,691**
Non- Financial Assets			
Current tax assets (Net)	10,387	-	10,387
Deferred tax assets (Net)	31,527	-	31,527
Investment Property	5	-	5
Property, Plant and Equipment	11,809	-	11,809
Intangible assets under development	162	-	162
Other Intangible assets	2,195	-	2,195
Other Non-Financial Assets	1,158	741	417
Total Non- Financial Assets	**57,243**	**741**	**56,502**
Financial Liabilities			
Derivative financial instruments	10,103	590	9,513
Payables			
i) Trade Payables	11,017	11,017	-
ii) Other Payables	8,143	8,143	-
Debt Securities	1,347,094	629,613	717,481
Borrowings (Other than Debt Securities)	1,378,288	484,343	893,945
Subordinated Liabilities	294,631	22,224	272,407
Other Financial Liabilities	20,093	19,956	137
Total Financial Liabilities	**3,069,369**	**1,175,886**	**1,893,483**
Non-Financial Liabilities			
Provisions	5,231	5,231	-
Other Non-Financial Liabilities	642	352	290
Total Non-Financial Liabilities	**5,873**	**5,583**	**290**

Note : 46 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

₹ in lakhs

Particulars	01.04.2018	Cash flows	Exchange Difference	Other	31.03.2019
Debt Securities Borrowings other than debt securities and Subordinated liabilities.	**38,33,033**	**12,19,933**	**13,779**	**10,071**	**50,56,674**

₹ in lakhs

Particulars	01.04.2017	Cash flows	Exchange Difference	Other	31.03.2018
Debt Securities Borrowings other than debt securities and Subordinated liabilities.	**30,20,013**	**8,02,250**	**(1,946)**	**12,716**	**38,33,033**

(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

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 47 ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY REMAINING CONTRACTUAL MATURITIES

As at March 31, 2019 **₹ in lakhs**

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial Assets								
Cash and Cash Equivalents	87,458	2,29,834	-	-	-	-	-	**3,17,292**
Bank balances other than Cash and Cash Equivalents	370	6,810	3,997	11,702	22,226	2,172	19,394	**66,671**
Derivative financial instruments	-	-	-	7,229	1,640	-	-	**8,869**
Receivables								
i) Trade Receivables	441	-	-	-	-	-	-	**441**
ii) Other Receivables	3,908	-	-	-	-	-	-	**3,908**
Loans	3,48,886	4,01,295	5,55,041	10,37,025	28,11,745	8,93,363	12,75,688	**73,23,043**
Investments	-	-	-	-	-	-	7,292	**7,292**
Other Financial Assets	-	1,423	1,006	1,775	5,452	1,051	1,723	**12,430**
Total Undiscounted financial assets	**4,41,063**	**6,39,362**	**5,60,044**	**10,57,731**	**28,41,063**	**8,96,586**	**13,04,097**	**77,39,946**
Financial Liabilities								
Derivative financial instruments	-	-	-	-	841	-	-	**841**
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	20,742	-	-	-	-	-	-	**20,742**
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	
ii) Total outstanding dues of creditors other than micro and small enterprises	12,894	-	-	-	-	-	-	**12,894**
Debt Securities	1,35,795	1,85,058	3,04,085	3,85,148	4,18,809	95,999	19,429	**15,44,323**
Borrowings (Other than Debt Securities)	1,75,149	1,04,374	2,30,379	5,70,299	20,56,987	3,77,195	1,32,833	**36,47,216**
Subordinated Liabilities	1,366	31,953	8,427	31,516	1,98,024	1,42,836	2,31,807	**6,45,929**
Other Financial Liabilities	21,128	-	-	-	58	21	-	**21,207**
Total Undiscounted financial liabilities	**3,67,074**	**3,21,385**	**5,42,891**	**9,86,963**	**26,74,719**	**6,16,051**	**3,84,069**	**58,93,152**
Total net Undiscounted financial assets/(liabilities)	**73,989**	**3,17,977**	**17,153**	**70,768**	**1,66,344**	**2,80,535**	**9,20,028**	**18,46,794**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 47 ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY REMAINING CONTRACTUAL MATURITIES (Contd.)

As at March 31, 2018 ₹ in lakhs

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial Assets								
Cash and Cash Equivalents	25,379	-	-	-	-	-	-	**25,379**
Bank balances other than Cash and Cash Equivalents	765	4,796	1,418	10,017	38,797	2,869	20,468	**79,130**
Derivative financial instruments	599	-	-	-	-	-	-	**599**
Receivables								
i) Trade Receivables	3,823	-	-	-	-	-	-	**3,823**
ii) Other Receivables	5,577	-	-	-	-	-	-	**5,577**
Loans	2,83,112	3,17,558	4,27,709	8,00,753	21,70,175	7,01,526	9,41,129	**56,41,963**
Investments	-	-	-	-	-	-	7,292	**7,292**
Other Financial Assets	-	728	479	937	3,939	187	1,459	**7,729**
Total Undiscounted financial assets	**3,19,255**	**3,23,082**	**4,29,606**	**8,11,707**	**22,12,911**	**7,04,582**	**9,70,348**	**57,71,492**
Financial Liabilities								
Derivative financial instruments	-	1,311	1,484		4,859	-	-	**7,654**
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	17,063	-	-	-	-	-	-	**17,063**
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	
ii) Total outstanding dues of creditors other than micro and small enterprises	10,047	-	-	-	-	-	-	**10,047**
Debt Securities	13,146	2,79,732	1,46,548	3,73,063	7,12,578	1,00,498	3,354	**16,28,919**
Borrowings (Other than Debt Securities)	2,00,215	1,58,890	1,89,775	3,06,457	11,98,001	2,26,873	1,62,217	**24,42,428**
Subordinated Liabilities	275	11,962	24,326	20,044	1,32,016	1,70,868	1,80,929	**5,40,420**
Other Financial Liabilities	19,888	-	-	-	58	21	-	**19,967**
Total Undiscounted financial liabilities	**2,60,634**	**4,51,895**	**3,62,133**	**6,99,564**	**20,47,512**	**4,98,260**	**3,46,500**	**46,66,498**
Total net Undiscounted financial assets/(liabilities)	**58,621**	**(1,28,813)**	**67,473**	**1,12,143**	**1,65,399**	**2,06,322**	**6,23,848**	**11,04,994**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 47 ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY REMAINING CONTRACTUAL MATURITIES (Contd.)

As at April 01, 2017 ₹ in lakhs

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial Assets								
Cash and Cash Equivalents	27,404	-	-	-	-	-	-	**1,92,231**
Bank balances other than Cash and Cash Equivalents	339	4,413	10,414	8,971	34,803	9,805	17,512	**85,918**
Derivative financial instruments								
Receivables								
i) Trade Receivables	1,965	-	-	-	-	-	-	1,925
ii) Other Receivables	4,492	-	-	-	-	-	-	4,492
Loans	2,35,647	2,58,306	3,45,671	6,43,776	16,76,108	5,20,312	8,10,009	**42,54,182**
Investments	-	-	-	-	-	-	6,968	**6,968**
Other Financial Assets	-	1,145	952	2,569	6,158	1,242	1,496	**13,562**
Total Undiscounted financial assets	**2,69,847**	**2,63,864**	**3,57,037**	**6,55,316**	**17,17,069**	**5,31,359**	**8,35,985**	**45,52,861**
Financial Liabilities								
Derivative financial instruments	-	-	-	590	9,512	-	-	**10,102**
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	11,017	-	-	-	-	-	-	**11,017**
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	
ii) Total outstanding dues of creditors other than micro and small enterprises	8,143	-	-	-	-	-	-	**8,143**
Debt Securities	37,277	1,95,647	62,980	3,86,306	7,82,545	26,826	3,568	**14,95,149**
Borrowings (Other than Debt Securities)	94,088	90,942	2,59,260	2,17,765	7,86,327	79,025	1,46,760	**16,74,167**
Subordinated Liabilities	1,375	9,253	4,796	24,612	1,09,013	1,68,971	1,27,661	**4,45,681**
Other Financial Liabilities	19,956	-	-	-	116	21	-	**20,093**
Total Undiscounted financial liabilities	**1,71,856**	**2,95,842**	**3,27,036**	**6,29,273**	**1,687,513**	**2,74,843**	**2,77,989**	**36,64,352**
Total net Undiscounted financial assets/(liabilities)	**97,991**	**(31,978)**	**30,001**	**26,043**	**29,556**	**2,56,516**	**5,57,996**	**8,88,509**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 48 FIRST-TIME ADOPTION OF IND AS

These financial statements, for the year ended 31st 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 31st 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 paragraph 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 31st March, 2019, together with the comparative period data as at and for the year ended 31st 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 1st April, 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2017 and the financial statements as at and for the year ended 31st March, 2018.

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 1st April, 2017

iii) Classification of debt instruments

The company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVOCI criteria based on the facts and circumstances that existed as of the transition date

iv) Deemed cost for property, plant and equipment and intangible assets

The company has elected to continue with the carrying value of all of its plant and equipment, capital work-in-progress and intangible assets recognised as of 1st April, 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 company has applied Appendix C of Ind AS 17 to determine 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 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.

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 1st April, 2017

viii) Investment in Subsidiaries, Joint ventures and associates

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

ix) Derecognition of financial assets and financial liabilities

The company 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 available at the time of initially accounting for those transactions in the respective years.

x) Business combinations

In accordance with Ind AS transitional provisions, the Company has elected to apply Ind AS relating to business combinations prospectively from 1st April, 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 FVOCI - equity shares and Impairment of financial assets based on expected Credit loss model where application of Indian GAAP did not require estimation.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 48 FIRST-TIME ADOPTION OF IND AS (Contd.)

First time adoption of Ind AS reconciliations

A. Reconciliations of Balance Sheet

₹ in lakhs

Particulars	Note	As at 31.03.2018 Amount as per previous GAAP	As at 31.03.2018 Effects of transition to Ind AS	As at 31.03.2018 Amount as per Ind AS	As at 01.04.2017 Amount as per previous GAAP	As at 01.04.2017 Effects of transition to Ind AS	As at 01.04.2017 Amount as per Ind AS
I ASSETS							
Financial assets							
(a) Cash and Cash Equivalents		25,379	0	25,379	27,404	0	27,404
(b) Bank balances other than cash and cash equivalents	10	63,473	(57)	63,416	69,668	(23)	69,645
(c) Derivative financial instruments	10	-	599	599	-	-	-
(d) Receivables	3	9,382	18	9,400	7,172	(715)	6,457
(e) Loans	1	37,44,577	4,80,746	42,25,323	28,64,508	4,57,931	33,22,439
(f) Investments	10	31,895	(24,603)	7,292	23,854	(16,886)	6,968
(g) Other Financial Assets	2	3,623	4,107	7,730	5,126	8,435	13,561
		38,78,329	**4,60,810**	**43,39,139**	**29,97,732**	**4,48,742**	**34,46,474**
Non Financial assets							
(a) Current tax assets (Net)		15,961	-	15,961	10,387	-	10,387
(b) Deferred tax assets (Net)	5	33,956	2,215	36,171	31,516	11	31,527
(c) Investment Property		5	-	5	5	-	5
(d) Property, Plant and Equipment		14,005	-	14,005	11,809	-	11,809
(e) Intangible assets under development		380	-	380	162	-	162
(e) Intangible assets		2,070	-	2,070	2,195	-	2,195
(f) Other Non-Financial Assets	10	5,753	(4,511)	1,242	5,674	(4,516)	1,158
		72,130	**(2,296)**	**69,834**	**61,748**	**(4,505)**	**57,243**
Total Assets		**39,50,459**	**4,58,514**	**44,08,973**	**3,059,480**	**4,44,237**	**35,03,717**
II LIABILITIES							
Financial Liabilities							
(a) Derivative financial instruments	10	7,056	599	7,655	10,103	-	10,103
(b) payables							
i) Trade payables	10	17,071	(8)	17,063	11,017	-	11,017
ii) Other Payables		10,047	-	10,047	16,496	(8,353)	8,143
(c) Debt Securities	4	13,99,302	38,093	14,37,395	12,95,878	51,216	13,47,094
(d) Borrowings (Other than Debt Securities)	4, 1	15,29,068	4,87,567	20,16,635	9,08,414	4,69,874	13,78,288
(e) Subordinated Liabilities	4	3,47,370	31,633	3,79,003	2,83,370	11,261	2,94,631
(f) Other Financial Liabilities	1	46,883	(26,916)	19,967	37,609	(17,516)	20,093
		33,56,797	**5,30,968**	**38,87,765**	**25,62,887**	**5,06,482**	**30,69,369**
Non-Financial Liabilities							
(a) Provisions	9	76,434	(70,091)	6,343	67,264	(62,033)	5,231
(b) Other Non-Financial Liabilities	1	2,205	2,846	5,051	836	(194)	642
		78,639	**(67,245)**	**11,394**	**68,100**	**(62,227)**	**5,873**
Equity							
(a) Equity share capital		15,640	-	15,640	15,635	-	15,635
(b) Other Equity		4,99,383	(5,209)	4,94,174	4,12,858	(18)	4,12,840
		5,15,023	**(5,209)**	**5,09,814**	**4,28,493**	**(18)**	**4,28,475**
Total		**39,50,459**	**4,58,514**	**44,08,973**	**30,59,480**	**4,44,237**	**35,03,717**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 48 FIRST-TIME ADOPTION OF IND AS (Contd.)

First time adoption of Ind AS reconciliations

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

₹ in lakhs

Particulars	Note No.	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Revenue from Operations				
- Interest Income	1, 10	4,83,920	39,661	5,23,581
- Net gain on derecognition of financial instruments under amortised cost category	2		-	-
- Fee Income	10	52,154	(36,785)	15,369
- Net gain on Fair value change on financial instrument		991		991
- Sale of Services	8, 10	5,468	2,514	7,982
Total Revenue from operations (I)		**5,42,533**	**5,390**	**5,47,923**
- Other income (II)		43	-	43
Total Income (I+II = III)		**5,42,576**	**5,390**	**5,47,966**
IV Expenses				
- Finance costs	1, 4, 10	2,30,785	35,148	2,65,933
- Net Loss on Fair value change on financial instrument				-
- Impairment of Financial Instruments	1, 9	34,509	(4,139)	30,370
- Employee benefits expense	3	52,766	913	53,679
- Depreciation and amortisation expense		4,968	-	4,968
- Other expenses	10	71,218	(18,339)	52,879
Total expenses (IV)		**3,94,246**	**13,583**	**4,07,829**
Profit before tax (III-IV)		**1,48,330**	**(8,193)**	**1,40,137**
Tax expense				
- Current tax				
- Pertaining to profit for the current period		53,359	-	53,359
- Adjustment of tax relating to earlier periods				-
- Deferred tax	5	(2,440)	(2,612)	(5,052)
Net tax expense		**50,919**	**(2,612)**	**48,307**
Profit for the period		**97,411**	**(5,581)**	**91,830**
Other Comprehensive Income/(loss)	6			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Hedge Reserve			1,100	1,100
Fair Valuation			(129)	(129)
Tax on above adjustments			(384)	(384)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			-	
Re-measurement gains and (losses) on defined benefit obligations (net)			66	66
Tax on above adjustments			(23)	(23)
Total Comprehensive Income		**97,411**	**(4,951)**	**92,460**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 48 FIRST-TIME ADOPTION OF IND AS (Contd.)

C. Effects of IND AS adoption on Total Equity

₹ in lakhs

Particulars	Note below	As at 31.03.2018	As at 01.04.2017
Net Worth under IGAAP		**5,15,023**	**4,28,493**
Adoption of effective interest rate for amortisation of expense and income - Financial assets at amortised cost	1	(17,914)	(16,142)
Adjustments on account of de-recognition of financial assets	2	4,107	9,735
Adoption of effective interest rate for amortisation of expense and income - Financial Liabilities at amortised cost	4	472	500
Expected credit loss and related adjustments	1	8,743	5,878
Impact of application of IND AS 115 on revenue from certain customer contracts	8	(2,847)	-
Tax adjustments on above items	5	2,230	11
Net Worth under IND AS		**5,09,814**	**4,28,475**

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

₹ in lakhs

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	(7,59,621)	(2,6,264)	(7,33,357)
Net cash generated from/(used in) investing activities	(7,928)	(1,649)	(6,279)
Net cash generated from/(used in) financing activities	7,65,525	(31,020)	7,96,545
Net increase/(decrease) in cash and cash	**(2,024)**	**(58,933)**	**56,909**
Cash and cash equivalents at start of year	27,404		27,404
Cash and cash equivalents at close of year	**25,379**	**-**	**25,379**

Notes:

1. Loans

i) Under Indian GAAP, the Company 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 adjusted against 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.

iv) The Company 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 Company 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 Company 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, Company 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, Company 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.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 48 FIRST-TIME ADOPTION OF IND AS (Contd.)

2. Other Financial assets

Under Ind AS, with respect to assignment deals, Company has recognised an interest only strip receivable as at 31st March, 2018 and As on 1st April, 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.

3. Share-based payments

Under Indian GAAP, the Company 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 31st March, 2018. Share options which were granted before and still not vested as at 1st April, 2017, have been recognised as a separate component of equity in Share based payment reserve against retained earnings as at1st April, 2017,. Further Company has granted ESOPs to employees of the subsidiary, the related cost has been transferred to subsidiary and recorded as receivable from the Subsidiary

4. 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.

ii) The Company 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 Company 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 Company 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 Company pursuant to the securitisation transactions entered have been included in the carrying amount of investments computation. Under Ind AS such PTC investments have been netted off against the securitisation borrowings.

5. 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 Company 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.

6. Other comprehensive income

Under Indian GAAP, the Company 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.

7. Re-measurement of post employment benefit plans

Both under Indian GAAP and Ind AS, the Company 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, remeasurements are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

8. Sale of Services

Under Indian GAAP, Company 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.

9. Provision for undrawn Commitments

Under Indian GAAP, Company 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

10. Figures under previous GAAP have been regrouped/ reclassified for Ind AS purpose wherever applicable.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 49 BASIS OF PREPARATION OF THE REGULATORY DISCLOSURES PROVIDED IN NOTE 50 TO NOTE 53 WHICH ARE REQUIRED TO BE INCLUDED BY THE COMPANY IN THE NOTES TO THE FINANCIAL STATEMENTS PURSUANT TO REQUIREMENTS OF EXTANT REGULATIONS OF THE RBI

As mentioned in the basis of preparation detailed in Note 2 to these standalone financial statements, the company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended, from1st April, 2018 and consequently these standalone financial statements for the year ended 31st March 2019 has been prepared under Ind AS.

The regulatory disclosures contained in Notes 50 to Note 53 are required to be disclosed in the financial statements by the Company in accordance with the requirements of the Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company Directions, 2016 dated 1st September, 2016 read with the applicable guidance / regulations issued by the RBI in this regard.

Pursuant to adoption of Ind AS by NBFCs, the RBI is yet to provide clarification on the basis / manner of computation of these regulatory disclosures as per the extant regulations which require presentation of various information in the notes to the Company's financial statements. Pending clarification from RBI, the Company has prepared the disclosures contained in Note 50 to Note 53 to these standalone financial statements by making material / significant adjustments necessary to the Standalone Ind AS Financial Statements for the year ended 31st March, 2019 to comply with the requirements of the Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended ('the NBFC Master Directions') including framework on prudential norms, related circulars and clarifications issued by the RBI from time to time, interpretations thereon and relevant policies followed by the company (hereinafter referred to as 'Regulatory GAAP').

The information required for the preparation of the financial information for the year ended 31st March, 2019 in accordance with the Regulatory GAAP have been compiled and certified by the management. Notes 49.1 and Note 49.2 below provide the reconciliation between the information contained in the Ind AS Financial Statements and the financial information compiled by the management in accordance with the requirements of the Regulatory GAAP.

49.1 Extract of the Balance Sheet as at March 31, 2019 as per Regulatory GAAP:

₹ in lakhs

Particulars	As per Ind AS - March 2019 (1)	Adjustments (2)	As per Previous GAAP - March 2019 (3)
	Audited	Unaudited	
ASSETS			
Financial Assets			
Cash and Cash Equivalents	3,13,893	-	3,13,893
Bank balances	53,592	(776)	52,816
Derivative financial instruments	8,869	-	8,869
Receivables			
i) Trade Receivables	441	-	441
ii) Other Receivables	3,908	-	3,908
Loans	52,62,227	(4,94,094)	47,68,133
Investments	7,292	32,261	39,553
Other Financial Assets	12,432	30,281	42,713
	56,62,654	**(4,32,328)**	**52,30,326**
Non- Financial Assets			
Current tax assets (Net)	15,719	-	15,719
Deferred tax assets (Net)	45,300	-	45,300
Investment Property	47	-	47
Property, Plant and Equipment	14,253	-	14,253
Intangible assets under development	1,310	-	1,310
Other Intangible assets	1,976	-	1,976
Other Non-Financial Assets	1,371	-	1,371
	79,976	**-**	**79,976**
TOTAL ASSETS	**57,42,630**	**(4,32,328)**	**53,10,302**
LIABILITIES AND EQUITY			
Financial Liabilities			
Derivative financial instruments	841	-	841

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 49.1 Extract of the Balance Sheet as at March 31, 2019 as Regulatory GAAP: (Contd.)

₹ in lakhs

Particulars	As per Ind AS - March 2019 (1) Audited	Adjustments (2) Unaudited	As per Previous GAAP - March 2019 (3) Unaudited
Payables	-	-	-
(I) Trade Payables	20,742	-	20,742
(II) Other Payables	12,894	35	12,929
Debt Securities	14,18,431	(55,339)	13,63,092
Borrowings (Other than Debt Securities)	32,12,375	(5,49,331)	26,63,044
Subordinated Liabilities	4,25,868	(15,048)	4,10,820
Other Financial Liabilities	21,207	1,05,777	1,26,984
	51,12,358	**(5,13,906)**	**45,98,452**
Non-Financial Liabilities			
Provisions	7,402	80,767	88,169
Other Non-Financial Liabilities	5,296	(2,241)	3,055
	12,698	**78,526**	**91,224**
Equity			
Equity share capital	15,643	-	15,643
Other Equity (Refer Note III. below)	6,01,931	3,052	6,04,983
	6,17,574	**3,052**	**6,20,626**
TOTAL LIABILITIES AND EQUITY	**57,42,630**	**(4,32,328)**	**53,10,302**

49.2 Extract of the Statement of Profit and Loss Account as at March 31, 2019 as per Regulatory GAAP:

₹ in lakhs

Particulars	As per Ind AS - March 2019 (1) Audited	Adjustments (2) Unaudited	As per Previous GAAP - March 2019 (3) Unaudited
Revenue from Operations			
- Interest Income	6,56,526	(22,438)	6,34,088
- Net gain on derecognition of financial instruments under amortised cost category	8,670	(8,670)	-
- Fee Income	18,631	-	18,631
- Net gain on Fair value change on financial instrument	6,328	-	6,328
- Sale of Services	9,042	(620)	8,422
- Others			
Total Revenue from operations (I)	6,99,197	(31,728)	6,67,469
Other income (II)	67	-	67
Total Income (III) = (I) + (II)	**6,99,264**	**(31,728)**	**6,67,536**
Expenses			
- Finance costs	3,58,874	(39,322)	3,19,552
- Impairment of Financial Instruments	31,120	712	31,832
- Employee benefits expense	59,058	-	59,058
- Depreciation and amortisation expense	5,548	-	5,548
- Other expenses	62,349	10,051	72,400
Total Expenses (IV)	**5,16,949**	**(28,559)**	**4,88,390**
Profit before tax (V) = (III) - (IV)	**1,82,315**	**(3,169)**	**1,79,146**
Tax expense/(benefit)			
- Current tax			
- Pertaining to profit for the current period	71,449		71,449
- Adjustment of tax relating to earlier periods	1,600		1,600
- Deferred tax	(9,349)	-	(9,349)
Net tax expense (VI)	**63,700**	**-**	**63,700**
Profit for the year - A = (V) - (VI)	**1,18,615**	**(3,169)**	**1,15,446**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

49.2 Extract of the Statement of Profit and Loss Account as at March 31, 2019 as per Regulatory GAAP: (Contd.)

₹ in lakhs

Particulars	As per Ind AS - March 2019 (1)	Adjustments (2)	As per Previous GAAP - March 2019 (3)
	Audited	Unaudited	
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)	(678)		(678)
Income tax impact	237	-	237
ii) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Cashflow Hedge Reserve gain	1,306	-	1,306
Income tax impact	(456)	-	(456)
Other comprehensive income/(loss) for the year (B)	**409**	**-**	**409**
Total comprehensive income for the year (A + B) (Refer Note IV below)	**1,19,024**	**(3,169)**	**1,15,855**

Note:

Commentary on the key accounting adjustments made to convert the Ind AS financial statements for March 2019 to Regulatory GAAP along with considerations for CRAR computation (wherever applicable):

(i) Loans:

(a) Under Ind AS, securitisation transactions entered into by the Company do not qualify for de-recognition. Hence they continue to be recognised as a part of on balance sheet assets. In preparing the financial information as per Regulatory GAAP, the Company has derecognised the assets which have been transferred through securitisation transactions and outstanding as at 31st March, 2019.

(b) Under 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. In the financial information prepared as per Regulatory GAAP, interest income is not recognised on NPA accounts and any outstanding interest on such accounts are also reversed in accordance with the applicable prudential norms issued by the RBI for NBFC-ND-SI.

(c) Under Ind AS, Effective Interest Rate ('EIR') method is used for recognition of interest income on loans and is determined by considering all contracted cash flows along with transaction fees earned and expenses incurred. This results in amortisation of net upfront fee earned (fee less expenses) by way of adjustment to loan receivable balance. In order to follow a consistent approach with the previous years, the related adjustments have been eliminated by the Company while preparing the financial information as per Regulatory GAAP, and accordingly the net upfront fee earned is recognised immediately in the financial statements coinciding with the disbursal of the loans.

(d) Schedule III Division III applicable for NBFCs preparing their financial statements under Ind AS and Ind AS 109 on financial instruments requires impairment provisions made to be reduced from the related financial assets for presentation purposes. In the preparation of the financial information as per Regulatory GAAP, the related NPA and Standard Asset provisions made have been presented under provisions.

(e) Under Ind AS, on the assignment transactions which are outstanding as at the date of transition, the Company has taken the entire gain that it would earn through the tenure of the assignment transactions on an upfront basis as against recognising such gains on an ongoing basis on realisation of these amounts as per RBI regulations.

(ii) Investments:

Investment in pass-through certificates ('PTCs') made by the Company pursuant to the securitisation transactions entered have been included in the carrying amount of investments as per the financial information prepared as per Regulatory GAAP and have been assigned 100% Risk Weight in the CRAR computation. Such PTC investments were netted off against the securitisation borrowings under Ind AS.

(iii) Other Financial Assets:

Adjustments in connection with interest accrued but not due on loans which were clubbed under loans for the purpose of Ind AS financial statements have been regrouped / reclassified into other financial assets in the financial information as per Regulatory GAAP.

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note 49 - Basis of Preparation of the regulatory disclosures provided in Note 50 to Note 53 which are required to be included by the Company in the notes to the financial statements pursuant to requirements of extant regulations of the RBI (Contd.)

(iv) Borrowings other than debt securities:

Under Ind AS, securitisation transactions entered into by the Company do not qualify for de-recognition. Hence they continue to be recognised as a part of on balance sheet assets. Accordingly, amounts received from the securitisation trusts are treated as borrowings in the category 'other debt securities' under Ind AS. However, these transactions are in compliance with the Securitisation guidelines issued by RBI and hence qualify for de-recognition under such RBI guidelines. Hence, this is derecognised in the Regulatory GAAP balance sheet as at March 31, 2019.

(v) Debt Securities and Subordinated Debts:

The interest accrued on such borrowings which was included in the borrowings for the purpose of the Ind AS financial statements for the year ended March 31, 2019 have been reclassified into other financial liabilities in the financial information prepared as per Regulatory GAAP.

(vi) Other financial liabilities:

Represents adjustments relating to the amounts payable to the Securitisation SPVs by the Company on the collections made on the loans which have been securitised by the Company and outstanding as at March 31, 2019 for the instalments collected during the month of March 2019.

(vii) Provisions:

Under Ind AS, the impairment loss allowance is determined based on the Expected Credit Loss Model ('ECL Model') as per Ind AS 109. In the ECL Model followed by the Company, the receivables (including securitised assets which have not been derecognised in books) with overdue status of 3 months and above is considered under Stage 3 and the impairment loss is provided for based on the requirements of Ind AS 109 for the relevant pool.

The NBFC Master Directions issued by the RBI provides for the prudential norms to be followed income recognition, asset classification and provisioning by applicable NBFCs. Accordingly, the ECL provisions as per the Ind AS financial statements for the year ended March 31, 2019 have been reversed in the preparation of the financial information as per Regulatory GAAP. For the purpose of compliance with the prudential norms of the RBI, the Company has continued to apply the provisioning norms applied prior to the introduction of Ind AS and thereby provision has been made for:

(a) Standard Assets as per internal estimates, based on past experience, realisation of security and other relevant factors on the outstanding amount of Standard Assets for all types of lending, subject to the minimum provisioning requirements specified by the RBI for an NBFC-ND-SI; and

(b) Non-Performing Assets as per the provisioning norms approved by the Board for each type of lending activity, subject to the minimum provisioning requirements specified by the RBI.

(viii) Service Income / Deferred Revenue:

As per the requirements of Ind AS 115, the Company has accrued for certain income which was received and recognised in the statement of profit and loss in the previous year over a period of time. As this income was already recognised in the P&L in the previous year, this adjustment under Ind AS has been reversed in preparing the financial information as per Regulatory GAAP for the current year ended March 31, 2019.

(ix) Deferred Tax:

Tax effects (if any), on adjustments made to arrive at Regulatory GAAP amounts have been ignored as these do not have consequential impact on the regulatory disclosures made in Note 50 to Note 53 to the Standalone Financial Statements.

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Note : 50 ASSETS DE-RECOGNISED		
a) On Securitisation		
Number of Special Purpose Vehicle (SPV) sponsored for Securitisation transactions	35	31
Outstanding securitised Assets in books of SPV	5,79,896	5,82,311
Less: Collections not yet due to be remitted to SPV*	23,797	25,988
Outstanding securitised Assets as per books	5,56,099	556,323
Total amount of exposure to comply with Minimum Retention Ratio (MRR)		

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Note : 50 ASSETS DE-RECOGNISED (Contd.)		
a) Off Balance Sheet Exposure		
• First Loss		
• Others	46,574	35,579
b) On Balance Sheet Exposure		
• First Loss - Cash collateral	51,832	59,648
• Others		
i) Second Loss - Cash Collateral		
ii) Investment in PTC	32,132	24,602
Amount of Exposures to Securitisation transactions Other than MRR	Nil	Nil
Book value of Assets sold	11,54,307	10,22,846

* excludes interest collected from customers on securitised assets.

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
b) On Bilateral assignment		
Number of Assignment Transactions	7	3
Outstanding Assigned Assets in books of Assignee	1,69,976	69,045
Less: Collections not yet due to be remitted to Assignee#	2,858	1,951
Outstanding Assigned Assets as per books	1,67,118	67,094
Total amount of exposure		
a) Off Balance Sheet Exposure		
• First Loss		
• Others		
b) On Balance Sheet Exposure		
• First Loss - Cash Collateral		
• Others	18,569	7,455
Book value of Assets sold	14,85,687	1,85,430

excludes interest collected from customers on assigned assets

Note : 51 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007:

₹ in lakhs

SL No.	Particulars	Amount Outstanding As at 31.03.2019	Amount Overdue As at 31.03.2019
	Liabilities:		
(1)	**Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:**		
(a)	Debentures		
	- Secured	10,55,939	-
	- Unsecured (other than falling within the meaning of public deposits)	2,83,291	-
	- Perpetual Debt Instrument	1,46,107	-
(b)	Deferred Credits	-	-
(c)	Term Loans	24,78,593	-
(d)	Inter-Corporate Loans and Borrowings	-	-
(e)	Commercial Paper	3,64,071	-
(f)	Other Loans	1,86,945	-
	(Represents Working Capital Demand Loans & Cash Credit from Banks along with Interest Accrued but Not Due on above)		

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 51 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007: (Contd.)

₹ in lakhs

SL No.	Particulars	Amount Outstanding	Amount Overdue
		As at 31.03.2018	
	Liabilities:		
(1)	**Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:**		
(a)	Debentures		
	- Secured	12,25,673	-
	- Unsecured (other than falling within the meaning of public deposits)	2,50,077	-
	- Perpetual Debt Instrument	1,15,147	-
(b)	Deferred Credits	-	-
(c)	Term Loans	13,23,660	-
(d)	Inter-Corporate Loans and Borrowings	-	-
(e)	Commercial Paper	2,30,103	-
(f)	Other Loans	1,38,133	-
	(Represents Working Capital Demand Loans & Cash Credit from Banks along with Interest Accrued but Not Due on above)		-

₹ in lakhs

SL No.	Particulars		Amount Outstanding As at 31.03.2019	Amount Overdue As at 31.03.2018
(2)	**Break-up of Loans and Advances including Bills Receivables [other than those included in (3) below]: (including interest accrued)**			
(a)	Secured		10,35,865	8,60,549
(b)	Unsecured		50,871	50,770
(3)	**Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities**			
(i)	Lease Assets including Lease Rentals Accrued and Due:			-
(ii)	Stock on Hire including Hire Charges under Sundry Debtors:			
	(a)	Assets on hire		-
	(b)	Repossessed assets		-
(iii)	Other Loans counting towards AFC Activities			
	(a)	Loans where assets have been repossessed (Net)	4,738	1,746
	(b)	Loans other than (a) above	37,08,007	28,31,512

₹ in lakhs

SL No.	Particulars	Amount Outstanding As at 31.03.2019	Amount Overdue As at 31.03.2018
(4)	**Break-up of Investments (net of provision for diminution in value):**		
	Current Investments:		
I	**Quoted:**		
(i)	Shares: (a) Equity		
	(b) Preference		
(ii)	Debentures and Bonds		
(iii)	Units of Mutual Funds		
(iv)	Government Securities (Net of amortisation)		
(v)	Others		
II	**Unquoted:**		
(i)	Shares: (a) Equity		
	(b) Preference		

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 51 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007: (Contd.)

₹ in lakhs

SL No.	Particulars	Amount Outstanding As at 31.03.2019	Amount Overdue As at 31.03.2018
(ii)	Debentures and Bonds		
(iii)	Units of Mutual Funds		
(iv)	Government Securities		
Long-term Investments:			
I	**Quoted:**		
(i)	Shares: (a) Equity		
	(b) Preference		
(ii)	Debentures and Bonds		
(iii)	Units of Mutual Funds		
(iv)	Government Securities (Net of amortisation)		
(v)	Others		
II	**Unquoted:**		
(i)	Shares:		
	(a) Equity (Net of Provision for Diminution in Value of Investment)	7,292	7,292
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of Mutual Funds	-	-
(iv)	Government Securities	-	-
(v)	Others		
	- Investment in Pass Through Certificates	32,132	24,602
	- Investment property	47	4

₹ in lakhs

	Category	Amount (Net of provision for Non-performing assets) Secured	Unsecured	Total
(5)	**Borrower Group-wise Classification of Assets Financed as in (2) and (3) above**			
	As at March 31, 2019			
1.	Related Parties *			
	(a) Subsidiaries	-	1,150	1,150
	(b) Companies in the same Group	-	-	-
	(c) Other Related Parties	-	340	340
2.	Other than Related Parties	46,90,769	45,270	47,36,069
	Total	**46,90,769**	**46,760**	**47,37,529**
	As at March 31, 2018			
1.	Related Parties *			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same Group	-	-	-
	(c) Other Related Parties	-	913	913
2.	Other than Related Parties	36,17,012	46,624	36,63,636
	Total	**36,17,012**	**47,537**	**36,64,549**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 51 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION DNBS.193DG (VL) - 2007 DATED FEBRUARY 22, 2007: (Contd.)

₹ in lakhs

Category	Market value / Break - up Value or Fair Value or Net Asset Value	Book Value (Net of Provisioning)
(6) Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted) :		
As at March 31, 2019		
1. Related Parties *		
(a) Subsidiaries	6,490	6,490
(b) Companies in the Same Group	-	-
(c) Other Related Parties	800	800
2. Other than Related Parties	32,181	32,181
Total	**39,471**	**39,471**
As at March 31, 2018		
1. Related Parties *		
(a) Subsidiaries	7,290	7,290
(b) Companies in the Same Group	-	-
(c) Other Related Parties	-	-
2. Other than Related Parties	24,738	24,609
Total	**32,028**	**31,899**

₹ in lakhs

SL No.	Other Information	Amount Outstanding As at 31.03.2019	Amount Outstanding As at 31.03.2018
(7)			
(i)	Gross Non-Performing Assets		
	a) With Related Parties *		
	b) With Others	1,16,613	1,25,693
(ii)	Net Non-Performing Assets		
	a) With Related Parties *		
	b) With Others	54,662	65,157
(iii)	Assets Acquired in Satisfaction of Debt		
	a) With Related Parties *		
	b) With Others		

* Related Parties are as identified in Note 37 above.

Note : 52A. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION RBI/2014-15/299 DNBR (PD) CC.NO.002/03.10.001/2014-15 DATED NOVEMBER 10, 2014:

i. Capital Adequacy Ratio

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Tier I Capital	6,13,435	5,03,732
Tier II Capital	2,42,534	1,96,010
Total Capital	**8,55,969**	**6,99,742**
Total Risk Weighted Assets	49,30,327	38,35,651
Capital Ratios		
Tier I Capital as a Percentage of Total Risk Weighted Assets (%)	12.44%	13.13%
Tier II Capital as a Percentage of Total Risk Weighted Assets (%)	4.92%	5.11%
Total (%)	**17.36%**	**18.24%**
Amount of Subordinated Debt raised as Tier - II capital during the year	**51,500**	**71,500**
Amount raised by issue of Perpetual Debt instruments during the year	**30,600**	**-**

Notes forming part of the Financial Statements (Contd.)
For the year ended March 31, 2019

Note : 52A. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION RBI/2014-15/299 DNBR (PD) CC.NO.002/03.10.001/2014-15 DATED NOVEMBER 10, 2014: (Contd.)

ii) Investments

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	39,600	32,035
(b) Outside India,		
(ii) Provisions for Depreciation		
(a) In India	(129)	(136)
(b) Outside India,		
(iii) Net Value of Investments		
(a) In India	39,471	31,899
(b) Outside India.		
(2) Movement of provisions held towards depreciation on investments.		
(i) Opening balance	137	461
(ii) Add:Provisions made during the year	-	129
(iii) Less:Reversal of provision during the year	-	453
(iv) Closing balance	137	137

iii. Asset Liability Management

Maturity pattern of certain items of assets and liabilities - As at March 31, 2019

₹ in lakhs

	Upto1 month	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowing from Banks	1,32,507	10,000	20,666	1,16,569	3,80,087	16,34,233	3,68,982	-	26,63,044
Market Borrowings	1,28,791	1,17,260	73,865	2,72,818	3,53,587	4,65,231	1,79,020	1,83,340	17,73,912
Assets									
Advances (Net of Provision for Non Performing Assets)	1,10,512	87,179	96,869	4,31,553	7,11,557	19,51,242	6,15,064	7,02,206	47,06,182
Investment (Net of Provision for Diminution in Value of Investments)	1,044	1,052	1,056	3,153	5,728	13,059	2,222	12,287	39,600

As at March 31, 2018

₹ in lakhs

	Upto1 month	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowing from Banks	1,38,133	9,000	71,395	1,04,397	1,21,233	8,65,380	1,42,299	-	14,51,837
Market Borrowings	7,100	1,64,754	86,562	1,08,338	3,24,800	6,96,650	2,08,186	1,42,000	17,38,390
Assets									
Advances (Net of Provision for Non Performing Assets)	94,605	77,893	73,505	3,17,417	5,57,748	15,01,101	5,00,117	5,42,163	36,64,549
Investment (Net of Provision for Diminution in Value of Investments)	1,001	665	669	1,987	3,750	9,146	2,098	12,583	31,899

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 52A. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION RBI/2014-15/299 DNBR (PD) CC.NO.002/03.10.001/2014-15 DATED NOVEMBER 10, 2014: (Contd.)

iv. Exposure to the Real Estate Sector, both Direct and Indirect

₹ in lakhs

Category	As at 31.03.2019	As at 31.03.2018
(a) Direct Exposure (Net of Advances from Customers)		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:		
- individual housing loans upto ₹ 15 lakhs	1,26,585	79,729
- individual housing loans more than ₹ 15 lakhs	7,88,219	6,93,351
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retails space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.).		
- Fund Based	1,04,111	76,041
- Non Fund based		
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
(b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total Exposure	**10,18,915**	**8,49,121**

Note:

The above summary is prepared based on the information available with the Company.

v. Exposure to the Capital Market

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	1,659	1,912
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds /convertible debentures / units of equity oriented mutual funds' does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stock brokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows/issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Pending Disbursements	2,391	2,096
Total Exposure	**4,050**	**4,008**

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 52A. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION RBI/2014-15/299 DNBR (PD) CC.NO.002/03.10.001/2014-15 DATED NOVEMBER 10, 2014: (Contd.)

vi. Other Regulator Registration

S. No.	Regulator	Registration no.
1	Ministry of Corporate Affairs	CIN: L65993TN1978PLC007576
2	Reserve Bank of India	Certificate of Registration dt. 09/06/2011, No. 07-00306

vii. Penalties levied by the above Regulators - Nil

viii. Ratings assigned by Credit Rating Agencies

Particulars	As at 31.03.2019	As at 31.03.2018
Commercial paper & Non- convertible Debentures - Short Term	ICRA A1+, CRISIL A1+, CARE A1+	ICRA A1+ CRISIL A1+
Working Capital Demand Loans	ICRA A1+	ICRA A1+
Cash Credit	ICRA AA+	ICRA AA
Bank Term Loans	ICRA AA+	ICRA AA
Non-Convertible Debentures – Long term	ICRA AA+, IND AA+	ICRA AA, CARE AA+, IND AA
Subordinated Debt	ICRA AA+, CARE AA+, CRISIL AA+, IND AA+	ICRA AA, CARE AA+, CRISIL AA, IND AA+
Perpetual Debt	ICRA AA, CARE AA, IND AA	ICRA AA-, CARE AA, IND AA

ix. Concentration of Advances

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Total Advances to twenty largest borrowers	24,299	27,242
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.51%	0.73%

x. Concentration of Exposures

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Total Exposure to twenty largest borrowers/customers	24,299	27,242
Percentage of Exposures to twenty largest borrowers /Customers to Total Exposure of the NBFC on borrowers/customers.	0.51%	0.73%

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 52A. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION RBI/2014-15/299 DNBR (PD) CC.NO.002/03.10.001/2014-15 DATED NOVEMBER 10, 2014: (Contd.)

xi. Concentration of NPAs

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2019
Total Exposure to top four NPA accounts	3,222	2,053

xii. Sector-wise NPAs as on March 31, 2018

Sl. No	Sector	Percentage of NPAs to Total Advances in that sector as on 31.03.2019	Percentage of NPAs to Total Advances in that sector as on 31.03.2018
1.	Agriculture & allied activities	99.96%	17.35%
2.	MSME	-	-
3.	Corporate borrowers	-	-
4.	Services	-	-
5.	Unsecured personal loans	-	-
6.	Auto loans	1.78%	2.22%
7.	Other loans	4.5%	6.52%

xiii. Movement of NPAs

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
(i) Net NPAs to Net Advances(%)	1.16%	1.83%
(ii) Movement of Gross NPA		
(a) Opening balance	1,25,693	1,60,038
(b) Additions during the year	54,331	60,737
(c) Reductions during the year	63,411	95,082
(d) Closing balance	1,16,613	1,25,693
(iii) Movement of Net NPA		
(a) Opening balance	67,157	105,544
(b) Additions during the year	26,006	28,662
(c) Reductions during the year	38,501	67,049
(d) Closing balance	54,662	67,157
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	58,536	54,494
(b) Provisions made during the year	28,325	32,075
(c) Write-off / write-back of excess provisions	24,910	28,032
(d) Closing balance	61,951	58,536

Notes forming part of the Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 52A. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION RBI/2014-15/299 DNBR (PD) CC.NO.002/03.10.001/2014-15 DATED NOVEMBER 10, 2014: (Contd.)

xiv. Disclosure on Restructured Accounts

Type of Restructuring asset classification details		Standard Advances	Sub-standard Advances	Doubtful Advances	Loss Advances
Restructured loans as on April 1, 2018	Number of borrowers	-	284	-	-
	Amount Outstanding	-	1,622	-	-
	Provision thereon	-	198	-	-
Fresh Restructured during the year	Number of borrowers	51	53	2	-
	Amount Outstanding	547	640	12	-
	Provision thereon	54	115	3	-
Upgradations to restructured category	Number of borrowers	232	-	-	-
	Amount Outstanding	770	-	-	-
	Provision thereon	-	-	-	-
Restructured loans ceases to attract higher provision or additional risk weight at the end of year	Number of borrowers				
	Amount Outstanding				
	Provision thereon				
Downgrade of restructured accounts during the year	Number of borrowers	-	50	1	-
	Amount Outstanding	-	479	7	-
	Provision thereon	-	50	7	-
Write-off of restructured accounts during the year	Number of borrowers	-	26	-	-
	Amount Outstanding	-	232	-	-
	Provision thereon	-	31	-	-
Restructured loans as on March 31, 2019	Number of borrowers	-	94	2	-
	Amount Outstanding	-	1,001	8	-
	Provision thereon	-	147	2	-

Amount outstanding and provision thereon have been reported - Rupees in lakhs.

xv. Customer Complaints

No. of Complaints

Particulars	31.03.2019	31.03.2018
(a) Pending as at beginning of the year	9	11
(b) Received during the year	1,428	1,316
(c) Redressed during the year	1,426	1,307
(d) Pending as at end of the year	11	9

Note: The above summary is prepared based on the information available with the company and relied upon by the Auditors.

Note : 53 DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR ENDED MARCH 31, 2019 VIDE DNBS. PD. CC NO. 256/ 03.10.042/ 2011-12 DATED MARCH 02, 2012

There were 180 cases (March 31, 2018 - 202 cases) of frauds amounting to ₹ 657 lakhs (March 31, 2018 - ₹ 5,361 lakhs) reported during the year. The Company has recovered an amount of ₹ 125 lakhs (March 31, 2018 - ₹ 136 lakhs). The un-recovered amounts are either pending settlement with the insurance companies or have been fully provided/ written off.

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

Arun Alagappan
Executive Director

M.M. Murugappan
Chairman

Date : April 27, 2019
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Independent Auditor's Report

To the Members of Cholamandalam Investment and Finance Company Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Cholamandalam Investment and Finance Company Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate 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 Consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of a subsidiary, 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, and its associate 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 financial 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 the audit procedures performed by us 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 ('Ind AS') *(as described in Note 2 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 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	Our audit procedures with regard to the 1st time adoption of Ind AS included assessing the judgements applied by the Management in this regard: • Reading the Ind AS impact assessment performed by the management to identify areas which were impacted on account of Ind AS transition;

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
accounting principles in India (Previous 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 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 Ind AS financials statements, this has been an area of significance in our audit. Some of the key adjustments made to the financial statements on first-time adoption of Ind AS for the year ended March 31, 2019 are as follows: 1. The Company earns certain interest income and incurs certain expenses which are directly attributable to the origination of loans disbursed by the Company. 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 cashflows. 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. The Company 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 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 financial statements for the year ended March 31, 2019, the impairment provision based on the expected credit loss model requires the management of the Company to make significant judgments in connection with related computation. These include:	• 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 as at transition date; • 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; • 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). <u>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>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;

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
(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 trends / experience, management estimates etc., Note 5.3 to the Consolidated Ind AS Financial Statements explains the various matters that the management has considered for developing this expected credit loss model. As at March 31, 2019, the Company has made a provision for impairment loss aggregating Rs. 93,071 Lakhs against the loans outstanding. 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 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; • 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. Procedures in relation to Sl no 3: • 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 de-recognised 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.
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, the usage of information from such systems for the purpose of financial reporting by the Management. The Company has information technology applications which are used across various class of transactions in its operations including 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.

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
Pending litigations with tax authorities *(as described in Note 39 of the Ind AS Financial Statements)*	
The Company 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, Finance Act, 1994, Goods and Services Tax Acts and VAT Acts of various states. The tax authorities under these legislations have raised certain tax demands on the Company in respect of the past periods. The Company has disputed such demands and has appealed against them at appropriate forums. As at March 31, 2019 the Company has an amount of Rs. 63,667 Lakhs involved in various pending tax litigations. Ind AS 37 requires the Company 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.	In assessing the exposure of the Company 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 the Company to ensure completeness of information with respect to tax litigations; • Along with our tax experts, we undertook the following procedures: • Reading communications with relevant tax authorities including notices, demands, orders, etc., relevant to the pending litigations, as made available to us by the management; • Testing the accuracy of disputed amounts from the underlying communications received from tax authorities and responses filed by the Company; • 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.

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 Board's Report including Annexures to the Board's Report and Management Discussion and Analysis, Report on Corporate Governance and General Shareholders 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 Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements

The Holding Company's Board of Directors are 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

Independent Auditor's Report (Contd.)

financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and 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 and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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 and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, 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

Independent Auditor's Report (Contd.)

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 financial 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 Matter

(a) We did not audit the financial statements and other financial information, in respect of 1 subsidiary, whose Ind AS Financial Statements include total assets of ₹5,722 Lakhs as at March 31, 2019, and total revenues of ₹ 3,873.37 Lakhs and net cash outflows of ₹ 2,241 Lakhs for the year ended on that date. These Ind AS Financial Statement and other financial information have been audited by other auditors, which Financial Statements, other financial information and auditor's reports have been furnished to us by the management.

(b) The Consolidated Ind AS Financial Statements also include the Group's share of net loss of ₹ 505 Lakhs 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 and other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these Financial Statements and other financial information are not material to the Group.

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

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 subsidiary, 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;

Independent Auditor's Report (Contd.)

(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 subsidiary companies, none of the directors of the Group's companies, 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, 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 subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their 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 subsidiary, 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, its associate in its Consolidated Ind AS Financial Statements – Refer Note 39 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 (a) Note 9 to the Consolidated Ind AS Financial Statements in respect of such items as it relates to the Group, and (b) the Group's share of net profit/loss in respect of its associate;

  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, associate 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 of Signature : Chennai
Date : April 27, 2019

Annexure 1 to the Independent Auditor’s Report of even date on the Consolidated Ind AS Financial Statements of Cholamandalam Investment and Finance Company 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 Investment and Finance Company Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Cholamandalam Investment and Finance Company Limited (hereinafter referred to as the “Holding Company”) and its subsidiary companies which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies 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

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Cholamandalam Investment and Finance Company Limited (Contd.)

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 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, in so far as it relates to one subsidiary Company incorporated in India, is based on the corresponding report of the auditors of such subsidiary Companies 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 of Signature : Chennai
Date : April 27, 2019

Consolidated Balance Sheet

As at March 31, 2019

₹ in lakhs

	Note No.	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
ASSETS				
Financial Assets				
Cash and Cash Equivalents	7	3,16,435	30,958	28,909
Bank balances other than Cash and Cash Equivalents	8	54,411	64,227	70,457
Derivative financial instruments	9	8,869	599	-
Receivables	10			
i) Trade Receivables		4,128	6,884	3,871
ii) Other Receivables		3,908	5,577	4,504
Loans	11	52,61,077	42,24,396	33,21,439
Investments				
i) Associate	45	2,519	-	-
ii) Others	12	1,631	2,272	2,394
Other Financial Assets	13	13,896	10,250	14,738
		56,66,874	**43,45,163**	**34,46,312**
Non- Financial Assets				
Current tax assets (Net)		16,181	16,082	10,461
Deferred tax assets (Net)	14	46,012	36,581	31,731
Goodwill on Consolidation		-	701	701
Investment Property	15	47	5	5
Property, Plant and Equipment	16	14,464	14,141	11,965
Intangible Assets under development		1,397	380	4
Other Intangible assets	17	2,220	2,203	2,308
Other Non-Financial Assets	18	1,817	1,422	1,768
		82,138	**71,515**	**58,943**
TOTAL ASSETS		**57,49,012**	**44,16,678**	**35,05,255**
LIABILITIES AND EQUITY				
Financial Liabilities				
Derivative financial instruments	9	841	7,655	10,103
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		23,145	21,403	13,246
(II) Other Payables				
i) Total outstanding dues of micro and small enterprises		-	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		12,894	10,050	8,143
Debt Securities	19	14,18,431	14,37,395	13,47,094
Borrowings (Other than Debt Securities)	20	32,12,375	20,16,636	13,74,438
Subordinated Liabilities	21	4,25,868	3,79,003	2,94,631
Other Financial Liabilities	22	21,676	20,406	20,400
		51,15,230	**38,92,548**	**30,68,055**
Non-Financial Liabilities				
Provisions	23	7,466	6,396	5,288
Other Non-Financial Liabilities	24	5,445	5,154	748
		12,911	**11,550**	**6,036**
Equity				
Equity share capital	25	15,642	15,640	15,635
Other Equity	26	6,05,229	4,96,906	4,15,329
Equity Attributable to Owners of the Company		6,20,871	5,12,546	4,30,964
Non Controlling Interest		-	34	200
Total Equity		**6,20,871**	**5,12,580**	**4,31,164**
TOTAL LIABILITIES AND EQUITY		**57,49,012**	**44,16,678**	**35,05,255**

The accompanying notes are integral 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

Arun Alagappan
Executive Director

M.M. Murugappan
Chairman

Date : April 27, 2019
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Consolidated Statement of Profit and Loss

For the year ended March 31, 2019

₹ in lakhs

	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
Revenue from Operations			
- Interest Income	27A	6,56,596	5,23,438
- Net gain on derecognition of financial instruments under amortised cost category		8,670	-
- Fee & Commission income	27B	24,727	17,931
- Net gain on Fair value change on financial instrument	27C	6,334	1,004
- Sale of Services	27D	12,435	13,495
Total Revenue from operations (I)		**7,08,762**	**5,55,868**
- Other income (II)	**28**	**2,121**	**60**
Total Income (III) = (I) + (II)		**7,10,883**	**5,55,928**
Expense			
- Finance costs	29	3,58,814	2,65,668
- Impairment of Financial Instruments	30	31,134	30,841
- Employee benefits expense	31	60,468	55,081
- Depreciation and amortisation expense	15, 16 & 17	5,699	5,086
- Other expenses	32	71,615	59,171
Total Expenses (IV)		**5,27,730**	**4,15,847**
Profit before tax (V) = (III) - (IV)		**1,83,153**	**1,40,081**
Tax expense/(benefit)	**33**		
- Current tax			
- Pertaining to profit for the current period		71,532	53,505
- Adjustment of tax relating to earlier periods		1,596	(66)
- Deferred tax		(9,669)	(5,127)
Net tax expense (VI)		**63,459**	**48,312**
Profit for the year - (V) - (VI)		**1,19,694**	**91,769**
Share of loss from associate (net of tax)		(35)	-
Profit for the year - A		**1,19,659**	**91,769**
Other Comprehensive income:			
i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit obligations (net)		(706)	69
Income tax impact		245	(22)
Net (Loss) / gain on equity instrument designated at FVOCI for the year		(619)	6
Income tax impact		-	(3)
ii) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Cashflow Hedge Reserve		1,306	1,100
Income tax impact		(437)	(384)
Other comprehensive income/(loss) for the year (B)		**(211)**	**766**
Total comprehensive income for the year (A + B)		**1,19,448**	**92,535**
Profit for the year attributable to :			
- Equity holders of the Parent Company		1,19,806	91,930
- Non-Controlling Interest		(147)	(164)
Other Comprehensive Income for the year attributable to :			
- Equity holders of the Parent Company		(211)	766
- Non-Controlling Interest		-	3
Total Comprehensive Income for the year attributable to :			
- Equity holders of the Parent Company		1,19,595	92,696
- Non-Controlling Interest		(147)	(161)
Earnings per equity share of ₹ 10 each			
- Basic (₹)		76.56	58.71
- Diluted (₹)		76.50	58.66

The accompanying notes are integral 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

Arun Alagappan
Executive Director

M.M. Murugappan
Chairman

Date : April 27, 2019
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended March 31, 2019

₹ in lakhs

a) Equity Share Capital	
Balances as on April 1, 2017	15,635
Add: Issue of share capital	5
Balances as on March 31, 2018	15,640
Add: Issue of share capital	3
Balances as on March 31, 2019	15,643

b) Other Equity (Refer Note 26)

₹ in lakhs

	Reserve and Surplus								Items of other comprehensive income		
Particulars	**Share application money pending allotment**	**Statutory Reserve**	**Capital Reserve**	**Capital Redemption Reserve**	**Securities Premium Account**	**General Reserve**	**Retained earnings**	**Share based payments reserve**	**Fair valuation of Investment**	**Effective portion of cashflow hedge**	**Total attributable to equity holders**
Opening balance as at April 01, 2017	**18**	**62,046**	**4**	**3,300**	**1,66,421**	**1,40,967**	**44,006**	**184**	**1,176**	**(2,793)**	**4,15,329**
Profit for the year							91,930				**91,930**
Re-measurement of defined benefit plans and fair value change	-	-	-	-	-	-	52	-		-	**52**
Total comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	4	716	**720**
Addition during the year	-	-	-	-	242			862			**1,104**
Dividend including DDT	-	-	-	-	-	-	(12,228)				**(12,228)**
Application money transferred on allotment	(18)	-	-	-	17	-	-	-		-	**(1)**
Transfer to reserves from retained earnings during the year	-	20,000	-	-	-	50,000	(70,000)	-		-	**-**
Closing balance as at March 31, 2018	**-**	**82,046**	**4**	**3,300**	**1,66,680**	**1,90,967**	**53,760**	**1,046**	**1,180**	**(2,077)**	**4,96,906**
Profit for the year	-	-	-	-	-	-	1,19,806				**1,19,806**
Re-measurement of defined benefit plans and fair value change	-	-	-	-	-	-	(466)	-		-	**(466)**
Total comprehensive income for the year, net of income tax	-	-	-	-	-	-		-	(619)	869	**250**
Dividend including DDT	-	-	-	-	-	-	(12,252)	-		-	**(12,252)**
Addition during the year	-	-	-	-	170			815			**985**
Transfer to reserves from retained earnings during the year	-	24,000	-	-	-	60,000	(84,000)	-		-	**-**
Closing balance as at March 31, 2019	**-**	**1,06,046**	**4**	**3,300**	**1,66,850**	**2,50,967**	**76,848**	**1,861**	**561**	**(1,208)**	**6,05,229**

Consolidated Cash Flow Statement

For the year ended March 31, 2019

₹ in lakhs

Particulars	Year ended 31.03.2019		Year ended 31.03.2018	
Cash Flow from Operating Activities				
Profit Before Tax		**183,153**		**140,081**
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and amortisation expense	5,699		5,086	
Impairment of financial instruments	31,134		30,841	
Finance Costs	358,814		265,668	
Loss on Sale of Property plant and equipment (Net)	17		11	
Fair value gain on loss of control in Subsidiary	(2,029)		-	
Net gain on fair value change in financial instruments	(6,334)		(1,004)	
Interest Income on bank deposits	(8,044)		(5,026)	
Dividend on Investments	(23)		(18)	
Share based payment expense	811		862	
		3,80,045		2,96,420
Operating Profit Before Working Capital Changes		**5,63,198**		**4,36,501**
Adjustments for :-				
(Increase)/Decrease in operating Assets				
- Loans	(11,86,025)		(9,33,794)	
- Trade Receivables	2,915		(4,086)	
- Other Financial Assets	(3,629)		4,488	
- Other Non Financial Assets	(553)	(11,87,292)	(61)	(9,33,453)
Proceeds from de-recognition of financial assets recognised at amortised cost		1,18,220		
Increase/(Decrease) in operating liabilities & Provisions				
- Payables		5,882		10,133
- Other Financial liabilities		1,257		(3)
- Provisions		1,093		1,108
- Other Non-Financial liabilities		351		4,406
Cash Flow used in Operations		(4,97,291)		(4,81,308)
Finance Costs paid	(3,68,772)		(2,57,147)	
Interest Received on Bank Deposits and Other Investments	7,496		4,990	
Dividend received	23		18	
		(3,61,253)		(2,52,139)
		(8,58,544)		(7,33,447)
Income tax paid (Net of refunds)		(73,190)		(59,187)
Net Cash Used in Operating Activities (A)		**(9,31,734)**		**(7,92,634)**
Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment and Intangible Assets	(6,529)		(6,906)	
Proceeds from Sale of Property, Plant and Equipment	292		145	
Intangible assets under development	(1,157)		(376)	
Purchase of Investment designated at FVTPL	(1,29,48,560)		(21,54,377)	
Proceeds from sale of Investment designated at FVTPL	1,29,54,868		21,55,502	
Net Cash Used in Investing Activities (B)		**(1,086)**		**(6,012)**

Consolidated Cash Flow Statement (Contd.)

For the year ended March 31, 2019

₹ in lakhs

Particulars	Year ended 31.03.2019		Year ended 31.03.2018	
Cash Flow from Financing Activities				
Proceeds from issue of Share Capital (Including Securities Premium)		174		245
Proceeds from issue of debt securities	17,08,570		14,07,516	
Redemption of Debt securities	(17,36,533)		(13,03,148)	
Borrowing - Other than debt securities	29,85,062		13,21,899	
Repayment of borrowing - Other than debt securities	(18,00,501)		(6,83,864)	
Proceeds from issue of subordinated liabilities	82,100		71,500	
Repayment of subordinated liabilities	(18,650)		(7,500)	
		12,20,048		8,06,403
Investment in Bank Fixed Deposits (Net of withdrawals)		11,076		6,436
Dividends Paid (Including Distribution Tax)		(12,239)		(12,219)
Net Cash Flow From Financing Activities (C)		**12,19,059**		**8,00,865**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		**2,86,239**		**2,219**
Cash and Cash Equivalents at the Beginning of the year		29,969		27,750
Less: Cash and bank balances on loss of control in subsidiary during the year		(50)		-
Cash and Cash Equivalents at the End of the year		**3,16,158**		**29,969**

The accompanying notes are integral 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

Arun Alagappan
Executive Director

M.M. Murugappan
Chairman

Date : April 27, 2019
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Notes forming part of the Consolidated Financial Statements

For the year ended March 31, 2019

1. Corporate Information

Cholamandalam Investment and Finance Company Limited ("the Company") (CIN L65993TN1978PLC007576) is a public limited company domiciled in India. The Company is listed on Bombay Stock Exchange and National Stock Exchange. The company and its subsidiaries (together hereinafter referred to as "Group"). The Group is one of the premier diversified financial services companies in India, engaged in providing vehicle finance, home loans and Loan against property, business of broking, distribution of financial products and freight data solutions.

The consolidated financial statements are presented in INR which is also functional currency of the Group.

2. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the company, its subsidiaries (being the entity that it controls) and its Associate as at 31st 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 31st March.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

3A. Particulars of consolidation

The financial statements of the following subsidiaries/ associates (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
Cholamandalam Securities Limited (CSEC)	100.00%	100.00%
Cholamandalam Home Finance Limited (CHFL) (formerly known as Cholamandalam Distribution Services Limited	100.00%	100.00%
White Data Systems India Private Limited	30.87% from Oct 2018 (63.00% upto Sep 2018)	63.00%

3B. Investment in an Associate

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.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate 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 since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. 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, 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 are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), 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. If the associate 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 is shown on the face of the statement of profit and loss.

The financial statements of the associate 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. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the impairment loss with respect to the Group's investment in an associate.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

4. Presentation of financial statements

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

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

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its Counterparties

5. Significant accounting policies

5.1 Financial instruments - initial recognition

5.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, and borrowings are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Loans are recognised when fund transfers are initiated to the customers' account or cheques for disbursement have been prepared by the Group (as per the terms of the agreement with the borrowers). The Group recognises debt securities and borrowings when funds reach the Group.

5.1.2 Initial measurement of financial instruments

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

5.1.4 Financial assets and liabilities

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

The Group 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.

5.1.6 Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

The expected frequency, value and timing of sales are also important aspects of the Group's assessment

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

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5.1.7 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.

5.1.8 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 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.

5.1.9 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.

5.1.10 Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these commitments together with the corresponding ECLs are disclosed in notes.

5.1.11 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in 2018-19 and 2017-18.

5.2 Derecognition of financial assets and liabilities

5.2.1 Derecognition of financial assets other than due to substantial modification

5.2.1.1 Financial assets

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

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset

  Or

It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients

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- 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.

5.2.1.2 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.

5.3 Impairment of financial assets

5.3.1 Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Notes. The Group's policies for determining if there has been a significant increase in credit risk are set out in Notes.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

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Stage 3: Loans considered credit-impaired. The Group records an allowance for the LTECLs.

The calculation of ECLs

The Group calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The key elements of 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 facility has not been previously derecognised and is still in the portfolio.

EAD: The *Exposure at Default* is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

LGD: The *Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the group records an allowance for the LTECLs, PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitment:

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn loan commitment, ECLs are calculated and presented under provision.

5.3.2 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.

5.4 Collateral repossessed

The Group generally does not use the assets repossessed for the internal operations. These repossessed assets which are intended to be realised by way of sale are considered as stage 3 assets and the ECL allowance is determined based on the estimated net realisable value of the repossessed assets. The Group resorts to regular repossession of collateral provided against vehicle loans. Further, in its normal course of business, the Group from time to time, also exercise its right over property through legal procedures which include seizure of the property.

As per the Group's accounting policy, collateral repossessed are not recorded on the balance sheet.

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5.5 Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument in the consolidated statement of profit and loss.

5.6 Restructured, rescheduled and modified loans

The Group sometimes makes concessions or modifications to the original terms of loans such as changing the instalment value or changing the tenor of the loan, as a response to the borrower's request. The Group considers the modification of the loan only before the loans gets credit impaired.

When the loan has been renegotiated or modified but not derecognised, the Group also reassesses whether there has been a significant increase in credit risk. The Group also considers whether the assets should be classified as Stage 3. Once an asset has been classified as restructured, it will remain restructured for a period of year from the date on which it has been restructured.

5.7 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:

5.7.1 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 re-mains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

5.8 Recognition of interest income

5.8.1 The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate ('EIR') method for all financial instruments measured at amortised cost. The EIR is the rate that 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.

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Interest Income

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.

5.9 Taxes

5.9.1 Current tax

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

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

5.9.2 Deferred Tax

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

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

5.9.3 Minimum Alternative Tax (MAT)

“Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned 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”.

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5.10 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.

5.11 Property, plant and equipment

Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated.

Useful life of assets as per Schedule II:

Asset Description	Estimated Useful Life
Buildings	60 years
Computer Equipment	3 years
Other Equipment	5 years
Leasehold improvements	Lease Period or 5 years, whichever is lower

Useful life of assets based on Management's estimation:

Asset Description	Estimated Useful Life
Furniture and Fixtures*	5 years
Vehicles*	5 years
Membership card of stock exchanges	10 years

*Estimated useful life of these assets based on usage and replacement policy of such assets.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

5.12 Intangible assets

The Group's other intangible assets mainly include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group. Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight line basis over a 3 year period or the license period whichever is lower. The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

5.13 Impairment of non–financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the

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asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

5.14 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

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in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-0measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and

  The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

5.15 Share Based Payments

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Group are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Group and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves/ 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.

5.16 Provisions

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

5.16.1 Provision for Claw Back of Commission Income

The estimated liability for claw back of commission income is recorded in the period in which the underlying revenue is recognised. These estimates are established using historical information on the nature, frequency and expected average cost of claw back and management estimates regarding possible future incidence. The estimates used for accounting of claw back claims are reviewed periodically and revisions are made as required.

5.17 Dividends on ordinary shares

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013 in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

5.18 Determination of Fair value

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

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

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

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

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

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments** - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments** - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.
- **Level 3 financial instruments** - Those that include one or more unobservable input that is significant to the measurement as whole.

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

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

5.19 Recognition of Income

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. 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 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

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

5.19.1 Interest on overdue balances and Other Charges

Overdue interest in respect of loans is recognised upon realisation.

5.19.2 Fee Income & Sale of Services

a) Fee income from loans are recognised upon satisfaction of following:

i) Completion of service

ii) and realisation of the fee income.

b) Servicing and collections fees on assignment are recognised upon completion of service.

c) Advertising income is recognised over the contract period as and when related services are rendered.

d) Revenue from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed). These include brokerage fees which is charged per transaction executed.

5.20 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.

5.21 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. 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.

5.22 Foreign Currency transactions

The Group's financial statements are presented in Indian Rupees (INR) which is also the Group's functional currency.

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

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).

5.23 Earnings Per Share

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

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

5.24 Segment Information

The accounting policies adopted for Segment reporting are in line with the accounting policies of the Group with the following additional policies:

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the Segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to Segments on a reasonable basis have been included under "Un-allocable".

Assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Assets and liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Un-allocable".

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

5.25 Cash and Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

5.26 Cash Flow Statement

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

For the purpose of the Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts as they are considered an integral part of cash management of the Group.

5.27 Leases

The 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.

Operating Lease

Leases 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

5.28 Trade receivable

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

6. Goodwill recognised at the time of acquisition of other entities

This represents the goodwill recognised on the acquisition of subsidiary - White Data Systems India Private Limited. The aggregate values of the same are not significant. The Group believes that the carrying amount of the goodwill is recoverable.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 7 CASH AND CASH EQUIVALENTS			
Cash on hand	4,997	2,528	3,627
Balances with banks			
- In Current Accounts	35,075	21,244	21,238
- In Deposit Accounts - Original maturity 3 months or less	2,68,762	4,476	145
Cheques, drafts on hand	7,324	1,721	2,740
On other bank balances			
- On client and exchange related accounts & other deposits	277	989	1,159
Total	**3,16,435**	**30,958**	**28,909**
Cash and cash equivalents	3,16,435	30,958	28,909
Less: Other bank balances	277	989	1,159
Cash and cash equivalents for cashflow purpose	**3,16,158**	**29,969**	**27,750**

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 8 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS			
- In Deposit Accounts - Original maturity more than 3 months including interest accrued	1,521	3,481	3,006
- Non current bank balances	819	811	
- In earmarked accounts:			
- In Unpaid Dividend Accounts	68	55	46
- Deposits with Banks as collateral towards securitisation loan	51,995	59,872	67,397
- Other deposit Account on amalgamation of Cholamandalam Factoring Limited	8	8	8
Total	**54,411**	**64,227**	**70,457**

₹ in lakhs

Part I	As at 31.03.2019			As at 31.03.2018			As at 01.04.2017		
	Notional amounts	Fair Value -Assets	Fair Value -Liabilites	Notional amounts	Fair Value -Assets	Fair Value -Liabilites	Notional amounts	Fair Value -Assets	Fair Value -Liabilites
NOTE : 9 DERIVATIVE FINANCIAL INSTRUMENTS									
(i) Other derivatives - Cross Currency Interest Rate Swap	2,26,150	8,869	840	3,01,500	599	7,655	2,37,400	-	10,103
Total Derivative financial Instruments	**2,26,150**	**8,869**	**840**	**3,01,500**	**599**	**7,655**	**2,37,400**	**-**	**10,103**
Part II									
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:									
(i) Cash flow hedging:									
Others - Cross currency interest rate swap	2,26,150	8,869	840	3,01,500	599	7,655	2,37,400	-	10,103
Total Derivative financial Instruments	**2,26,150**	**8,869**	**840**	**3,01,500**	**599**	**7,655**	**2,37,400**	**-**	**10,103**

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 periodically monitors and reviews the risks involved.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 10 RECEIVABLES (Unsecured)			
(i) Trade Receivables			
Considered Good *	4,128	6,884	3,871
Doubtful			
Subtotal (i)	**4,128**	**6,884**	**3,871**
(ii) Other Receivables			
Considered Good *	3,908	5,577	4,504
Doubtful			
Subtotal (ii)	**3,908**	**5,577**	**4,504**
Total (i)+(ii)	**8,036**	**12,461**	**8,375**

* Includes dues from related parties, Refer Note 38 (b)

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 11 LOANS (At amortised cost)			
(A)			
(i) Bills Discounted	8,841	13,509	14,717
(ii) Term loans	53,45,307	42,97,146	33,89,298
Total (A) - Gross	**53,54,148**	**43,10,655**	**34,04,015**
Less: Impairment Allowance for (i) & (ii)	(93,071)	(86,259)	(82,576)
Total (A) - Net	**52,61,077**	**42,24,396**	**33,21,439**
(B)			
(i) Secured by tangible assets	**53,03,106**	**42,60,173**	**33,73,622**
(ii) Secured by intangible assets	-	-	-
(iii) Covered by Bank and Govt guarantees	-	-	-
(iv) Unsecured	**51,042**	**50,482**	**30,393**
Total (B) - Gross	**53,54,148**	**43,10,655**	**34,04,015**
Less: Impairment Allowance	(93,071)	(86,259)	(82,576)
Total (B) - Net	**52,61,077**	**42,24,396**	**33,21,439**

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 31st March 2019 and related impairment provision as per the Group's accounting policy has been created. The details of the same are disclosed below:

₹ in lakhs

Particulars	As at 31.03.2019
Loan - Outstanding value	
White Data System India Private Limited - Associate	340
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 relations to loans

₹ in lakhs

	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	10,316	850	2,343	13,509	26	62	1,270	1,358
New assets originated / Increase in existing assets (Net)	5,349	39	892	6,280	13	3	596	612
Exposure de-recognised / matured / repaid	(10,024)	(780)	(67)	(10,871)	(25)	(57)	(41)	(123)

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 11.1 LOANS (Contd.)

An analysis of changes in the gross carrying amount and corresponding ECL allowances in relations to loans

₹ in lakhs

	Gross Carrying amount				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Transfer to Stage 3	(296)	(69)	365	-	(1)	(5)	6	-
Impact on account of exposures transferred during the year between stages	-	-	-	-	-	-	329	329
Impact of changes on items within the same stage	3	-	(80)	(77)	-	-	997	997
Closing as on March 31, 2019	**5,348**	**40**	**3,453**	**8,841**	**13**	**3**	**3,157**	**3,173**
Term loans								
Opening as on April 1, 2018	39,56,838	1,94,188	1,46,120	42,97,146	19,810	20,693	44,396	84,899
New assets originated / Increase in existing assets (Net)	27,36,124	28,958	5,332	27,70,414	8,882	2,848	1,867	13,597
Exposure de-recognised / matured / repaid	(15,26,840)	(1,13,191)	(55,853)	(16,95,884)	(1,841)	(3,955)	(6,074)	(11,870)
Transfer to Stage 1	56,448	(49,871)	(6,577)	-	6,206	(4,642)	(1,564)	-
Transfer to Stage 2	(1,71,530)	1,78,274	(6,744)	-	2,298	(850)	(1,448)	-
Transfer to Stage 3	(44,907)	(25,631)	70,538	-	(250)	(2,481)	2,731	-
Impact on account of exposures transferred during the year between stages	3	200	1,825	2,028	(6,068)	10,596	14,921	19,449
Impact of changes on items within the same stage	-	-	4,144	4,144	(3,667)	(1,457)	2,885	(2,239)
Write off	(9,024)	(5,825)	(17,692)	(32,541)	(729)	(1,920)	(11,289)	(13,938)
Closing as on March 31, 2019	**49,97,112**	**2,07,102**	**1,41,093**	**53,45,307**	**24,641**	**18,832**	**46,425**	**89,898**
Bills Discounted								
Opening as on April 01, 2017	13,098	297	1,322	14,717	31	27	227	285
New assets originated / Increase in existing assets (Net)	10,316	850	273	11,439	26	62	54	142
Exposure de-recognised / matured / repaid	(12,560)	(64)	(23)	(12,647)	(29)	(6)	-	(35)
Transfer to Stage 3	(538)	(233)	771	-	-	(21)	21	-
Impact on account of exposures transferred during the year between stages (net)	-	-	-	-	-	-	968	968
Impact of changes on items within the same stage	-	-	-	-	-	-	-	-
Closing as on March 31, 2018	**10,316**	**850**	**2,343**	**13,509**	**28**	**62**	**1,270**	**1,360**
Term loans								
Opening as on April 01, 2017	29,71,109	2,39,716	1,78,473	33,89,298	11,098	19,598	51,595	82,291
New assets originated / Increase in existing assets (Net)	22,40,992	26,863	5,698	22,73,553	8,819	2,892	1,641	13,352
Exposure de-recognised / matured / repaid	(11,59,059)	(1,13,408)	(60,147)	(13,32,614)	(1,279)	(3,603)	(6,520)	(11,402)
Transfer to Stage 1	99,350	(83,039)	(16,311)	-	10,133	(6,527)	(3,606)	-
Transfer to Stage 2	(1,47,324)	1,59,990	(12,666)	-	(591)	3,366	(2,775)	-
Transfer to Stage 3	(40,840)	(29,456)	70,296	-	2,620	(181)	(2,439)	-
Impact on account of exposures transferred during the year between stages (net)	71	262	2,013	2,346	(9,841)	7,762	14,602	12,523
Impact of changes on items within the same stage	-	-	3,712	3,712	(444)	(968)	6,691	5,279
Write off	(7,461)	(6,740)	(24,948)	(39,149)	(705)	(1,646)	(14,793)	(17,144)
Closing as on March 31, 2018	**39,56,838**	**1,94,188**	**1,46,120**	**42,97,146**	**19,810**	**20,693**	**44,396**	**84,899**

ECL across stages have been computed on collective basis.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 12 INVESTMENTS			
Investment in Equity Instruments			
a) Unquoted - FVOCI*			
Amaravathi Sri Venkatesa Paper Mills Limited 293,272 Equity shares of ₹ 10 each fully paid up	-	-	129
Saraswat Co-operative Bank Limited 1,000 Equity shares of ₹ 10 each fully paid up	-	-	-
The Shamrao Vithal Co-operative Bank Limited 1,000 Equity shares of ₹ 25 each fully paid up	-	-	-
Chola Insurance Services Private Ltd. 19,133 Equity shares of ₹10 each fully paid up	2	2	2
Fearing Capital India Evolving Fund 39,350 Equity shares of ₹10 each fully paid up	516	588	657
b) Quoted - FVOCI			
Bombay Stock Exchange Limited 65,000 Equity shares of ₹ 1 each fully paid up	398	492	635
Madras Enterprises Limited 2,85,000 Equity shares of ₹ 1 each fully paid up	-	-	-
Coromandel Engineering Co. Ltd 25,00,100 Equity shares of ₹ 10 each fully paid up	715	1,190	971
Total	**1,631**	**2,272**	**2,394**

All Investments represented above are made in India.

* The Group has designated certain unquoted investments as FVOCI on the basis that these are not held for trading.

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 13 OTHER FINANCIAL ASSET			
At amortised cost			
Unsecured - considered good (unless otherwise stated)			
Security Deposits	3,298	3,541	2,567
Other Deposits	-	39	1
Interest Only Strip receivable	9,062	4,107	9,735
Other advances	1,536	2,563	2,435
	13,896	**10,250**	**14,738**

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 14 DEFERRED TAX			
Deferred Tax Assets			
Impairment on financial instrument	32,430	28,700	27,938
Provision for Contingencies and undrawn commitments	1,379	1,389	1,302
Provision for Claw back	5	-	2
Provision for Compensated Absences and Gratuity	1,280	920	893
Impact of Effective interest rate adjustment on Financial Assets	9,761	6,207	5,588
Contract Liability as per IND AS 115	995	995	-
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	671	786	480
Carry forward of tax losses	299	-	-
MAT credit entitlement	327	363	236
Others	376	277	235
(A)	**47,523**	**39,637**	**36,674**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 14 DEFERRED TAX (Contd.)			
Deferred Tax Liability			
Impact of Effective interest rate adjustment on Financial Liabilities	856	1,184	1,516
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	-	11	4
Gain on de-recognition of loans	-	1,404	3,370
Other Comprehensive income	655	457	53
(B)	**1,511**	**3,056**	**4,943**
Net Deferred Tax Assets (A) - (B)	**46,012**	**36,581**	**31,731**

₹ in lakhs

	As at 31.03.2019		As at 31.03.2018	
	Income Statement	OCI	Income Statement	OCI
Deferred Tax Assets				
Impairment on financial instrument	3,730	-	762	-
Provision for Contingencies and undrawn commitments	(10)	-	87	-
Provision for Claw back	5	-	(2)	-
Provision for Compensated Absences and Gratuity	360	-	27	-
Impact of Effective interest rate adjustment on Financial Assets	3,554	-	619	-
Contract Liability as per IND AS 115	-	-	995	-
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	(115)	-	306	-
Re-measurement gains / (losses) on defined benefit plans (Net)	-	245	-	(22)
Carry forward of tax losses	299	-	-	-
Others	99	-	42	-
(A)	**7,922**	**245**	**2,836**	**(22)**
Deferred Tax Liability				
Impact of Effective interest rate adjustment on Financial Liabilities	(328)	-	(332)	-
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961.	(11)	-	7	-
Gain on de-recognition of loans	(1,404)	-	(1,966)	-
Net (Loss)/gain on equity instrument designated at FVOCI	-	-	-	3
Cashflow Hedge Reserve	-	437	-	384
(B)	**(1,743)**	**437**	**(2,291)**	**387**
Net Deferred Tax Assets (A) - (B)	**9,665**	**(192)**	**5,127**	**(409)**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

Particulars	Total
Note : 15 INVESTMENT PROPERTIES	
Deemed cost as at April 01, 2017	**5**
Additions	-
Disposals	-
Gross carrying amount as at March 31, 2018	**5**
Additions*	42
Disposals	-
Gross carrying amount as at March 31, 2019	**47**
Accumulated depreciation and impairment	
Balance as at April 01, 2017	
Depreciation for the year	-
Depreciation on disposals	-
Balance as at March 31, 2018	**-**
Depreciation for the year	-
Depreciation on disposals	-
Balance as at March 31, 2019	**-**
Net Carrying amount	
As at April 01, 2017	**5**
As at March 31, 2018	**5**
As at March 31, 2019	**47**
Useful Life of the asset (In Years)	60
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. 1st April, 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 1st April, 2017 amounting to ₹ 5 lakhs of Investment property represents gross cost of ₹ 12 lakhs net of accumulated depreciation of ₹ 7 lakhs as at 31st March, 2017.

*Additions represents transfer from Property plant and Equipment.

The Group's investment property consists of 3 properties as at 31st March, 2019. Group has let one property as of 31st March, 2019.

i) Income earned and expense incurred in connection with Investment Property

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Rental Income	29	28
Direct Operating expense from property that generated rental income	1	1
Direct Operating expense from property that did not generated rental income	-	-

ii) Contractual obligations

There are no contractual obligations to purchase, construct or develop investment property.

iii) Leasing Arrangements

Certain investment properties are leased out to tenants under cancellable operating lease.

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
iv) Fair Value			
Investment Property	287	279	271

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 15 INVESTMENT PROPERTIES (Contd.)

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted avg)	Sensitivity of the input to fair value	Fair value ₹ in lakhs	Sensitivity
v) Sensitivity analysis						
Investment Property As at March 31 2019	Professional valuer	Price per Sq. feet	₹7,000 - ₹13,000 per Sq. feet	5% sensitivity 2018-19 - Rate per Sq. ft - 5%, ₹14.35 Lakhs	287	14
Investment Property As at March 31 2018	Professional valuer	Price per Sq. feet	₹7,000 - ₹13,000 per Sq. feet	5% sensitivity 2017-18 - Rate per Sq. ft - 5%, ₹13.95 Lakhs	279	14
Investment Property As at March 31 2017	Professional valuer	Price per Sq. feet	₹7,000 - ₹13,000 per Sq. feet	5% sensitivity 2016-17 - Rate per Sq. ft - 5%, ₹13.55 Lakhs	271	14

₹ in lakhs

Particulars	Freehold Land	Buildings (Refer Note below)*	Computer Equipment	Office Equipment	Furniture and Fixtures	Leasehold Improvements	Vehicles	Total Tangible Asset
Note : 16 PROPERTY, PLANT AND EQUIPMENT								
Deemed cost as at April 01, 2017	**3,956**	**2,575**	**2,053**	**872**	**587**	**1,130**	**792**	**11,965**
Additions	-	-	1,963	791	805	1,810	647	6,016
Disposals	-	-	238	25	17	31	354	665
Gross carrying amount as at March 31, 2018	**3,956**	**2,575**	**3,778**	**1,638**	**1,375**	**2,909**	**1,085**	**17,316**
Additions	-	-	1,997	567	484	801	592	4,441
Disposals	-	42	152	63	64	122	401	844
Gross carrying amount as at March 31, 2019	**3,956**	**2,533**	**5,623**	**2,142**	**1,795**	**3,588**	**1,276**	**20,913**
Accumulated depreciation / amortisation and impairment								
Balance as at April 01, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	-	48	1,506	481	662	727	269	3,693
Depreciation on disposals	-		223	17	16	31	231	518
Balance as at March 31, 2018	**-**	**48**	**1,283**	**464**	**646**	**696**	**38**	**3,175**
Depreciation for the year		48	1,757	465	480	757	327	3,834
Depreciation on disposals		-	77	43	57	108	275	560
Balance as at March 31, 2019	**-**	**96**	**2,963**	**886**	**1,069**	**1,345**	**90**	**6,449**
Net Carrying amount								
As at April 01, 2017	**3,956**	**2,575**	**2,053**	**872**	**587**	**1,130**	**792**	**11,965**
As at March 31, 2018	**3,956**	**2,527**	**2,495**	**1,174**	**729**	**2,213**	**1,047**	**14,141**
As at March 31, 2019	**3,956**	**2,437**	**2,660**	**1,256**	**726**	**2,243**	**1,186**	**14,464**
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. 1st April, 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 01, 2017 amounting to ₹ 11,964 lakhs of Property, plant and equipment represents gross cost of ₹ 23,919 lakhs net of accumulated depreciation of ₹ 11,955 lakhs as at 31st March, 2017.

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 forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

Particulars	Computer Software
Note : 17 INTANGIBLE ASSETS	
Deemed cost as at April 01, 2017	**2,308**
Additions	1,297
Disposals	9
Gross carrying amount as at March 31, 2018	**3,596**
Additions	1,992
Disposals	111
Gross carrying amount as at March 31, 2019	**5,477**
Accumulated Amortization and impairment	
Balance as at April 01, 2017	**-**
Amortization for the year	1,393
Amortization on disposals	-
Balance as at March 31, 2018	**1,393**
Amortization for the year	1,864
Amortization on disposals	-
Balance as at March 31, 2019	**3,257**
Net Carrying amount	
As at April 01, 2017	**2,308**
As at March 31, 2018	**2,203**
As at March 31, 2019	**2,220**
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 statement as at the date of transition to Ind AS i.e 1st April, 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 1st April, 2017 amounting to ₹ 2,308 lakhs of intangible assets represents gross cost of ₹ 6,811 lakhs net of accumulated depreciation of ₹ 4,503 lakhs as at 31st March, 2017.

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 18 OTHER NON FINANCIAL ASSETS			
Unsecured - considered good (unless otherwise stated)			
Prepaid expenses	1,195	1,171	820
Capital Advances	224	128	535
Deposits with others	-	29	16
Balance with Government authorities	-	48	23
Other assets	398	46	374
	1,817	**1,422**	**1,768**

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 19 DEBT SECURITIES (at amortised cost)			
Redeemable Non-Convertible Debentures Medium-Term - Secured	10,54,445	12,07,379	10,90,391
Commercial Papers - Unsecured	3,63,986	2,30,016	2,56,703
	14,18,431	**14,37,395**	**13,47,094**

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.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

19.1 Security (Contd.)

(iii) Details of repayment such as date of repayment, interest rate and amount to be paid have been disclosed in note 19.2 based on the Contractual terms basis.

19.2 Details of Debentures

(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 %
		31.03.2019 ₹ in lakhs	31.03.2018 ₹ in lakhs		
250	10,00,000	2,500	2,500	Nov-26	8.55
1,500	10,00,000	15,000	-	Apr-24	8.65
3,523	10,00,000	35,230	-	Sep-23	8.80
1,500	10,00,000	15,000	15,000	Nov-22	8.00
3,523	10,00,000	35,230	-	Sep-22	8.70
1,050	10,00,000	10,500	500	Mar-22	8.35 to 9.06
3,523	10,00,000	35,230	-	Sep-21	8.45
2,550	10,00,000	25,500	-	Jul-21	8.97 to 9.06
2,000	10,00,000	20,000	20,000	Jun-21	8.52
4,770	10,00,000	47,700	47,700	Apr-21	8.09
600	10,00,000	6,000	-	Feb-21	9.09
4,650	10,00,000	46,500	19,500	Dec-20	8.00 to 9.15
1,750	10,00,000	17,500	17,500	Oct-20	7.75
2,200	10,00,000	22,000	15,000	Jun-20	8.10 to 9.10
4,800	10,00,000	48,000	8,000	May-20	8.12 to 8.90
800	10,00,000	8,000	8,000	Apr-20	8.10 to 9.02
500	10,00,000	5,000	5,000	Mar-20	9.02
9,850	10,00,000	98,500	40,000	Feb-20	8.02 to 8.85
5,500	10,00,000	55,000	55,000	Dec-19	7.97
2,750	10,00,000	27,500	27,500	Nov-19	8.10 to 9.10
5,750	10,00,000	57,500	57,500	Oct-19	8.05 to 8.20
5,850	10,00,000	58,500	83,500	Sep-19	8.06 to 8.46
2,250	10,00,000	22,500	22,500	Aug-19	7.50 to 9.90
7,300	10,00,000	73,000	73,000	Jul-19	7.80 to 9.90
2,750	10,00,000	27,500	27,500	Jun-19	9.13 to 9.90
6,750	10,00,000	67,500	67,500	May-19	8.03 to 9.20
1,100	10,00,000	11,000	11,000	Apr-19	8.00 to 9.20
8,800	10,00,000	-	88,000	Mar-19	7.65 to 9.20
5,200	10,00,000	-	52,000	Feb-19	7.96 to 8.05
2,000	10,00,000	-	20,000	Dec-18	8.20
2,350	10,00,000	-	23,500	Nov-18	7.80 to 10.35
6,400	10,00,000	-	64,000	Sep-18	8.27 to 11.00
500	10,00,000	-	5,000	Aug-18	9.03
5,450	10,00,000	-	54,500	Jun-18	8.95 to 9.13
11,430	10,00,000	-	1,14,300	May-18	8.96 to 10.13
400	10,00,000	-	4,000	Apr-18	9.94 to 9.95
		8,93,390	**10,49,000**		

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 19 DEBT SECURITIES (at amortised cost) (Contd.)

(ii) Secured Redeemable Non-Convertible Debentures - Redeemable at premium - No put call option

₹ in lakhs

No. of Debentures	Face Value ₹	Balance as at 31.03.2019 ₹ in lakhs	Balance as at 31.03.2018 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
1100	10,00,000	11,000	-	May-21	12,94,211	2,94,211
1000	10,00,000	10,000	10,000	Mar-21	12,76,583	2,76,583
2050	10,00,000	20,500	20,500	May-20	12,63,916	2,63,916
190	10,00,000	1,900	1,900	Apr-20	12,56,100	2,56,100
500	10,00,000	5,000	5,000	Apr-20	13,54,976	3,54,976
800	10,00,000	8,000	8,000	Apr-20	12,74,682	2,74,682
750	10,00,000	7,500	7,500	Sep-19	12,66,148	2,66,148
80	10,00,000	800	800	Jul-19	12,98,729	2,98,729
500	10,00,000	5,000	5,000	Jul-19	13,63,101	3,63,101
80	10,00,000	800	800	Apr-19	13,08,150	3,08,150
250	10,00,000	2,500	2,500	Apr-19	13,13,730	3,13,730
250	10,00,000	-	2,500	Mar-19	16,23,240	6,23,240
100	10,00,000	-	1,000	Mar-19	16,19,345	6,19,345
160	10,00,000	-	1,600	Feb-19	16,35,566	6,35,566
580	10,00,000	-	5,800	Nov-18	13,57,496	3,57,496
100	10,00,000	-	1,000	Jul-18	13,02,320	3,02,320
150	10,00,000	-	1,500	Jul-18	12,59,970	2,59,970
100	10,00,000	-	1,000	May-18	15,80,260	5,80,260
250	10,00,000	-	2,500	Apr-18	13,01,077	3,01,077
60	10,00,000	-	600	Apr-18	12,95,193	2,95,193
		73,000	**79,500**			

(iii) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Put option

No. of Debentures	Face Value ₹	Balance as at 31.03.2019 ₹ in lakhs	Balance as at 31.03.2018 ₹ in lakhs	Due date of redemption	Put option date	Rate of interest %
15	10,00,000	150	-	Mar-21	Feb-20	8.85
10	10,00,000	100	-	Aug-23	Jul-21	9.06
500	10,00,000	-	5,000	Mar-19	Feb-18	8.90
2500	10,00,000	-	25,000	Sep-19	Sep-18	8.20
		250	**30,000**			

(iv) Secured Redeemable Non-Convertible Debentures - Redeemable at par - with Call option

No. of Debentures	Face Value ₹	Balance as at 31.03.2019 ₹ in lakhs	Balance as at 31.03.2018 ₹ in lakhs	Due date of redemption	Call option date	Rate of interest %
3,250	10,00,000	32,500	32,500	Aug-19	Aug-18	7.85
		32,500	**32,500**			

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 20 BORROWINGS (Other than Debt Securities) at amortised cost			
a) Term Loans			
i) a) From Banks - Secured			
Rupee Loans	21,62,592	9,44,428	5,40,414
Foreign currency Loans	2,00,467	2,96,830	2,30,346
External Commercial Borrowings	34,629	-	-
i) b) From Banks - Unsecured			
Rupee Loans	50,000	42,000	-
ii) From Other Parties - Secured			
Financial Institutions - Rupee Loans	93,481	75,000	-
Securitisation - Rupee Loans	5,49,261	5,62,244	5,37,364
b) Loan repayable on demand - Secured from Banks - Rupee Loans	1,21,945	96,134	66,314
	32,12,375	**20,16,636**	**13,74,438**
Borrowings within India	31,77,746	20,16,636	13,74,438
Borrowings Outside India	34,629	-	-

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 borrowings 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 35(1) 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 the Contractual terms basis.

20.2 Details of term loans - Contractual principal repayment value

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding 31.03.2019	31.03.2018
Base Rate / MCLR	< 1year	1	21,000	22,867
		3	12,000	-
		4	20,000	8,000
	1 - 2 years	1	60,000	56,000
		2	-	10,000
		4	60,000	20,000
		5	-	30,000
	2 - 3 years	1	40,000	60,000
		3	15,000	-
		4	-	70,000
	3 - 4 years	6	1,00,000	20,000
		16	25,000	-
	4 - 5 years	6	80,000	1,00,000
		16	-	25,000

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

20.2 Details of term loans - Contractual principal repayment value (Contd.)

₹ in lakhs

Rate of Interest	Maturity	Instalments	Amount outstanding 31.03.2019	Amount outstanding 31.03.2018
Base Rate/ MCLR + spread (0.05% to 0.92%)	< 1year	1	52,000	85,000
		2	-	18,000
	1 - 2 years	1	3,10,000	-
		4	50,000	-
	2 - 3 years	1	5,20,000	3,00,000
		4	1,00,000	15,000
		8	1,00,000	-
	3 - 4 years	1	1,00,000	-
	4- 5 years	10	1,00,000	-
		20	3,00,000	-
Rate based on T Bill + Spread	< 1 year	1	5,000	-
	1 - 2 years	1	20,000	10,000
		3	3,000	-
		5	8,334	-
	2 - 3 years	1	-	20,000
		3	-	4,500
	3 - 4 years	3	28,200	-
	4 - 5 years	3	-	28,200
		4	-	10,000
Fixed Rate	< 1year	1	74,000	30,000
	1 - 2 years	1	-	23,439
	2 - 3 years	10	30,000	-
	3 - 4 years	16	63,000	
	4 - 5 years	1	-	75000
3 Months Repo	2 - 3 years	1	30,000	-
Total			**23,56,534**	**10,41,006**
USD 2Y MIBOR + Spread	1-2 years	1	4,000	-
USD 3M LIBOR + Spread	< 1year	1	-	28,879
		4	-	30,065
	1-2 years	1	-	27,559
		5	20,000	-
	2-3 years	5	-	20,304
USD 6M LIBOR + Spread	< 1year	1	1,47,500	48,714
	1-2 years	1	-	1,17,177
	2-3 years	1	34,650	-
Total			**2,06,150**	**2,72,698**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Details of Securitised loan

₹ in lakhs

Rate of Interest	Maturity	Amount outstanding* 31.03.2019	31.03.2018
	Less than 1 year	1,90,854	1,76,435
Fixed	1-2 year	1,26,195	1,20,697
(6.1% to 8.5%)	2-3 year	56,971	53,672
	3-4 year	13,886	15,188
	4-5 year	6,506	7,949
	more than 5 years	26,700	38,898
Total		**4,21,112**	**4,12,839**
	Less than 1 year	11,287	12,170
Floating	1-2 year	11,921	13,083
Base Rate/ MCLR - spread	2-3 year	12,280	13,926
(0.75% to 2.65%)	3-4 year	12,060	14,320
	4-5 year	12,319	14,072
	more than 5 years	66,786	77,298
Total		**1,26,653**	**1,44,869**

* Represents amounts to be paid to the securitisation trust as per the securitisation cash flows net of amounts to be received Investment PTC.

20.3 Loan repayable on demand represents cash credit and overdraft facilities

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 21 SUBORDINATED LIABILITIES (at amortised cost)			
Perpetual Debt - Unsecured	1,44,179	1,17,625	1,11,937
Subordinated Debt - Unsecured	2,81,689	2,61,378	1,82,694
	4,25,868	**3,79,003**	**2,94,631**

All Suborindated liabilities have been contracted in India.

The Group has not defaulted in the repayment of dues to its lenders.

Details of repayment such as date of repayment, interest rate and amount to be paid have been disclosed in note 21.1 based on the Contractual terms basis.

21.1 Details of Subordinated Liabilities - Contractual principal repayment value

(i) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt - Redeemable at par - No put call option

No. of Debentures	Face Value ₹	Balance as at 31.03.2019 ₹ in lakhs	Balance as at 31.03.2018 ₹ in lakhs	Due date of redemption	Rate of interest %
3000	10,00,000	30,000	-	Aug-28	9.75
5300	10,00,000	53,000	31,500	Mar-28	9.05
1500	10,00,000	15,000	15,000	Aug-27	8.53
2500	10,00,000	25,000	25,000	Jun-27	8.78 to 8.80
100	10,00,000	1,000	1,000	Nov-26	9.20
150	10,00,000	1,500	1,500	Jun-24	11.00
50	10,00,000	500	500	May-24	11.00
250	10,00,000	2,500	2,500	Apr-24	11.00
250	10,00,000	2,500	2,500	Mar-24	11.00
200	10,00,000	2,000	2,000	Feb-24	11.00
250	10,00,000	2,500	2,500	Jan-24	11.00
2000	10,00,000	20,000	20,000	Nov-23	9.08 to 9.20
500	10,00,000	5,000	5,000	Oct-23	9.08
150	10,00,000	1,500	1,500	Sep-23	11.00
600	10,00,000	6,000	6,000	Dec-22	11.05 to 11.25
3,150	10,00,000	31,500	31,500	Nov-21	10.02
1,000	10,00,000	10,000	10,000	Jun-21	11.30

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

21.1 Details of Subordinated Liabilities - Contractual principal repayment value (Contd.)

No. of Debentures	Face Value ₹	Balance as at 31.03.2019 ₹ in lakhs	Balance as at 31.03.2018 ₹ in lakhs	Due date of redemption	Rate of interest %
1,000	10,00,000	10,000	10,000	May-21	11.30
100	10,00,000	1,000	1,000	Mar-21	11.00
100	10,00,000	1,000	1,000	Feb-21	11.00
150	10,00,000	1,500	1,500	Oct-20	11.00
500	10,00,000	5,000	5,000	Jul-20	10.70
115	10,00,000	1,150	1,150	May-20	11.00
1,000	10,00,000	10,000	10,000	Apr-20	11.00
750	10,00,000	7,500	7,500	Dec-19	11.50
700	10,00,000	7,000	7,000	Jun-19	11.40
1,500	10,00,000	15,000	15,000	May-19	11.70 to 11.75
100	10,00,000	-	1,000	Nov-18	10.55
250	10,00,000	-	2,500	Sep-18	11.25
895	10,00,000	-	8,950	Aug-18	12.25
620	10,00,000	-	6,200	Jun-18	10.55 to 12.25
		2,68,650	**2,35,800**		

(ii) Unsecured Redeemable Non-Convertible Debentures - Subordinated debt -Redeemable at premium - No put call option

No. of Debentures	Face Value ₹	Balance as at 31.03.2019 ₹ in lakhs	Balance as at 31.03.2018 ₹ in lakhs	Due date of redemption	Redemption price ₹	Premium ₹
150	10,00,000	1,500	1,500	Nov-23	17,57,947	7,57,947

(iii) Unsecured Redeemable Non-Convertible Debentures - Perpetual debt

No. of Debentures	Face Value ₹	Balance as at 31.03.2019 ₹ in lakhs	Balance as at 31.03.2018 ₹ in lakhs	Maturity Date - Perpetual #	Rate of interest % (increase by 100 bps if call option is not exercised on the due date)
1120	5,00,000	5,600	-	Mar-29	10.83
5000	5,00,000	25,000	-	Feb-29	10.88
500	5,00,000	2,500	2,500	Aug-24	12.80
174	10,00,000	1,740	1,740	Jul-24	12.90
500	5,00,000	2,500	2,500	Jun-24	12.90
500	5,00,000	2,500	2,500	Feb-24	12.90
50	10,00,000	500	500	Jan-24	12.60
1,031	10,00,000	10,310	10,310	Dec-23	12.50 to 12.60
245	10,00,000	2,450	2,450	Oct-23	12.60
1,000	5,00,000	5,000	5,000	Oct-23	12.90
300	10,00,000	3,000	3,000	Feb-23	12.80
1,450	10,00,000	14,500	14,500	Dec-22	12.70 to 12.80
860	5,00,000	4,300	4,300	Sep-22	12.75
2,000	5,00,000	10,000	10,000	Aug-22	12.90
200	5,00,000	1,000	1,000	Mar-22	12.50
700	5,00,000	3,500	3,500	Jan-22	12.50
3,500	5,00,000	17,500	17,500	Dec-21	12.50 to 12.95
320	5,00,000	1,600	1,600	Aug-21	12.50
413	5,00,000	2,065	2,065	Jul-21	12.50
2,021	5,00,000	10,105	10,105	Jun-21	12.50
3,000	5,00,000	15,000	15,000	Oct-20	12.05
		1,40,670	**1,10,070**		

Group can redeem using Call Option on the maturity date with prior approval of RBI.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 22 OTHER FINANCIAL LIABILITIES			
Unpaid Dividend	68	55	46
Advances from customers	1,991	1,366	2,299
Security Deposits received	221	212	345
Collections towards derecognised assets pending remittances	4,607	6,901	8,124
Other liabilities	14,789	11,872	9,586
	21,676	**20,406**	**20,400**

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 23 PROVISIONS			
Provision for Employee Benefits			
- Compensated Absences	3,578	2,570	1,531
	3,578	**2,570**	**1,531**
Other Provisions (Refer Note 40)			
Provision for Contingencies and Service Tax claims	3,837	3,814	3,747
Provision for undrawn commitments	51	12	10
	3,888	3,826	3,757
	7,466	**6,396**	**5,288**

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 24 OTHER NON FINANCIAL LIABILITIES			
Deferred Rent	834	663	396
Income received in advance	2,303	2,965	158
Statutory Liabilities	2,308	1,501	156
Other Liabilities	-	25	38
	5,445	**5,154**	**748**

₹ in lakhs

	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
Note : 25 EQUITY SHARE CAPITAL						
AUTHORISED						
Equity Shares of ₹ 10 each with voting rights	24,00,00,000	24,000	24,00,00,000	24,000	24,00,00,000	24,000
Preference Shares of ₹ 100 each	5,00,00,000	50,000	5,00,00,000	50,000	5,00,00,000	50,000
		74,000		**74,000**		**74,000**
ISSUED						
Equity Shares of ₹ 10 each with voting rights	15,64,95,867	15,650	15,64,68,125	15,647	15,64,14,287	15,641
		15,650		**15,647**		**15,641**
SUBSCRIBED AND FULLY PAID UP						
Equity Shares of ₹ 10 each with voting rights	15,63,59,113	15,636	15,63,31,371	15,633	15,62,77,533	15,628
Add : Forfeited Shares	1,30,900	6	1,30,900	7	1,30,900	7
		15,642		**15,640**		**15,635**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

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

₹ in lakhs

	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
Equity Shares						
At the beginning of the year	15,63,31,371	15,633	15,62,77,533	15,628	15,61,45,644	15,615
Issued during the year - Employees Stock Option (ESOP) Scheme	27,742	3	53,838	5	1,31,889	13
Outstanding at the end of the year	**15,63,59,113**	**15,636**	**15,63,31,371**	**15,633**	**15,62,77,533**	**15,628**
Forfeited shares						
Equity Shares - Amount originally paid up	1,30,900	7	1,30,900	7	1,30,900	7

Terms/rights attached to Equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend.

Repayment of capital will be in proportion to the number of equity shares held.

b) Equity Shares held by Holding Company

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Cholamandalam Financial Holdings Limited (formerly known as "TI Financial Holdings Limited") - Holding Company	7,25,33,019	7,22,33,019	7,22,33,019

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

₹ in lakhs

	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Nos.	% holding in the class	Nos.	% holding in the class	Nos.	% holding in the class
Equity Shares						
Cholamandalam Financial Holdings Limited - Holding Company	7,25,33,019	46.39	7,22,33,019	46.22	7,22,33,019	46.22

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 44 for details of shares reserved for issue under options.

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018
Note : 26 OTHER EQUITY		
Statutory Reserve (Refer Note a)		
Balance at the beginning of the year	82,046	62,046
Add: Amount transferred from retained earnings	24,000	20,000
Closing balance at the end of the year	**1,06,046**	**82,046**
Capital Reserve (Refer Note b)		
Balance at the beginning of the year	4	4
Add: Changes during the year	-	-
Closing balance at the end of the year	**4**	**4**
Capital Redemption Reserve (Refer Note c)		
Balance at the beginning of the year	3,300	3,300
Add: Changes during the year	-	-
Closing balance at the end of the year	**3,300**	**3,300**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

	As at 31.03.2019	As at 31.03.2018
Note : 26 OTHER EQUITY (Contd.)		
Securities Premium Account (Refer Note d)		
Balance at the beginning of the year	1,66,680	1,66,421
Add: Premium on ESOPs exercised	170	259
Closing balance at the end of the year	**1,66,850**	**1,66,680**
General Reserve (Refer Note e)		
Balance at the beginning of the year	1,90,967	1,40,967
Add: Amount transferred from retained earnings	60,000	50,000
Closing balance at the end of the year	**2,50,967**	**1,90,967**
Share Based Payments Reserve (Refer Note f)		
Balance at the beginning of the year	1,046	184
Addition during the year	815	862
Closing balance at the end of the year	**1,861**	**1,046**
Retained Earnings (Refer Note g)		
Balance at the beginning of the year	53,760	44,006
Profit for the year	1,19,806	91,930
Less:		
Dividend		
Equity - Final (₹ 2 per share - March 31, 2018, ₹ 2 per share - March 31, 2017)	(3,127)	(3,126)
Equity - Interim (₹ 4.5 per share - March 31, 2019, ₹ 4.5 per share - March 31, 2018)	(7,036)	(7,034)
Distribution tax on Equity Dividend	(2,089)	(2,068)
Transfer to Statutory Reserve	(24,000)	(20,000)
Transfer to General Reserve	(60,000)	(50,000)
Re-measurement Gain / (Loss) on Defined Benefit Obligation (Net) transferred to Retained Earnings	(466)	52
Closing balance at the end of the year	**76,848**	**53,760**
Cashflow hedge reserve (Refer Note h)		
Balance at the beginning of the year	(2,077)	(2,793)
Addition	869	716
Closing balance at the end of the year	**(1,208)**	**(2,077)**
FVOCI Reserve (Refer Note i)		
Balance at the beginning of the year	1,180	1,176
Addition	(619)	521
Deduction	-	(517)
Closing balance at the end of the year	**561**	**1,180**
Share Application Money pending Allotment at the end of the year	**-**	**-**
Total Other Equity	**6,05,229**	**4,96,906**

a) Statutory reserve represents the reserve created as per Section 45IC of the RBI Act, 1934, pursuant to which a Non-Banking Financial Company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss account, before any dividend is declared.

b) Capital reserve represents the reserve created on account of amalgamation of Cholamandalam Factoring Limited in the year 2013-14.

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

d) Securities premium reserve is used to record the premium on issue of shares. The premium received during the year represents the premium received towards allotment of 27,742 shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares, buy back of its own shares and securities in accordance with the provisions of the Companies Act, 2013.

e) The general reserve is a free reserve, retained from Group's profits and can be utilized upon fulfilling certain conditions in accordance with statute of the relevant Act.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

f) Under IND AS 102, fair value of the options granted is required to be accounted as expense over the life of the vesting period as employee compensation costs, reflecting the period of receipt of service. 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.

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

h) Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Group accounting policies.

i) FVOCI Reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income.

Proposed dividend

The Board of Directors of the company have recommended a final dividend of 20% being ₹ 2 per share on the equity shares of the Company, for the year ended 31st March, 2019 (₹ 2 per share - 31st March, 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.

₹ in lakhs

	Year ended 31.03.2019	Year ended 31.03.2018
Note : 27 REVENUE FROM OPERATIONS		
Note: 27A		
(i) Interest - on financial assets measured at amortised cost		
(a) Loans		
- Bills Discounting	1,027	1,573
- Term Loans	6,47,525	5,16,838
(b) Bank Deposits		
- Bank Deposits under lien	4,384	4,950
- Other Bank Deposits free of lien	3,660	76
Total (A)	**6,56,596**	**5,23,437**
Note: 27B		
i) Fee & Commission income *		
- Term loans	24,727	17,931
Total (B)	**24,727**	**17,931**
***Services are transferred at a point in time**		
Note: 27C		
Net gain on fair value changes on FVTPL - Realised		
Income from mutual funds	6,334	1,004
Total (C)	**6,334**	**1,004**
Note: 27D		
(i) Sale of Services (Refer note below)		
(a) Servicing and Collection fee on Assignment	242	288
(b) Other Servicing Income	8,800	7,694
(c) Freight Income	3,393	5,513
Total (D)	**12,435**	**13,495**
Note: Timing of revenue recognition		
Services transferred at a point in time	8,194	7,491
Services transferred over a time	606	203
Total	**8,800**	**7,694**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 27 REVENUE FROM OPERATIONS (Contd.)

Details related to services transferred over a time.

a) Contract balances

₹ in lakhs

Particulars	**As at 31.03 2019**	**As at 31.03.2018**
Contract Liabilities	2,241	2,847

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 as follows

Particulars	**2018-19**	**2017-18**
Contract liability at the beginning of the year	2,847	-
Revenue Recognised during the period	606	203
Contract liability at the end of the year	2,241	2,847
c) Particulars	**2018-19**	**2017-18**
Total Revenue from contracts with Customer	37,162	31,426

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.

₹ in lakhs

	Year ended 31.03.2019	**Year ended 31.03.2018**
Note : 28 OTHER INCOME		
Dividend Income from long-term investments	23	18
Gain on loss of control in Subsidiary	2,029	-
Other Non-operating Income		
Rent	29	26
Miscellaneous Income	40	16
	2,121	**60**
Rent received are from cancellable operating lease for office space	29	26

₹ in lakhs

	Year ended 31.03.2019	**Year ended 31.03.2018**
Note : 29 FINANCE COSTS		
Interest on financial liabilities measured at amortised cost		
- Debt Securities	1,36,560	1,71,632
- Borrowings Other than Debt securities	1,89,283	70,004
- Subordinated Liabilities	31,588	21,515
Others		
- Bank charges	1,383	2,517
	3,58,814	**2,65,668**

₹ in lakhs

	Year ended 31.03.2019	**Year ended 31.03.2018**
Note : 30 IMPAIRMENT ON FINANCIAL INSTRUMENTS		
Loss Assets Written Off (Net) -Loans	4,366	9,697
Loss on disposal of Re-possessed assets	19,882	17,474
Impairment provision- Loans - measured at amortised cost	6,886	3,670
	31,134	**30,841**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

	Year ended 31.03.2019	Year ended 31.03.2018
Note : 31 EMPLOYEE BENEFITS EXPENSES		
Salaries, Bonus and Commission	54,782	49,029
Contribution to Provident and Other Funds		
- Employees' Provident Fund	2,257	1,894
- Superannuation Fund	256	199
Share based employee payments	811	862
Gratuity Expense	689	646
Staff Welfare Expenses	1,673	2,451
	60,468	**55,081**

₹ in lakhs

	Year ended 31.03.2019	Year ended 31.03.2018
Note : 32 OTHER EXPENDITURE		
Rent and facility charges	5,349	4,888
Rates and Taxes	755	2,456
Energy cost	1,216	1,131
Repairs and Maintenance	319	229
Communication Costs	2,557	2,301
Business development expense	34	43
Brokerage	177	296
Deputation charges	3,575	-
Freight charges	3,369	5,240
Printing and Stationery	1,255	1,173
Advertisement and publicity Expenses	1,600	863
Directors Fees, allowances and expenses	69	49
Auditors' Remuneration	81	122
Legal and Professional Charges	4,710	3,664
Insurance	1,192	934
Travelling and Conveyance	4,672	6,320
Information Technology Expenses	2,581	3,065
Loss on Sale of Property, Plant and Equipment (Net)	17	11
Recovery Charges	20,294	16,730
Corporate Social Responsibility Expenditure (Refer Note 32.3 below)	2,318	1,769
Outsource cost	15,294	7,884
Miscellaneous Expenses	430	239
	71,864	59,407
Less : Expenses Recovered	(249)	(236)
	71,615	**59,171**

32.1 Cancellable operating lease entered for office space	4,617	4,259
32.2 Miscellaneous Expenses includes:		
Donations	50	-
32.3 Details of CSR expenditure		
Gross amount required to be spent towards CSR u/s 135 (5) of Companies Act , 2013	2,317	1,768
Amount spent during the year		
a) Construction / acquisition of asset	-	-
b) Others	2,318	1,769

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 33

a) Share application money pending allotment as at 31st March, 2017 represents amount received towards 10,261 Equity shares of the Company pursuant to ESOP scheme and have been subsequently allotted.

b) Earnings Per Share

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit After Tax (₹ 'lakhs)	1,19,691	91,770
Preference Dividend Paid (including tax thereon) (₹ 'lakhs)	-	-
Profit After Tax Attributable to Equity Shareholders (₹ 'lakhs)	1,19,691	91,770
Weighted Average Number of Equity Shares (Basic)	15,63,46,240	15,62,99,308
Add: Dilutive effect relating to ESOP/CCPS	1,15,599	1,54,853
Weighted Average Number of Equity Shares (Diluted)	15,64,61,839	15,64,54,161
Earnings per Share - Basic (₹)	76.56	58.71
Earnings per Share - Diluted (₹)	76.50	58.66
Face Value Per Share (₹)	10.00	10.00

Note:

Earnings per Share calculations are done in accordance with Ind AS 33 "Earnings per Share".

c) Income tax reconciliation

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Accounting profit before tax from continuing operations	1,83,153	1,40,081
Income tax rate of 34.944% (March 31, 2018: 34.608%)	64,000	48,479
Effects of:		
Impact of difference in tax base for Donation & CSR expense	461	420
Share based payment expense - No deduction claimed under tax	279	293
Impact of Deduction u/s 35(1)(ii)	(189)	-
Deduction u/s 80JJA	(360)	(357)
Other adjustments	(732)	(154)
Effect of enacted tax rate on Deferred tax	-	(370)
Income tax expense reported in statement of Profit and Loss	63,459	48,311

The effective income tax rate for 31st March, 2019 is 34.944% (31st March, 2018: 34.608%).

Note : 34 TRANSFER OF FINANCIAL ASSETS

34.1 Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

A) Securitisation

The Group has Securitised certain loans, however the Group has not transferred substantially all risks and rewards, hence these assets have not been de-recognised in its entirety.

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Securitisations			
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	5,64,273	5,65,367	5,32,084
Carrying amount of associated liabilities (Debt securities - measured at amortised cost)	5,49,261	5,62,244	5,37,364
Fair value of assets	5,87,198	5,92,874	5,56,963
Fair value of associated liabilities	5,47,398	5,73,248	5,33,087
Net position at Fair Value	39,800	19,626	23,876

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

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.

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Assignment			
Carrying amount of de-recognised financial asset	1,67,117	67,091	1,02,950
Carrying amount of Retained Assets at amortised cost	19,020	8,648	12,467

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Assignment		
Gain on sale of the de-recognised financial asset	8,670	-

34.2 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.

Note : 35 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, there are no amounts due to MSME as at 31st March, 2019.

The relevant particulars are furnished below:

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Principal amount due to suppliers under MSMED Act, as at the year end	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 36 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 ₹ 2,257 lakhs (Previous Year - ₹ 1,894 lakhs) to Provident Fund under Defined Contribution Plan, ₹ 256 lakhs (Previous Year - ₹ 199 lakhs) for Contributions to Superannuation Fund and ₹ 208 lakhs (Previous Year - ₹ 361 lakhs) for Contributions to Employee State Insurance Scheme in the Statement of Profit and Loss.

B) Gratuity

The Group's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is funded with Life Insurance Corporation of India (LIC). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans :

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Details of Actuarial Valuation:		
Projected Benefit Obligation at the beginning of the year	**3,152**	**2,595**
Current Service Cost	716	580
Interest Cost	240	179
Re-measurement Losses/(Gains)		
a) Effect of changes in demographic assumptions	88	(145)
b) Effect of experience adjustments	550	169
Benefits paid	(177)	(211)
Transfer in / Out	17	(14)
Projected Benefit Obligation at the end of the year	**4,586**	**3,153**
Change in Plan Assets		
Fair Value of Plan Assets at the Beginning of the Year	3,480	1,498
Expected Returns on Plan Assets	264	111
Employer's Contribution	43	2,006
Benefits paid	(177)	(227)
Return on plan assets (excluding interest income)	(72)	91
Transfer in / Out	17	-
Fair Value of Plan Assets at the end of the year	**3,555**	**3,479**
Amount Recognised in the Balance Sheet		
Fair Value of Plan Assets as at the End of the Year	3,555	3,479
Liability at the End of the Year	4,586	3,153
Amount Recognised in the Balance Sheet under Note - 22 Other Financial Liabilities (Note - 13 Other Financial Assets - March 31, 2018)	**(1,031)**	**326**
Cost of the Defined Benefit Plan for the Year		
Current Service Cost	716	580
Net interest (income) / expense	234	175
Expected Return on Plan Assets	(258)	(107)
Net Cost recognized in the statement of Profit and Loss	**692**	**648**
Re-measurement Losses / (Gains)		
a) Effect of changes in demographic assumptions	87	(146)
b) Effect of experience adjustments	550	171
c) Return on plan assets (excluding interest income)	72	(91)
Net cost recognised in Other Comprehensive Income	**709**	**(66)**
Assumptions		
Discount Rate	7.30% p.a.	7.60% p.a.
Future salary increase	7.50% p.a.	7.50% p.a.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 36 RETIREMENT BENEFIT (Contd.)

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Attrition Rate		
- Senior management	13% p.a.	13% to 33% p.a.
- Middle management	13% p.a.	13% to 33% p.a.
- Others	13% 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)	555	391
Between 2 and 5 years	2,300	1,580
Between 5 and 10 years	2,289	1,593
Beyond 10 Years	2,758	2,005
Total Expected Payments	**7,902**	**5,569**

₹ in lakhs

Particulars	31.03.2019		31.03.2018	
	Increase	Decrease	Increase	Decrease
Sensitivity Analysis:				
Discount Rate (+/- 1%)	4,297	4,825	3,007	3,334
Salary Growth Rate (+/- 1%)	4,844	4,279	3,370	2,952
Attrition Rate (+/- 50% of attrition rates)	4,454	4,648	3,116	3,218
Mortality Rate (+/- 10% of mortality rates)	4,456	4,456	3,072	3,071

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 ₹ 1,793 lakhs.
3. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
4. The entire Plan Assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).

C) Compensated Absences

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Assumptions		
Discount Rate	7.60% p.a.	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% 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 31st March, 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 forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 37 SEGMENT INFORMATION

The Group is primarily engaged in the business of financing. All the activities of the Group revolve around the main business. Further, the Group does not have any separate geographic segments other than India.

During year ending 31st March 2019, For management purposes, the Group has been organised into three operating segments based on products and services, as follows:

Vehicle Finance Loans - Loans to customers against purchase of new/used vehicles, tractors, construction equipments and loan to automobile dealers. Loan against property - Loans to customer against immovable property, Others - This includes loans given for acquisition of residential property, loan against security, and other unsecured loans & security broking and insurance agency business.

The 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.

₹ in lakhs

Particulars	Year ended March 31, 2019				
	Vehicle finance	Home equity	Others	Unallocable	Total
Revenue from Operations					
- Interest Income	5,17,529	1,08,420	22,654	7,993	6,56,596
- Net gain on derecognition of financial instruments under amortised cost category	-	8,670	-	-	8,670
- Fee & Commission Income	16,766	1,711	6,251	(1)	24,727
- Net gain on Fair value change on financial instrument	-	-	6	6,328	6,334
- Sale of Services	8,064	238	3,513	620	12,435
- Others	-	-	-	-	-
Segment revenue from Operations (I)					
- Other income (II)	-	-	2,054	67	2,121
Total Segment Income - (I) + (II)	**5,42,359**	**1,19,039**	**34,478**	**15,007**	**7,10,883**
Expenses					
- Finance costs	2,80,263	70,738	12,505	(4,692)	3,58,814
- Impairment of Financial Instruments	26,883	(433)	4,684	-	31,134
- Employee benefits expense	49,965	5,286	5,024	193	60,468
- Depreciation and amortisation expense	4,938	513	248	-	5,699
- Other expenses	52,488	5,263	11,547	2,317	71,615
Segment Expenses	**4,14,537**	**81,367**	**34,008**	**(2,182)**	**5,27,730**
Segment Profit before taxation	**1,27,822**	**37,672**	**470**	**17,189**	**1,83,153**
Tax expense					63,459
Profit for the year					**1,19,694**

₹ in lakhs

Particulars	Year ended March 31, 2018				
	Vehicle finance	Home equity	Others	Unallocable	Total
Revenue from Operations					
- Interest Income	3,99,138	1,03,116	16,194	4,990	5,23,438
- Net gain on derecognition of financial instruments under amortised cost category				-	-

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 37 SEGMENT INFORMATION (Contd.)

₹ in lakhs

Particulars	Year ended March 31, 2018				
	Vehicle finance	Home equity	Others	Unallocable	Total
- Fee Income	13,299	1,815	2,783	34	17,931
- Net gain on Fair value change on financial instrument	-	-	13	991	1,004
- Sale of Services	6,536	339	5,514	1,106	13,495
- Others	-	-	-	-	-
Segment revenue from Operations (I)					
- Other income (II)	-	-	17	43	60
Total Segment Income - (I) + (II)	**4,18,973**	**1,05,270**	**24,521**	**7,164**	**5,55,928**
Expenses					
- Finance costs	2,04,538	68,223	8,231	(15,324)	2,65,668
- Impairment of Financial Instruments	20,072	7,059	4,163	(453)	30,841
- Employee benefits expense	47,028	4,127	3,753	173	55,081
- Depreciation and amortisation expense	4,478	416	192	-	5,086
- Other expenses	43,263	5,703	8,627	1,578	59,171
Segment Expenses	**3,19,379**	**85,528**	**24,966**	**(14,026)**	**4,15,847**
Segment Profit / (loss) before taxation	**99,594**	**19,742**	**(445)**	**21,190**	**1,40,081**
Tax expense					**48,312**
Profit for the year					**91,769**

₹ in lakhs

Particulars	Vehicle finance	Home equity	Others	Unallocable	Total
As on March 31, 2019					
Segment Assets	40,58,768	9,95,439	2,12,907		52,67,114
Unallocable Assets				4,81,897	4,81,897
Total Assets					**57,49,011**
Segment Liabilities	36,70,570	9,00,231	1,89,863		47,60,664
Unallocable Liabilities				3,67,483	3,67,483
Total Liabilities					**51,28,147**
As on March 31, 2018					
Segment Assets	31,44,019	9,42,431	1,46,601		42,33,051
Unallocable Assets				1,83,627	1,83,627
Total Assets					**44,16,678**
Segment Liabilities	28,35,236	8,49,876	1,30,194		38,15,306
Unallocable Liabilities				88,792	88,792
Total Liabilities					**39,04,098**
As on April 01, 2017					
Segment Assets	23,63,402	8,62,600	95,436		33,21,438
Unallocable Assets				1,82,279	1,82,279
Total Assets					**35,03,717**
Segment Liabilities	21,19,163	7,73,457	82,884		29,75,504
Unallocable Liabilities				97,049	97,049
Total Liabilities					**30,72,553**

In computing the segment information, certain estimates and assumptions have been made by the management, which have been relied upon.

As the asset are allocated to segment based on certain assumptions, hence additions to the Property, plant and equipment have not disclosed separately for each specific segment.

There are no revenue from transactions with a single external customer or counter party which amounted to 10% or more of the Group's total revenue in the Current year and Previous year.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 38 RELATED PARTY DISCLOSURES

List of Related Parties (As per AS-18):

- **Holding Company :** Cholamandalam Financial holdings Limited (formerly known as TI Financial Holdings Limited)
- **Associate :** White Data Systems India Private Limited
- **Entity having significant influence over holding company:** Ambadi Investments Limited
- **Subsidiaries of Entity having significant influence over holding company:** Parry Enterprises Limited and Parry Agro Limited.
- **Fellow Subsidiaries:** Cholamandalam MS General Insurance Limited, Cholamandalam Health Insurance Limited
- **Joint Venture of Holding Company:** Cholamandalam MS Risk Services Limited
- **Key Managerial Personnel:**
  a) Mr. S. Vellayan, Managing Director (upto August 19, 2017)
  b) Mr. N. Srinivasan, Executive Vice Chairman and Managing Director (from August 19, 2017 upto August 18, 2018);
  c) Mr. Arun Alagappan, Executive Director (From August 19, 2017)
  d) Mr. D. Arul selvan, Chief Financial Officer
  e) Ms. P. Sujatha, Company Secretary
- **Non-Executive Directors**
  1. Mr. M.B.N. Rao (upto July 26, 2018)
  2. Mr. V Srinivasa Rangan
  3. Ms. Bharati Rao
  4. Mr. Ashok Kumar Barat
  5. Mr. Nalin Mansukhlal Shah (upto July 27, 2017)
  6. Mr. M.M. Murugappan (upto October 31, 2017 for FY 17-18, From May 31, 2018 for FY 18-19)
  7. Mr. N. Ramesh Rajan (From October 30, 2018)
  8. Mr. Rohan Verma (From March 25, 2019)

Note:

Related party relationships are as identified by the Management and relied upon by the Auditors

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Note : 38 a) TRANSACTIONS DURING THE YEAR		
Dividend Payments (Equity Shares)		
a) Cholamandalam Financial Holdings Limited	4,709	4,695
b) Ambadi Investments Limited	456	469
c) Parry Enterprises Limited (₹ 0.03 Lakhs for year ended March 31, 2019 and (₹ 0.03 lakhs for year ended March 31, 2018)	0	0
Amounts received towards reimbursement of expenses		
a) Cholamandalam Financial Holdings Limited	73	38
b) Cholamandalam MS General Insurance Company Limited	28	6,602
c) Cholamandalam MS Risk Services Limited	-	1
Expenses - Reimbursed		
a) Cholamandalam MS General Insurance Company Limited	126	97
b) Parry Enterprises Limited	3	-
Payments for services availed		
a) Ambadi Investments Limited	0	-
b) Parry Enterprises Limited	748	2,738
c) Parry Agro Limited	2	-
Expense recovered - Rent receipts		
a) Cholamandalam MS General Insurance Company Limited	56	51
b) Parry Enterprises Limited	1	-
Interest Payments		
a) Cholamandalam MS General Insurance Company Limited	1,991	1,036

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Note : 38 a) TRANSACTIONS DURING THE YEAR (Contd.)		
Insurance Commission - Income		
a) Cholamandalam MS General Insurance Company Limited	3,821	-
Insurance Premium - Paid		
a) Cholamandalam MS General Insurance Company Limited	-	1

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Note : 38 b) BALANCES OUTSTANDING AT THE YEAR END			
Security Deposit Receivable / (Payable)			
a) Cholamandalam Financial Holdings Limited	-	-	(1)
b) Cholamandalam MS General Insurance Company Limited	(21)	(21)	(21)
Debt Securites - Payable			
a) Cholamandalam MS General Insurance Company Limited	(22,249)	(23,341)	-
Other Receivables / (Payables)			
a) Cholamandalam Financial Holdings Limited	-	-	3
b) Cholamandalam MS General Insurance Company Limited	651	1,855	1,188
c) Parry Enterprises Limited	-	1	-
d) Parry Agro Limited	-	1	-

₹ in lakhs

Nature of Transaction	Year ended 31.03.2019	Year ended 31.03.2018
Note : 38 c) KEY MANAGERIAL PERSONNEL		
Short- term employee benefits	799	885
Post-employment pension (defined Contribution)	81	49
Dividend Payments	16	16
Share based payments	56	88

Note : 39 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contested Claims not provided for:

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Income tax and Interest on Tax issues where the Group has gone on appeal	17,316	15,577	30,850
Decided in the Groups's favour by Appellate Authorities and for which the Department is on further appeal with respect to Income Tax	21,292	13	38
Sales Tax issues pending before Appellate Authorities in respect of which the Group is on appeal.	5,081	4,992	2,843
Service Tax issues pending before Appellate Authorities in respect of which the Group is on appeal.	19,978	13,702	13,693
Disputed claims against the Group lodged by various parties under litigation (to the extent quantifiable)	6,761	8,062	6,294
Order in respect of alleged violations of the Provisions of SEBI Act	7	7	7
Appeal pertaining to Service Tax payable on turnover charges and ineligible Service Tax Input Credit	68	68	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.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

iii) The Group does not expect any reimbursement in respect of the above contingent liabilities.

iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

(b) Commitments

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Capital commitments	1,807	435	966
Investment commitment to Fearing Capital India Evolving Fund	16	16	32
Disbursements - Undrawn lines	73,345	56,632	38,670

(c) The Supreme Court had passed judgement on 28th February 2019 that all allowances paid to employees are to be considered for the purposes of PF wage determination. There are numerous interpretative issues relating to the above judgement. As a matter of caution, the Group has complied the same on prospective basis from the date of the SC order.

d) Bank Guarantee:

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Outstanding bank guarantees given to stock exchanges/stock holding corporation of India limited to meet margin requirements	1,639	1,625	1,625

Note : 40 CHANGES IN PROVISIONS

₹ in lakhs

Particulars	As at 31.03.2018	Additional Provision	Utilisation/ Reversal	As at 31.03.2019
Provision for Contingencies and Service Tax claims	3,813	24	-	3,837
Provision for Undrawn commitments	12	39	-	51

Undrawn loan commitments are commitments under which the Group is required to provide a loan under pre-sanctioned terms to the customer.

The undrawn commitments provided by the Group are predominantly in the nature of limits provided for Automobile dealers based on the monthly loan conversions and partly disbursed loans for immovable properties. These undrawn limits are converted within a short period of time and do not generally remain undisbursed / undrawn beyond one year from the reporting date. The undrawn commitments amount outstanding as at 31st March, 2019 is ₹ 73,345 lakhs (₹ 56,632 lakhs as at 31st March, 2018 and ₹ 38,670 as at 1st April, 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 31st March, 2019 is ₹ 51 lakhs (₹ 12 lakhs as at 31st March, 2018 and ₹ 10 lakhs as at 1st April, 2017).

Note : 41 ESOP DISCLOSURE

ESOP 2007

The Board at its meeting held on 22nd June, 2007, approved an issue of Stock Options up to a maximum of 5% of the issued Equity Capital of the Company (before Rights Issue) aggregating to 1,904,162 Equity Shares in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines.

ESOP 2016

The Board at its meeting held on 27th October, 2016, approved to create, and grant from time to time, in one or more tranches, not exceeding 31,25,102 Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the company including some of subsidiaries, managing director and whole time director, (other than promoter/promoter group of the company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the company), as may be decided by the board, exercisable into not more than 31,25,102 equity shares of face value of ₹ 10/- each fully paid-up, on such terms and in such manner as the board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2016.

In this regard, the Group has recognised expense amounting to ₹ 798 lakhs for employees services received during the year, shown under Employee Benefit Expenses (Refer Note 28).

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 41 ESOP DISCLOSURE (CONTD.)

The movement in Stock Options during the current year are given below:

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options outstanding As at 31.03.2018	During the Year 2018-19 Option Granted	Options Forfeited / Expired	Options Exercised and allotted	Options outstanding As at 31.03.2019	Options vested but not exercised As at 31.03.2019	Options unvested As at 31.03.2019	Exercise Price	Weighted Average Remaining Contractual Life
Gt 25 Apr 2008	25-Apr-08	300	-	-	300	-	-	-	192	-
GT 27 JAN 2011A	27-Jan-11	15,625	-	-	6,462	9,163	9,163	-	188	-
GT 27 JAN 2011B	27-Jan-11	5,976	-	-	-	5,976	5,976	-	188	-
GT 30 APR 2011	30-Apr-11	14,357	-	400	6,009	7,948	7,948	-	163	-
GT 27 OCT 2011	27-Oct-11	8,036	-	-	100	7,936	7,936	-	155	-
Total		**44,294**	**-**	**400**	**12,871**	**31,023**	**31,023**	**-**		

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding As at 31.03.2018	During the Year 2018-19 Option Granted	Options Forfeited / Expired	Options Exercised and allotted	Options outstanding As at 31.03.2019	Options vested but not exercised As at 31.03.2019	Options unvested As at 31.03.2019	Exercise Price	Weighted Average Remaining Contractual Life
GT25 JAN2017	25-Jan-17	5,22,653	-	34,940	14,871	4,72,842	1,70,418	3,02,424	1,010	1.32 years
GT30 JAN2018	30-Jan-18	55,920	-	6,880	-	49,040	12,260	36,780	1,310	1.34 years
GT30 JAN2018A	30-Jan-18	26,940	-	8,980	-	17,960	3,592	14,368	1,310	1.96 years
GT23 APR2018	23-Apr-18	-	8,980	-	-	8,980	-	8,980	1,562	1.77 years
GT26 JUL2018	26-Jul-18	-	54,972	-	-	54,972	-	54,972	1,497	1.45 years
GT30 OCT2018	30-Oct-18	-	73,460	-	-	73,460	-	73,460	1,269	2.29 years
GT19 MAR2019	19-Mar-19	-	1,17,692	-	-	1,17,692	-	1,17,692	1,390	2.67 years
Total		**6,05,513**	**2,55,104**	**50,800**	**14,871**	**7,94,946**	**1,86,270**	**6,08,676**		

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 41 ESOP DISCLOSURE (CONTD.)

The movement in Stock Options during the previous year are given below:

Employee Stock Option Plan 2007

Particulars	Date of Grant	Options outstanding As at 31.03.2017	During the Year 2017-18 Option Granted	Options Cancelled / lapsed	Options Exercised and allotted	Options outstanding As at 31.03.2018	Options vested but not exercised As at 31.03.2018	Options unvested As at 31.03.2018	Exercise Price	Weighted Average Remaining Contractual Life
Gt 30 Jul 2007	30-Jul-07	4,224	-	-	4,224	-	-	-	193	-
Gt 25 Jan 2008	25-Jan-08	328	-	-	328	-	-	-	262	-
Gt 25 Apr 2008	25-Apr-08	6,069	-	-	5,769	300	300	-	192	-
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	-
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**	**-**		

Employee Stock Option Plan 2016

Particulars	Date of Grant	Options outstanding As at 31.03.2017	During the Year 2017-18 Option Granted	Options Cancelled / lapsed	Options Exercised and allotted	Options outstanding As at 31.03.2018	Options vested but not exercised As at 31.03.2018	Options unvested As at 31.03.2018	Exercise Price	Weighted Average Remaining Contractual Life
GT25 JAN2017	25-Jan-17	5,71,000	-	28,180	20,167	5,22,653	88,397	4,34,256	1,010	1.95
GT30 JAN2018	30-Jan-18	-	55,920	-	-	55,920	-	55,920	1,310	1.96
GT30 JAN2018A	30-Jan-18	-	26,940	-	-	26,940	-	26,940	1,310	2.54
Total		**5,71,000**	**82,860**	**28,180**	**20,167**	**6,05,513**	**88,397**	**5,17,116**		

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 41 ESOP DISCLOSURE (CONTD.)

The following tables list the inputs to the Black Scholes model used for the plans for the year ended 31st March 2019:

ESOP 2007

Variables						
Date of Grant	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying Share in the Market at the time of the Option Grant (₹)	Fair Value of the Option (₹)
30-Jul-07	7.10% - 7.56%	3-6 years	40.64% -43.16%	5.65%	193.40	61.42
24-Oct-07	7.87% -7.98%	3-6 years	41.24% -43.84%	5.65%	149.90	44.25
25-Jan-08	6.14% -7.10%	3-6 years	44.58% -47.63%	5.65%	262.20	78.15
25-Apr-08	7.79% - 8.00%	2.5-5.5 years	45.78% - 53.39%	3.97%	191.80	76.74
30-Jul-08	9.14% - 9.27%	2.5-5.5 years	46.52% - 53.14%	3.97%	105.00	39.22
24-Oct-08	7.54% - 7.68%	2.5-5.5 years	48.2% - 55.48%	3.97%	37.70	14.01
27-Jan-11						
- Tranche I	8%	4 years	59.50%	10%	187.60	94.82
- Tranche II	8%	3.4 years	61.63%	10%	187.60	90.62
30-Apr-11	8%	4 years	59.40%	25%	162.55	73.07
28-Jul-11	8%	4 years	58.64%	25%	175.35	79.17
27-Oct-11	8%	4 years	57.52%	25%	154.55	67.26

The shareholders of the company, at the 34th Annual General Meeting held on July 30, 2012, authorised extension of exercise period from 3 years from the date of vesting to 6 years from the date of vesting. Accordingly, the Company has measured the fair value of the options using the Black Scholes model immediately before and after the date of modification to arrive at the incremental fair value arising due to the extension of the exercise period. The incremental fair value so calculated is recognised from the modification date over the vesting period in addition to the amount based on the grant date fair value of the stock options.

The incremental (benefit)/cost due to modification of the exercise period from 3 years to 6 years from the date of vesting for the year ended 31st March, 2019 is ₹ Nil (31st March, 2018- ₹ Nil)

The fair value of the options has been calculated using the Black Scholes model on the date of modification.

The assumptions considered for the calculation of the fair value (on the date of modification) are as follows:

Variables	Post Modification
Risk Free Interest Rate	7.92% - 8.12%
Expected Life	0.12 years - 6.25 years
Expected Volatility	28.28% - 63.00%
Dividend Yield	1.18%
Price of the underlying share in market at the time of the option grant(₹)	₹ 212.05

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 41 ESOP DISCLOSURE (CONTD.)

ESOP 2016

Variables						
Date of Grant	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying Share in the Market at the time of the Option Grant (₹)	Fair Value of the Option (₹)
25-Jan-2017	6.36% - 6.67%	3.5 - 6.51 years	33.39% - 34.47%	0.54%	1,010.00	401.29
30-Jan-2018	7.11% - 7.45%	3.5 - 5.50 years	30.16% - 31.46%	0.42%	1,309.70	496.82
30-Jan-2018	7.11% - 7.45%	3.5 - 5.50 years	30.16% - 31.46%	0.42%	1,309.70	531.84
23-Apr-2018	7.45% - 7.81%	3.51 - 6.51 years	30.33% - 32.38%	0.42%	1,562.35	646.08
26-Jul-2018	7.71% - 7.92%	3.51 - 5.51 years	30.56% - 31.83%	0.43%	1,497.30	586.32
30-Oct-2018	7.61% - 7.85%	3.51 - 6.51 years	32.34% - 32.70%	0.51%	1,268.50	531.36
19-Mar-2019	6.91% - 7.25%	3.51 - 6.51 years	32.19% - 32.59%	0.47%	1,390.05	564.13

Note : 42 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

₹ in lakhs

Particulars	April 01, 2018	Cash flows	Exchange Difference	Other	March 31, 2019
Debt Securities. Borrowings other than debt securities and Sub-ordinated liabilities.	38,33,034	12,20,048	13,779	(10,072)	50,56,674

₹ in lakhs

Particulars	April 01, 2017	Cash flows	Exchange Difference	Other	March 31, 2018
Debt Securities. Borrowings other than debt securities and Sub-ordinated liabilities.	30,16,163	8,06,403	(1,946)	12,414	38,33,034

(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 : 43 MATURITY ANALYSIS

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

₹ in lakhs

Particulars	Amount	Maturity Within 12 months	After 12 months
As on March 31, 2019			
Financial Assets			
Cash and Cash Equivalents	3,16,435	3,16,435	-
Bank balances Other than Cash and Cash Equivalents	54,411	20,500	33,911
Derivative financial instruments	8,869	7,229	1,640
Receivables			-
i) Trade Receivables	4,128	4,128	-
ii) Other Receivables	3,908	3,908	-
Loans	52,61,077	16,40,761	36,20,316
Investments	4,150	-	4,150
Other Financial Assets	13,896	5,506	8,390
Total Financial Assets	**56,66,874**	**19,98,467**	**36,68,407**

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2019

₹ in lakhs

Particulars	Amount	Maturity Within 12 months	After 12 months
Note : 43 MATURITY ANALYSIS (Contd.)			
Non- Financial Assets			
Current tax assets (Net)	16,181	-	16,181
Deferred tax assets (Net)	46,012	-	46,012
Goodwill on Consolidation	-	-	-
Investment Property	47	-	47
Property, Plant and Equipment	14,464	-	14,464
Intangible assets under development	1,397	-	1,397
Other Intangible assets	2,220	-	2,220
Other Non-Financial Assets	1,817	1,121	696
Total Non- Financial Assets	**82,138**	**1,121**	**81,017**
Financial Liabilities			
Derivative financial instruments	841	-	841
Payables			
i) Trade Payables	23,145	23,145	-
ii) Other Payables	12,894	12,894	-
Debt Securities	14,18,431	9,59,024	4,59,407
Borrowings (Other than Debt Securities)	32,12,375	8,65,072	23,47,303
Subordinated Liabilities	4,25,868	47,164	3,78,704
Other Financial Liabilities	21,676	21,404	272
Total Financial Liabilities	**51,15,230**	**19,28,703**	**31,86,527**
Non-Financial Liabilities			
Provisions	7,466	7,466	-
Other Non-Financial Liabilities	5,445	3,360	2,085
Total Non-Financial Liabilities	**12,911**	**10,826**	**2,085**
As on March 31, 2018			
Financial Assets			
Cash and Cash Equivalents	30,958	30,958	-
Bank balances Other than Cash and Cash Equivalents	64,227	12,063	52,164
Derivative financial instruments	599	28	571
Receivables			
i) Trade Receivables	6,884	6,884	-
ii) Other Receivables	5,577	5,577	-
Loans	42,24,396	13,42,463	28,81,933
Investments	2,272	-	2,272
Other Financial Assets	10,250	4,665	5,585
Total Financial Assets	**43,45,163**	**14,02,638**	**29,42,525**
Non- Financial Assets			
Current tax assets (Net)	16,082	-	16,082
Deferred tax assets (Net)	36,581	-	36,581
Goodwill on Consolidation	701	-	701
Investment Property	5	-	5
Property, Plant and Equipment	14,141	-	14,141
Intangible assets under development	380	-	380
Other Intangible assets	2,203	-	2,203
Other Non-Financial Assets	1,422	1,175	247
Total Non- Financial Assets	**71,515**	**1,175**	**70,340**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

Particulars	Amount	Maturity Within 12 months	After 12 months
Note : 43 MATURITY ANALYSIS (Contd.)			
Financial Liabilities			
Derivative financial instruments	7,655	2,795	4,860
Payables			
i) Trade Payables	21,403	21,403	-
ii) Other Payables	10,050	10,050	-
Debt Securities	14,37,395	7,11,103	7,26,292
Borrowings (Other than Debt Securities)	20,16,636	6,39,138	13,77,498
Subordinated Liabilities	3,79,003	53,484	3,25,519
Other Financial Liabilities	20,406	20,327	79
Total Financial Liabilities	**38,92,548**	**14,58,300**	**24,34,248**
Non-Financial Liabilities			
Provisions	6,396	6,396	-
Other Non-Financial Liabilities	5,154	2,512	2,642
Total Non-Financial Liabilities	**11,550**	**8,908**	**2,642**
As on March 31, 2017			
Financial Assets			
Cash and Cash Equivalents	28,909	28,909	-
Bank balances Other than Cash and Cash Equivalents	70,457	20,519	49,938
Derivative financial instruments	-	-	-
Receivables			
i) Trade Receivables	3,871	3,871	-
ii) Other Receivables	4,504	4,504	-
Loans	33,21,439	10,66,549	22,54,890
Investments	2,394	-	2,394
Other Financial Assets	14,738	5,843	8,895
Total Financial Assets	**34,46,312**	**11,30,195**	**23,16,117**
Non - Financial Assets			
Current tax assets (Net)	10,461	-	10,461
Deferred tax assets (Net)	31,731	-	31,731
Goodwill on Consolidation	701	-	701
Investment Property	5	-	5
Property, Plant and Equipment	11,965	-	11,965
Intangible assets under development	4	-	4
Other Intangible assets	2,308	-	2,308
Other Non-Financial Assets	1,768	1,176	592
Total Non - Financial Assets	**58,943**	**1,176**	**57,767**
Financial Liabilities			
Derivative financial instruments	10,103	590	9,513
Payables			
i) Trade Payables	13,246	13,246	-
ii) Other Payables	8,143	8,143	-
Debt Securities	13,47,094	6,29,613	7,17,481
Borrowings (Other than Debt Securities)	13,74,438	4,80,495	8,93,943
Subordinated Liabilities	2,94,631	22,224	2,72,407
Other Financial Liabilities	20,400	20,263	137
Total Financial Liabilities	**30,68,055**	**11,74,574**	**18,93,481**
Non-Financial Liabilities			
Provisions	5,288	5,231	57
Other Non-Financial Liabilities	748	458	290
Total Non-Financial Liabilities	**6,036**	**5,689**	**347**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Note : 44 NON-CONTROLLING INTEREST		
Balance at the beginning of the year	34	200
Share of loss	(147)	(161)
Share of other comprehensive income		(5)
Adjustment on account of loss of control in subsidiary*	113	
Balance at the end of the year	**-**	**34**

* 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%, consequently 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, Company has de-recognised the non-controlling interest.

Note : 45 INVESTMENT IN AN ASSOCIATE

As at 31st March, 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%, consequently 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 ₹ 2,029 lakhs have been recognised in the consolidated statement of profit and loss for the current year.

Particulars	₹ in lakhs
Fair value of Net assets on the date of Investment by other entity	8,274
Group's share on the date of loss of control	30.87%
Fair value of Net assets attributable to Group	2,554
Add: Net liabilities on the date of loss of control	278
Less: Minority Interest	(103)
Less: Goodwill recognised earlier on acquisition of WDSI	(700)
Fair value gain on loss of control in subsidiary	**2,029**

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	₹ in lakhs
Value of Investment in Subsidiary on the date of loss of control	2,554
Less: Share of Loss of from Associate	(35)
Amount recognised in the Balance Sheet	**2,519**

The Group has a 30.87% interest in White Data Systems India Private Limited, which is in the business of providing freight data solutions encompassing technology, certification and finance offering in India. The WDSI has dedicated logistics platform "i-loads", seamlessly connects load providers, logistics agents, brokers and transporters through its disruptive technology. It is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in White Data Systems India Private Limited:

₹ in lakhs

Particulars	31.03.2019
Current assets	4,333
Non-current assets	540
Current liabilities	(1,067)
Non-current liabilities	(28)
Equity	**3,778**
Proportion of the Group's ownership	30.87%
Group's share in the Equity of the associate	1,166

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 45 INVESTMENT IN AN ASSOCIATE (Contd.)

₹ in lakhs

Particulars	31.03.2019
Revenue from contracts with customers	7,180
Other Income	93
Depreciation & amortization	(87)
Finance cost	(140)
Employee benefit	(350)
Other expense	(7,204)
Profit before tax	**(508)**
Income tax expense	3
Profit for the year (continuing operations)	**(505)**
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	(3)
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)	**(508)**
Total comprehensive income from the date on which status changed from subsidiary to associate till March 31, 2019	**(113)**
Group's share of loss considered in the consolidated statement of Profit and loss	**(35)**

The associate had no contingent liabilities or capital commitments as at 31st March, 2018 or 31st March, 2019.

Note : 46 CAPITAL MANAGEMENT

The Group maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Group's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

The Group has complied in full with the capital requirements prescribed by RBI over the reported period.

46.1 Risk Management

The Group has put in place a robust risk management framework to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. Given the nature of the business, the Group is engaged in, the risk framework recognizes that there is uncertainty in creating and sustaining value as well as in identifying opportunities. Risk management is therefore made an integral part of the Group's effective management practice.

Risk Management Framework: The Group's risk management framework is based on (a) clear understanding and identification of various risks (b) disciplined risk assessment by evaluating the probability and impact of each risk (c) Measurement and monitoring of risks by establishing Key Risk Indicators with thresholds for all critical risks and (d) adequate review mechanism to monitor and control risks.

The Group has a well-established risk reporting and monitoring framework. The in-house developed risk monitoring tool, Chola Composite Risk Index, 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 robust board and risk management committee with a 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, which meets a minimum of four times a year, 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 risk management division has established a comprehensive risk management framework across the business and provides appropriate reports on risk exposures and analysis in its pursuit of creating awareness across the Group about risk management. The Group's risk management initiatives and risk MIS are reviewed monthly by the

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 46 CAPITAL MANAGEMENT (Contd.)

managing director and business heads. The key risks faced by the Group are credit risk, liquidity risk, interest rate risk, operational risk, reputational and regulatory risk, which are broadly classified as credit risk, market risk, operational risk, liquidity and foreign currency risk.

46.2 Credit Risk

Credit risk 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.

46.3 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. 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.

46.4 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 is uniformly affected by changes in economic, political or other conditions. The Group is in retail lending business on pan India basis targeting primarily customers who either do not get credit or sufficient credit from the traditional banking sector. Vehicle Finance (consisting of new and used Commercial Vehicles, Passenger Vehicles, Tractors, Construction Equipment and Trade advance to Automobile dealers) is lending against security (other than for trade advance) of Vehicle/ Tractor / Equipment and contributes to 74% of the loan book of the Group as of 31st March, 2019 (73% as of 31st March, 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 Muti Utility Vehicles, Three wheeler and Small Commercial Vehicles, Refinance against existing vehicles, older vehicles (first time buyers), Tractors and Construction Equipment have portfolio share between 5% and 22% leading to well diversified sub product mix.

Home Equity is mortgage loan against security of existing immovable property (primarily self occupied residential property) to self employed non professional category of borrowers and contributes to 21% of the lending book of the group as of 31st March, 2019 (24% as of 1st March, 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.

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 31st March, 2019.

46.5 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.

The operational risks of the Group are managed through comprehensive internal control systems and procedures and key back up processes. 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

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2019

Note : 46 CAPITAL MANAGEMENT (Contd.)

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.

46.6 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. 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.

Refer Note No 47 for the summary of maturity profile of undiscounted cashflows of the Group's financial assets and financial liabilities as at reporting period.

46.7 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.

46.8 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 Lakhs)		Maturity Date	Changes in Fair value of Hedging Instrument	Changes in the value of Hedged Item used as a basis for recognising hedge effectiveness	Line item in Balance sheet
	Asset	Liability	Asset	Liability				
Cross Currency Interest rate swap	5	1	1,82,631	35,491	November 07, 2019 to March 18, 2022	8,028	(8,415)	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	1,306	-	-	NA

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

46.8 Disclosure of Effects of Hedge Accounting (Contd.)

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 Lakhs)		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	76,901	2,31,655	June 30, 2018 to September 25, 2020	7,056	5,363	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	1,100	-	-	NA

As at April 01, 2017								
Foreign Exchange Risk on Cash Flow Hedge	Nominal Value of Hedging Instruments (No. of Contracts)		Carrying Value of Hedging Instruments (₹ in Lakhs)		Maturity Date	Changes in Fair value of Hedging Instrument	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	-	2,47,503	October 27, 2017 to November 08, 2019	(10,103)	7,310	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	2,793	-	-	NA

46.9 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.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 47 ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY REMAINING CONTRACTUAL MATURITIES

As at March 31, 2019 ₹ in lakhs

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial Assets								
Cash and Cash Equivalents	89,996	2,29,834	-	-	-	-	-	**3,19,830**
Bank balances other than Cash and Cash Equivalents	370	6,810	3,997	12,521	22,226	2,172	19,394	**67,490**
Derivative financial instruments	-	-	-	7,229	1,640	-	-	**8,869**
Receivables								
i) Trade Receivables	4,128	-	-	-	-	-	-	**4,128**
ii) Other Receivables	3,908	-	-	-	-	-	-	**3,908**
Loans	3,47,736	4,01,295	555,041	10,37,025	2,811,745	8,93,363	12,75,688	**73,21,893**
Investments								
i) Associate	-	-	-	-	-	-	2,519	**2,519**
ii) Others							1,631	**1,631**
Other Financial Assets	-	1,461	1,006	1,775	5,487	1,051	3,117	**13,897**
Total Undiscounted financial assets	**4,46,138**	**6,39,400**	**5,60,044**	**10,58,550**	**28,41,098**	**8,96,586**	**13,02,349**	**77,44,165**
Financial Liabilities								
Derivative financial instruments	-	-	-	-	841	-	-	**841**
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	23,145	-	-	-	-	-	-	**23,145**
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	
ii) Total outstanding dues of creditors other than micro and small enterprises	12,894	-	-	-	-	-	-	**12,894**
Debt Securities	1,35,795	1,85,058	3,04,085	3,85,148	4,18,809	95,999	19,429	**15,44,323**
Borrowings (Other than Debt Securities)	1,75,149	1,04,374	2,30,379	5,70,299	20,56,987	3,77,195	1,32,833	**36,47,216**
Subordinated Liabilities	1,366	31,953	8,427	31,516	1,98,024	1,42,836	2,31,807	**6,45,929**
Other Financial Liabilities	21,362	-	-	-	252	21	-	**21,635**
Total Undiscounted financial liabilities	**3,69,711**	**3,21,385**	**5,42,891**	**9,86,963**	**26,74,913**	**6,16,051**	**3,84,069**	**58,95,983**
Total net Undiscounted financial assets / (liabilities)	**76,427**	**3,18,015**	**17,153**	**71,587**	**1,66,185**	**2,80,535**	**9,18,280**	**18,48,182**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 47 ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY REMAINING CONTRACTUAL MATURITIES (Contd.)

As at March 31, 2018 ₹ in lakhs

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial Assets								
Cash and Cash Equivalents	30,958	-	-	-	-	-	-	**30,958**
Bank balances other than Cash and Cash Equivalents	765	4,796	1,418	10,829	38,797	2,869	20,468	**79,942**
Derivative financial instruments				28	571			**599**
Receivables								
i) Trade Receivables	6,884	-	-	-	-	-	-	**6,884**
ii) Other Receivables	5,577	-	-	-	-	-	-	**5,577**
Loans	2,82,184	3,17,558	4,27,709	8,00,753	21,70,175	7,01,526	9,41,129	**56,41,035**
Investments	-	-	-	-	-	-	-	-
i) Associate	-	-	-	-	-	-	-	-
ii) Others	-	-	-	-	-	-	2,272	**2,272**
Other Financial Assets	2,210	766	479	937	3,944	187	1,726	**10,249**
Total Undiscounted financial assets	**3,28,578**	**3,23,120**	**4,29,606**	**8,12,547**	**22,13,487**	**7,04,582**	**9,65,595**	**57,77,516**
Financial Liabilities								
Derivative financial instruments	-	1,311	1,484	-	4,859	-	-	**7,654**
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	21,403	-	-	-	-	-	-	**21,403**
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	
ii) Total outstanding dues of creditors other than micro and small enterprises	10,050	-	-	-	-	-	-	**10,050**
Debt Securities	13,146	2,79,732	1,46,548	3,73,063	7,12,578	1,00,498	3,354	**16,28,919**
Borrowings (Other than Debt Securities)	2,00,215	1,58,890	1,89,775	3,06,457	11,98,001	2,26,873	1,62,217	**24,42,428**
Subordinated Liabilities	275	11,962	24,326	20,044	1,32,016	1,70,868	1,80,929	**5,40,420**
Other Financial Liabilities	20,163	-	-	-	222	21	-	**20,406**
Total Undiscounted financial liabilities	**2,65,252**	**4,51,895**	**3,62,133**	**6,99,564**	**20,47,676**	**4,98,260**	**3,46,500**	**46,71,280**
Total net Undiscounted financial assets/(liabilities)	**63,326**	**(1,28,775)**	**67,473**	**1,12,983**	**1,65,811**	**2,06,322**	**6,19,095**	**11,06,236**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 47 ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY REMAINING CONTRACTUAL MATURITIES (Contd.)

As at March 31, 2017 ₹ in lakhs

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Total
Financial Assets								
Cash and Cash Equivalents	28,910	-	-	-	-	-	-	**28,910**
Bank balances other than Cash and Cash Equivalents	339	4,413	10,414	9,784	34,803	9,805	17,512	**87,070**
Derivative financial instruments	-	-	-	-	-	-	-	**-**
Receivables								
i) Trade Receivables	3,871	-	-	-	-	-	-	**3,871**
ii) Other Receivables	4,504	-	-	-	-	-	-	**4,504**
Loans	2,34,647	2,58,306	3,45,671	6,43,776	16,76,108	5,20,312	8,10,009	**44,88,829**
Investments	-	-	-	-	-	-	-	**-**
i) Associate	-	-	-	-	-	-	-	**-**
ii) Others	-	-	-	-	-	-	2,394	**2,394**
Other Financial Assets	1,030	1,145	952	2,569	6,158	1,242	1,643	**14,739**
Total Undiscounted financial assets	**2,73,301**	**2,63,864**	**3,57,037**	**6,56,129**	**17,17,069**	**5,31,359**	**8,31,558**	**46,30,317**
Financial Liabilities								
Derivative financial instruments	-	-	-	590	9,512	-	-	**10,102**
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	13,246	-	-	-	-	-	-	**13,246**
(II) Other Payables								
i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-	
ii) Total outstanding dues of creditors other than micro and small enterprises	8,143	-	-	-	-	-	-	**8,143**
Debt Securities	37,277	1,95,647	62,980	3,86,306	7,82,545	26,826	3,568	**14,95,149**
Borrowings (Other than Debt Securities)	90,238	90,942	2,59,260	2,17,765	7,86,327	79,025	1,46,760	**16,70,317**
Subordinated Liabilities	1,375	9,253	4,796	24,612	1,09,013	1,68,971	1,27,661	**4,45,681**
Other Financial Liabilities	20,092	-	-	-	247	21	-	**20,360**
Total Undiscounted financial liabilities	**1,70,371**	**2,95,842**	**3,27,036**	**6,29,273**	**16,87,644**	**2,74,843**	**2,77,989**	**36,62,998**
Total net Undiscounted financial assets/(liabilities)	**1,02,930**	**(31,978)**	**30,001**	**26,856**	**29,425**	**2,56,516**	**5,53,569**	**9,67,319**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 48

Note : 48.1 FAIR VALUE OF FINANCIAL INSTRUMENTS

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non-financial liabilities.

₹ in lakhs

	31.03.2019		31.03.2018		01.04.2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets						
Cash and Cash Equivalents	3,16,435	3,16,435	30,958	30,958	28,909	28,909
Bank balances Other than Cash and Cash Equivalents	54,411	54,411	64,227	64,227	70,457	70,457
Derivative financial instruments	8,869	8,869	599	599	-	-
Receivables						
i) Trade Receivables	4,128	4,128	6,884	6,884	3,871	3,871
ii) Other Receivables	3,908	3,908	5,577	5,577	4,504	4,504
Loans	52,61,077	52,80,975	42,24,396	43,12,873	33,21,439	33,75,236
Investments	1,631	1,631	2,272	2,272	2,394	2,394
Other Financial Assets	13,896	13,896	10,250	10,250	14,738	14,738
Total Financial Assets	**56,64,355**	**56,84,253**	**43,45,163**	**44,33,640**	**34,46,312**	**35,00,109**
Financial Liabilities						
Derivative financial instruments	841	841	7,655	7,655	10,103	10,103
Payables						
i) Trade Payables	23,145	23,145	21,403	21,403	13,246	13,246
ii) Other Payables	12,894	12,894	10,050	10,050	8,143	8,143
Debt Securities	14,18,431	14,13,496	14,37,395	14,46,861	13,47,094	13,55,132
Borrowings(Other than Debt Securities)	32,12,375	32,10,512	20,16,636	20,27,640	13,74,438	13,70,161
Subordinated Liabilities	4,25,868	4,28,174	3,79,003	3,69,939	2,94,631	3,00,287
Other Financial Liabilities	21,676	21,676	20,406	20,406	20,400	20,400
Total Financial Liabilities	**51,15,230**	**51,10,738**	**38,92,548**	**39,03,954**	**30,68,055**	**30,77,472**

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

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.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 48 (Contd.)

Note : 48.2 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.

₹ in lakhs

	Carrying Value	Fair value measurement using		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVOCI Equity Instruments	1,648	1,132	516	-
Derivative financial instruments	8,869	-	8,869	-
Assets for which fair values are disclosed				
Investment Properties *	47	-	-	287

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.

₹ in lakhs

	Carrying Value	Fair value measurement using		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair value				
Derivative financial instruments	841	-	841	-

There have been no transfers between different levels during the period.

Quantitative disclosure fair value measurement hierarchy of assets as at March 31, 2018.

₹ in lakhs

	Carrying Value	Fair value measurement using		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVOCI Equity Instruments	2,340	1,752	588	-
Derivative financial instruments	599	-	599	-
Assets for which fair values are disclosed				
Investment Properties *	5	-	-	279

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.

₹ in lakhs

	Carrying Value	Fair value measurement using		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair value				
Derivative financial instruments	7,655	-	7,655	-

There have been no transfers between different levels during the period.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 48 (Contd.)

Quantitative disclosure fair value measurement hierarchy of assets as at April 01, 2017

₹ in lakhs

	Carrying Value	Fair value measurement using		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at Fair value				
FVOCI Equity Instruments	2,408	1622	656	129
Assets for which fair values are disclosed				
Investment Properties *	5	-	-	271

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 April 01, 2017

₹ in lakhs

	Carrying Value	Fair value measurement using		
		Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair value				
Derivative financial instruments	10,103	-	10,103	-

There have been no transfers between different levels during the period.

Note 48.3 Summary of Financial assets and liabilities which are recognised at amortised cost

₹ in lakhs

Particulars	As at		
	31.03.2019	31.03.2018	01.04.2017
Financial Assets			
Cash and Cash Equivalents	3,16,435	30,958	28,909
Bank balances other than Cash and Cash Equivalents	54,411	64,227	70,457
Loans	5,259,927	4,223,468	33,20,172
Other Financial Assets	13,896	10,250	14,738
Financial Liabilities			
Debt Securities	14,18,431	14,37,395	13,47,094
Borrowings (Other than Debt Securities)	32,12,375	20,16,636	13,74,438
Subordinated Liabilities	4,25,868	3,79,003	2,94,631
Other Financial liabilities	21,676	20,406	20,400

48.4 Refer Note 15 for sensitivity analysis for investment property, whose fair value is disclosed under the level 3 category.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 49 FIRST-TIME ADOPTION OF IND AS

These financial statements, for the year ended 31st March 2019, are the first financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 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 31st March 2019, together with the comparative period data as at and for the year ended 31st March 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 1st April 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 1st April 2017 and the financial statements as at and for the year ended 31st March 2018.

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 1st April, 2017.

iii) Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVOCI criteria based on the facts and circumstances that existed as of the transition date.

iv) Deemed cost for property, plant and equipment and intangible assets

The Group has elected to continue with the carrying value of all of its plant and equipment, capital work-in-progress and intangible assets recognised as of 1st April, 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 1st April, 2017.

viii) Investment in associates

The Group has elected to measure investment in associate at cost.

xi) 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.

x) Business combinations

In accordance with Ind AS transitional provisions, the Group has elected to apply Ind AS relating to business combinations prospectively from 1st April, 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 FVOCI - equity shares and Impairment of financial assets based on expected Credit loss model where application of Indian GAAP did not require estimation.

Notes forming part of the Consolidated Financial Statements (Contd.)
For the year ended March 31, 2019

Note : 49 FIRST-TIME ADOPTION OF IND AS (Contd.)

First time adoption Ind AS reconciliations

A. Reconciliations of Balance Sheet

₹ in lakhs

Particulars	Note	As at 31.03.2018 Amount as per previous GAAP	As at 31.03.2018 Effects of transition to Ind AS	As at 31.03.2018 Amount as per Ind AS	As at 01.04.2017 Amount as per previous GAAP	As at 01.04.2017 Effects of transition to Ind AS	As at 01.04.2017 Amount as per Ind AS
I ASSETS							
Financial assets							
(a) Cash and Cash Equivalents	10	30,958	-	30,958	28,909	-	28,909
(b) Bank balances	10	63,991	236	64,227	70,256	201	70,457
(c) Derivative financial instruments	10	-	599	599	-	-	-
(d) Receivables	3	12,508	(47)	12,461	9,569	(1,194)	8,375
(e) Loans	1	37,20,933	5,03,463	42,24,396	28,43,384	4,78,055	33,21,439
(f) Investments	10	25,678	(23,406)	2,272	18,206	(15,812)	2,394
(g) Other Financial Assets	2	29,216	(18,966)	10,250	26,943	(12,205)	14,738
		38,83,284	**4,61,879**	**43,45,163**	**29,97,267**	**4,49,045**	**34,46,312**
Non Financial assets							
(a) Current tax assets (Net)		16,082	-	16,082	10,461	-	10,461
(b) Deferred tax assets (Net)	5	34,349	2,232	36,581	31,774	(43)	31,731
(c) Goodwill on consolidation		701	-	701	701	-	701
(d) Investment Property		5	-	5	5	-	5
(e) Intangible assets under development		380	-	380	4	-	4
(f) Property, Plant and Equipment		14,141	-	14,141	11,965	-	11,965
(g) Intangible assets		2,203	-	2,203	2,308	-	2,308
(h) Other Non-Financial Assets	10	5,692	(4,270)	1,422	5,339	(3,571)	1,768
		73,553	**(2,038)**	**71,515**	**62,557**	**(3,614)**	**58,943**
Total Assets		**39,56,837**	**4,59,841**	**44,16,678**	**30,59,824**	**4,45,431**	**35,05,255**
II LIABILITIES							
Financial Liabilities							
(a) Derivative financial instruments	10	7,056	599	7,655	10,103	-	10,103
(b) Trade payables	10						
i) Dues to Micro and Small Enterprises			-	-		-	-
ii) Other Trade payables		40,386	(8,933)	31,453	29,869	(8,480)	21,389
(c) Debt Securities	4	13,99,302	38,093	14,37,395	12,95,878	51,216	13,47,094
(d) Borrowings (Other than Debt Securities)	4,1	15,29,068	4,87,568	20,16,636	9,04,564	4,69,874	13,74,438
(e) Subordinated Liabilities	4	3,47,370	31,633	3,79,003	2,83,370	11,261	2,94,631
(f) Other Financial Liabilities	1	39,786	(19,380)	20,406	37,803	(17,403)	20,400
		33,62,968	**5,29,580**	**38,92,548**	**25,61,587**	**5,06,468**	**30,68,055**
Non-Financial Liabilities							
(a) Provisions	9	76,483	(70,087)	6,396	67,321	(62,033)	5,288
(b) Other Non-Financial Liabilities	1	897	4,257	5,154	924	(176)	748
		77,380	**(65,830)**	**11,550**	**68,245**	**(62,209)**	**6,036**
Equity							
(a) Equity share capital		15,640	-	15,640	15,635	-	15,635
(b) Other Equity		5,00,811	(3,905)	4,96,906	4,14,157	1,172	4,15,329
		5,16,451	**(3,905)**	**5,12,546**	**4,29,792**	**1,172**	**4,30,964**
Non Controlling Interest		38	(4)	34	200	-	200
Total		**39,56,837**	**4,59,841**	**44,16,678**	**30,59,824**	**4,45,431**	**35,05,255**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 49 FIRST-TIME ADOPTION OF IND AS (Contd.)

First time adoption Ind AS reconciliations

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

₹ in lakhs

Particulars	Note No.	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Revenue from Operations				
- Interest Income	1, 10	4,83,838	39,600	5,23,438
- Net gain on derecognition of financial instruments under amortised cost category	2	-	-	-
- Fee & Commission income	10	59,723	(41,792)	17,931
- Net gain on Fair value change on financial instruments		1,098	(94)	1,004
- Sale of Services	8,10	5,405	8,090	13,495
Total Revenue from operations (I)		**5,50,064**	**5,804**	**5,55,868**
- Other income (II)		63	(3)	60
Total Income (I+II = III)		**5,50,127**	**5,801**	**5,55,928**
IV Expenses				
- Finance costs	1, 4, 10	2,30,521	35,147	2,65,668
- Net Loss on Fair value change on financial instrument		-	-	-
- Impairment of Financial Instruments	1, 9	34,977	(4,136)	30,841
- Employee benefits expense	3	54,158	923	55,081
- Depreciation and amortisation expense		5,086	-	5,086
- Other expenses	10	77,009	(17,838)	59,171
Total expenses (IV)		**4,01,751**	**14,096**	**4,15,847**
Profit before tax (III-IV)		**1,48,376**	**(8,295)**	**1,40,081**
Tax expense				
- Current tax				
- Pertaining to profit for the current period		53,533	(28)	53,505
- Adjustment of tax relating to earlier periods		(89)	23	(66)
- Deferred tax	5	(2,448)	(2,679)	(5,127)
Net tax expense		**50,996**	**(2,684)**	**48,312**
Profit for the period		**97,380**	**(5,611)**	**91,769**
Share of Loss attributable to non controlling interest		**162**	**(1)**	**161**
Other Comprehensive Income/(loss)	6			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains and (losses) on defined benefit obligations (net)		-	69	69
Tax on above adjustments		-	(22)	(22)
Fair value of investment - Gain/(Loss)		-	6	6
Tax on above adjustments		-	(3)	(3)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Cashflow Hedge Reserve Gain/(Loss)		-	1,100	1,100
Tax on above adjustments		-	(384)	(384)
Total Comprehensive Income		**97,542**	**(4,846)**	**92,696**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 49 FIRST-TIME ADOPTION OF IND AS (Contd.)

C. Effects of IND AS adoption on Total Equity

Particulars	Note below	As at 31.03.2018	As at 01.04.2017
Net Worth under IGAAP		**5,16,451**	**4,29,791**
Adoption of effective interest rate for amortisation of expense and income - Financial assets at amortised cost	3	(17,914)	(16,142)
Adjustments on account of de-recognition of financial assets		4,107	9,735
Adoption of effective interest rate for amortisation of expense and income - Financial Liabilities at amortised cost	3	472	500
Expected credit loss and related adjustments	2	8,743	5,878
Impact of application of IND AS 115 on revenue from certain customer contracts		(2,847)	-
Adjustments on account of change to Fair value of investment through OCI		1,285	1,244
Tax adjustments on above items		2,249	(42)
Net Worth under IND AS		**5,12,546**	**4,30,964**

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

₹ in lakhs

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	(7,59,215)	(33,419)	(7,92,634)
Net cash generated from/(used in) investing activities	(12,292)	6,280	(6,012)
Net cash generated from/(used in) financing activities	7,69,375	31,490	8,00,865
Net increase/(decrease) in cash and cash equivalents	**(2,132)**	**4,351**	**2,219**
Cash and cash equivalents at start of year	27,750	-	27,750
Cash and cash equivalents at close of year	**25,618**	**4,351**	**29,969**

Notes:

1. 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.

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.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 49 FIRST-TIME ADOPTION OF IND AS (Contd.)

2 Other Financial assets

Under Ind AS, with respect to assignment deals, Group has recognised an interest only strip receivable as at 31st March, 2018 and As on 01st April, 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.

3 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 31st March, 2018. Share options which were granted before and still not vested as at 01st April, 2017, have been recognised as a separate component of equity in Share based payment reserve against retained earnings as at 01st April, 2017.

4. 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.

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.

5. 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.

6. 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.

7. Re-measurement 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.

8. Sale of Services

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.

9. 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.

10. Figures under previous GAAP have been regrouped/ reclassified for Ind AS purpose wherever applicable.

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 50 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 AS AT AND FOR THE YEAR ENDED 31ST MARCH 2018 AND 31ST MARCH 2019

As at March 31, 2019

₹ in lakhs

Name of the entities	Net Assets (i.e total assets less total liabilities		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
I. Parent								
Cholamandalam Investment and Finance Company Limited	98%	6,09,139	101%	1,20,412	-194%	409	101%	1,20,820
II. Subsidiaries								
Cholamandalam Securities Limited	1%	3,904	0%	255	53%	(112)	0%	143
Cholamandalam Home Finance Limited	1%	5,309	-1%	(762)	241%	(508)	-1%	(1,270)
Minority Interests in all subsidiaries	0%	-	0%	(147)	0%	-	0%	(147)
II. Associates (Investment as per equity method)								
White Data Systems India Private Limited	0%	2,519	0%	(98)	0%	0	0%	(98)
	100%	**6,20,872**	**100%**	**1,19,659**	**100%**	**(210.97)**	**100%**	**1,19,448**

As at March 31, 2018

₹ in lakhs

Name of the entities	Net Assets (i.e total assets less total liabilities		Share in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
I. Parent								
Cholamandalam Investment and Finance Company Limited	98%	5,02,296	98%	90,885	82%	630	99%	91,515
II. Subsidiaries								
Cholamandalam Securities Limited	1%	2,658	1%	533	-19%	(146)	0%	387
Cholamandalam Home Finance Limited	1%	6,579	1%	609	36%	275	1%	884
White Data Systems India Private Limited	0%	1,012	0%	(160)	1%	7	0%	(153)
Minority Interests in all subsidiaries	0%	34	0%	(95)	0%	-	0%	(95)
	100%	**5,12,579**	**100%**	**91,770**	**100%**	**766**	**100%**	**92,538**

Notes forming part of the Consolidated Financial Statements (Contd.)

For the year ended March 31, 2019

Note : 51 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**

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

Date : April 27, 2019
Place : Chennai

For and on behalf of the **Board of Directors**

Arun Alagappan
Executive Director

M.M. Murugappan
Chairman

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

₹ in lakhs

Name of the subsidiary	Cholamandalam Home Finance Limited	Cholamandalam Securities Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2019	March 31, 2019
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not applicable	Not applicable
Share capital	4,240	2,250
Reserves & surplus	1,069	504
Total assets	5,722	6,573
Total Liabilities	414	3,819
Investments	1,251	397
Turnover	4,123	2,202
Profit/(Loss) before taxation	(1,052)	269
Provision for taxation	291	61
Profit/(Loss) after taxation	(762)	208
Proposed Dividend	-	-
% of shareholding	100.00%	100.00%
Names of subsidiaries which are yet to commence operations	Not applicable	Not applicable
Names of subsidiaries which have been liquidated or sold during the year.	Not applicable	Not applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates	White Data Systems Private Limited
Latest audited Balance Sheet Date	March 31, 2019
Shares of Associate/Joint Ventures held by the company on the year end	
No.	12,75,917
Amount of Investment in Associates/Joint Venture (₹ in lakhs)	800
Extend of Holding %	30.87%
Description of how there is significant influence	By way of shareholding
Reason why the associate/joint venture is not consolidated	Not applicable
Networth attributable to Shareholding as per latest audited Balance Sheet	1,166
Profit / (Loss) for the year - ₹ in lakhs	(506)
Considered in Consolidation - ₹ in Lakhs	(285)
Not Considered in Consolidation - ₹ in Lakhs	(221)
Names of associates or joint ventures which are yet to commence operations	Not applicable
Names of associates or joint ventures which have been liquidated or sold during the year.	Not applicable

For and on behalf of the **Board of Directors**

M.M. Murugappan
Chairman

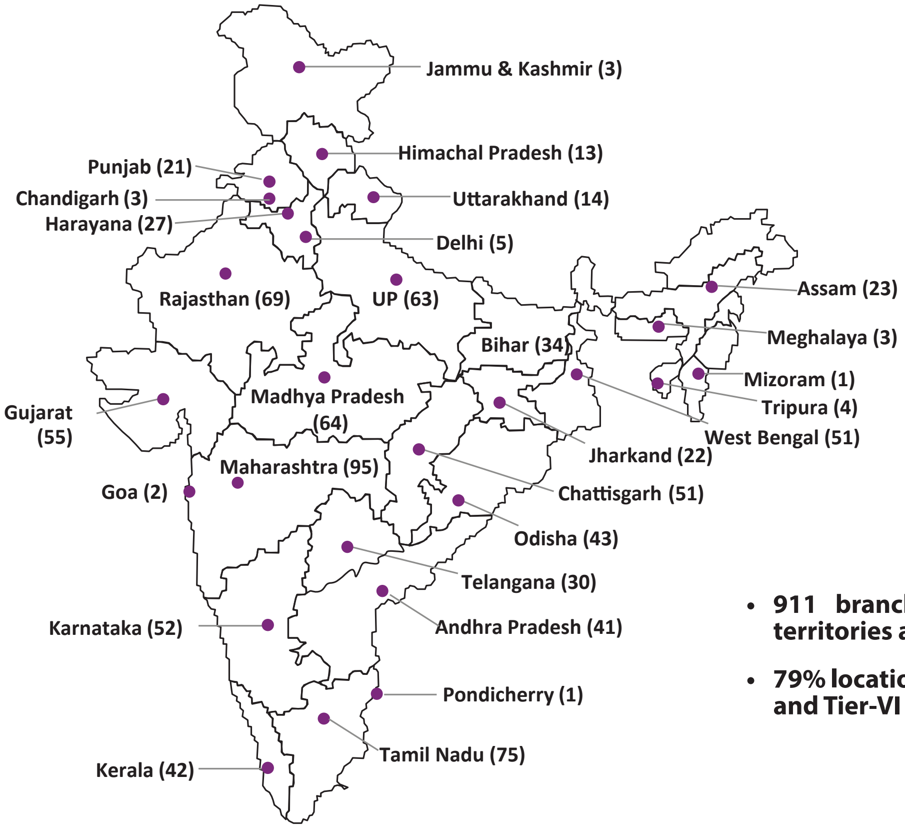
Date : April 27, 2019
Place : Chennai

P. Sujatha
Company Secretary

D. Arul Selvan
Chief Financial Officer

Arun Alagappan
Executive Director

OUR PRESENCE



- **911 branches across 27 states/Union territories as on 31st March 2019**
- **79% locations are in Tier-III, Tier-IV, Tier V and Tier-VI towns**

GLOSSARY

A. TERMS

Assets Under Management (AUM)	Business AUM and Investments
Business AUM	On - Balance sheet Business assets and Off – Balance sheet Business assets
Business AUM(Net)	Business AUM less Expected Credit Losses(ECL) provisions
Total Assets Under Management	Total Balance sheet assets and Off Balance sheet Business assets
Net credit Losses (NCL)	Loan losses and ECL provision

B. PERFORMANCE RATIOS

Operating Expenses to Assets	Total Expenses (Less: Finance Costs & Impairment of Financial Instruments)/Average of Closing Assets
Loan Losses %	Impairment of Financial instruments/Average of Closing Assets
PBT-ROTA	Profit Before Tax/Average of Closing Assets
Profit Before Tax to Income	Profit Before Tax/Total Income
Return on Total Assets - PAT	Profit After Tax/Average of Closing Assets
Return on Equity - PAT	Profit After Tax/Average of Shareholder's funds

Closing assets Represents Business AUM for Respective Business and represents on-balance sheet business assets and Investment at Company's level for computing ratios

C. INVESTOR RATIOS

Earnings per Equity share	Profit After Tax/Weighted Average number of shares
Book value per Equity share	Networth/Total Number of Shares
Dividend per Equity share	Interim Dividend paid & Final Dividend proposed per Equity share
CAR (Capital Adequacy Ratio)	Tier I & Tier II Capital/Risk Weighted Assets

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murugappa