

**CHOLAMANDALAM
SECURITIES
LIMITED**

**ANNUAL REPORT
2018 – 19**

Cholamandalam Securities Limited

Board of Directors

Sasikala Varadachari (DIN 07132398)

Ravindra Kumar Kundu (DIN 07337155)

Mahesh Madhukar Waikar (DIN 03639127)

Auditors

M/s. S.R. Batliboi & Associates LLP

Company Secretary

Balaji H

Corporate Identity Number

U65993TN1994PLC028674

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

CONTENTS

Notice to Members	1
Board's Report.....	6
Independent Auditor's Report	17
Balance Sheet	24
Statement of Profit and Loss.....	25
Cash Flow Statement.....	27
Notes forming part of the Financial Statements	28

Cholamandalam Securities Limited

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

Phone No.: 044 4004 7370; Fax No.: 044 4004 7373

CIN - U65993TN1994PLC028674

Website: www.cholawealthdirect.com

Notice to Members

NOTICE is hereby given that the twenty fifth annual general meeting of the members of Cholamandalam Securities Limited will be held at 5.30 p.m. on Monday, the 29th July 2019 at the Registered Office of the company at "Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai 600 001 to transact the following business:

ORDINARY BUSINESS:

1. To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION:**

RESOLVED THAT the board's report, the statement of profit and loss, the cash flow statement for the year ended 31 March, 2019 and the balance sheet as at that date together with the independent auditors' report thereon be and are hereby considered, approved and adopted.

SPECIAL BUSINESS:

2. To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the provisions of sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the company, Mr. Ravindra Kumar Kundu (holding DIN 07337155), an additional director, holding office up to the date of this annual general meeting be and is hereby appointed as a director of the company liable to retire by rotation.

3. To consider and if deemed fit, to pass, the following as an **ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the provisions of sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the company, Mr. Mahesh Madhukar Waikar (holding DIN 03639127), an additional director, holding office up to the date of this annual general meeting be and is hereby appointed as a director of the company liable to retire by rotation.

By Order of the Board

Place : Chennai

Date : April 26, 2019

H Balaji

Company Secretary

NOTES:

1. A member entitled to attend and vote at the annual general meeting (AGM) may appoint one or more proxies to attend and vote instead of him. The proxy need not be a member of the company. Proxy to be valid shall be deposited at the registered office of the company at least forty eight hours before the time for holding the meeting. A person shall not act as a proxy for more than fifty members and holding in the aggregate not more than 10% (ten percent) of the total share capital of the company carrying voting rights. A person holding more than 10% (ten percent) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Members are requested to inform immediately any change in their address to the registered office of the company.
3. The explanatory statement pursuant to section 102 of the Companies Act, 2013 and the secretarial standards setting out all material facts in respect of the item nos. 2 & 3 is annexed.

By Order of the Board

Place : Chennai
Date : April 26, 2019

H Balaji
Company Secretary

ANNEXURE TO THE NOTICE

A. EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("the Act"):

Item Nos. 2 & 3: Appointment of Mr. Ravindra Kumar Kundu and Mr. Mahesh Madhukar Waikar as directors liable to retire by rotation:

Pursuant to the provisions of section 161 of the Act, Mr. Ravindra Kumar Kundu (DIN: 07337155) and Mr. Mahesh Madhukar Waikar (DIN: 03639127) were appointed as additional directors of the company with effect from October 29, 2018 and March 18, 2019 respectively and hold office up to the date of this AGM. The Company has received notices in writing from members under the provisions of section 160 of the Act proposing the candidatures of Mr. Ravindra Kumar Kundu and Mr. Mahesh Madhukar Waikar as directors of the Company.

In compliance with the provisions of section 152 of the Act, the appointment of Mr. Ravindra Kumar Kundu and Mr. Mahesh Madhukar Waikar are being placed before the members for their approval.

The board recommends the appointment of Mr. Kundu and Mr. Waikar as directors liable to retire by rotation.

None of the directors, key managerial personnel of the company and their relatives other than the directors who are to be appointed under the respective resolutions and their relatives are concerned or interested in the resolutions.

B. DISCLOSURE UNDER SECRETARIAL STANDARDS ON GENERAL MEETINGS:

Name of the Director	Mr. Ravindra Kumar Kundu	Mr. Mahesh Madhukar Waikar
DIN	07337155	03639127
Date of Birth	July 7,1968	June 25, 1965
Date of Appointment (Initial appointment)	October 29,2018	March 18, 2019
Qualification	Bachelor's degree in Commerce, Masters in Business Administration and has completed an executive program in Global Business Management from Indian Institute of Management, Kolkatta and holds a Diploma in Mechanical Engineering and Management.	Bachelor's degree in Commerce(Advanced Accounting and Auditing) and Law(General), Masters in Business Administration
Expertise in specific functional area	has over 30 years of professional experience in Automobile and financial Services industry.	has over 30 years of professional experience in financial service industry which includes capital market experience.
Number of meetings of the board attended during the year	Attended 3 meetings of the Board held during the year	Attended 1 meeting of the Board held during the year
Directorships in other companies	Chola Business Services Limited White Data Systems India Private Limited	Chola Business Services Limited
Membership in board committees of other companies	-	Nomination & Remuneration Committee and Audit Committee of Chola Business Services Limited
No of shares held in the company	-	-
Inter-se relationship with any other directors or KMP of the Company	-	-
Details of remuneration sought to be paid	-	-
Details of remuneration last drawn	-	-

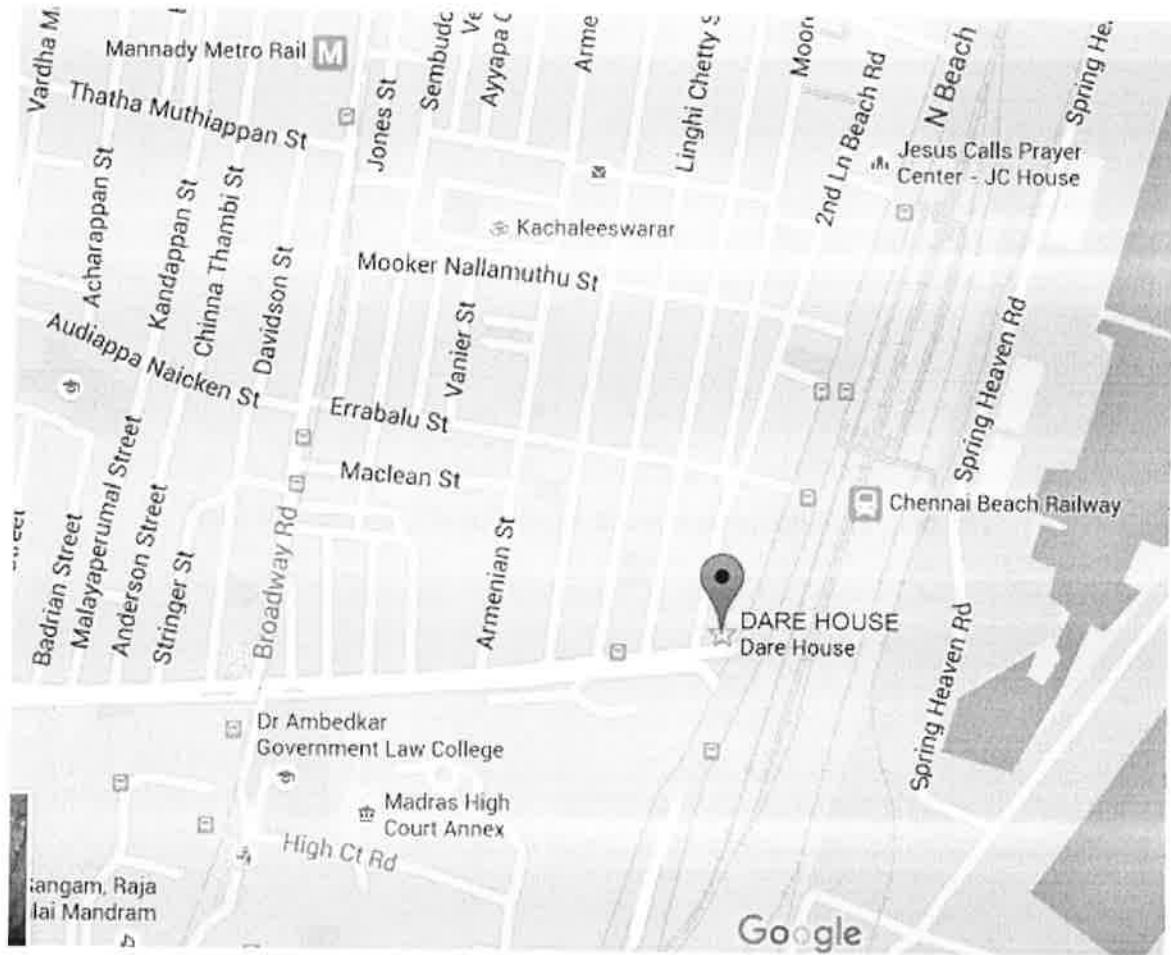
By Order of the Board

Place : Chennai
Date : April 26, 2019

H Balaji
Company Secretary

Route Map to the venue of the AGM

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



CHOLAMANDALAM SECURITIES LIMITED

CIN: U65993TN1994PLC028674

Registered Office: "DARE HOUSE", No.2, N.S.C. Bose Road, Parrys, Chennai 600 001

Phone No.: 044 4004 7370; Fax No.: 044 4004 7373

Website:www.cholawealthdirect.com

ATTENDANCE SLIP

Folio No.:

Name & Address of Member:

I certify that I am a registered Shareholder of the Company and holdShares.

I/we hereby record my / our presence at the 25th AGM held at No.2, N.S.C. Bose Road, Parrys, Chennai 600 001.

Member's Folio No. Members / Proxy's name in Block letters Member's / Proxy's signature

Notes: 1. Shareholders / Proxy holders must bring the Attendance Slip to the meeting and hand over the same at the entrance duly signed.

2. Shareholders are requested to advise their change in address, if any, to the Company's Registered Office quoting folio numbers.

CHOLAMANDALAM SECURITIES LIMITED

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PROXY FORM

Name of the member:

Registered Address:

E-mail ID:

Folio No.:No. of Shares:

I/We being the Member(s) ofshares of the above named company, hereby appoint

1.Name.....Address.....

E-mail id.....Signature..... or failing him/ her

2.Name.....Address.....

E-mail id.....Signature.....or failing him/ her

3.Name.....Address.....

E-mail id.....Signature..... as my/our proxy to attend and vote for me/us and on my/our behalf

at the twenty fifth Annual General Meeting of the Company, to held at 5.30 p.m. on Monday, 29 July, 2019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (Optional) [#]		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Financial Statements and Board's Report for the year ended 31 March 2019			
2.	Appointment of Mr. Ravindra Kumar Kundu as a Director of the Company			
3.	Appointment of Mr. Mahesh Madhukar Waikar as a Director of the Company			

Signed this day of, 2019.

Signature of shareholder(s)..... Signature of Proxy holder(s).....

Affix Revenue Stamp Re.1

Note:

- The Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. The Proxy need not be a Member of the Company.
- It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

BOARD'S REPORT

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

FINANCIAL RESULTS

Particulars	<i>(Rs. in lakhs)</i>	
	2018-19	2017-18
Gross Income	2202.13	1968.36
Profit before tax	268.68	341.44
Profit after tax	208.00	507.28

DIVIDEND

Your directors have not recommended any dividend for the year under review.

OPERATIONS

During the year, the Securities Business and Wealth Business merged its operations with focus to build profitable relationships with Retail and emerging High Net worth Individual clients. The synergies that the business achieved during the year are (i) Higher levels of productivity by leveraging the combined client base (ii) Reduced cost of operations through common software and (iii) Cross sell and higher product penetration for broking clients. However, the business was also facing challenges of a very volatile market in H2 which is expected to continue until May 2019. During the year, the company achieved an income of Rs. 2202.13 lakhs as against Rs.1968.36 lakhs of previous year. The Assets under Management of Mutual funds has crossed Rs. 1130 crores.

OUTLOOK

FY20 will be a year of transition for us to scale and reach new heights. It will also be a year of several new digital launches and scaling new business models. Towards this, our key focus areas are (i) Building scale by increasing manpower to focus on Wealth products (ii) Increase trail income by increasing the Assets Under Management in Mutual funds (iii) Increase client wallet share by focusing on deeper penetration of products being distributed like Margin Trade funding, Life Insurance, Mutual funds and Portfolio Management System.

DIRECTORS**Appointment:**

During the year, Mr. Ravindra Kumar Kundu and Mr. Mahesh Madhukar Waikar, were appointed as additional directors of the company on October 29, 2018 and March 18, 2019 respectively who shall hold office up to the date of 25th annual general meeting of the company. Your company has received requisite notices under the provisions of section 160 of the Act proposing the candidature of Mr. Kundu and Mr. Waikar as directors and your board recommends their

appointment as non-executive directors of the company liable to retire by rotation at the ensuing AGM.

There are no directors liable to retire by rotation pursuant to section 152 of the Companies Act, 2013 at the ensuing AGM.

Resignation:

During the year, Mr. Rohit Phadke and Mr. R Chandrasekar resigned from the office of directorship of the company effective October 30, 2019 and March 19, 2019 respectively. The board places on record its deep appreciation for the contributions made by Mr. Rohit Phadke and Mr. R Chandrasekar to the company as members of the board during their tenure of office.

DECLARATION FROM INDEPENDENT DIRECTOR

Ms. Sasikala Varadachari, independent director has submitted a declaration of independence, as required pursuant to section 149(7) of the Act, stating that she meets the criteria of independence as provided in section 149(6) of the Act. In the opinion of the Board, Ms. Varadachari fulfills the conditions specified in the Act and the rules made there under for appointment as ID and confirm that she is 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 are the whole-time key managerial personnel of the company:

1. Ms. Mariam Mathew – Manager
2. Mr. D Arulselvan – Chief Financial Officer and
3. Mr. Balaji H– Company Secretary

AUDITORS

Pursuant to the provisions of section 139 of the Companies Act, 2013 (“the Act”) read with Companies (Audit and Auditors) Rules, 2014, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants were appointed as the statutory auditors of the company in the 23rd Annual General Meeting (AGM) held on 26 July, 2017 for a period of 5 years commencing from the conclusion of twenty third AGM till the conclusion of twenty eighth AGM of 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 the board’s report.

BOARD MEETINGS

The schedule of board meetings for the calendar year is prepared and circulated in advance to the directors. During the year, the board met five times on 20 April 2018, 25 July 2018, 29 October 2018, 29 January 2019 and 18 March 2019.

REMUNERATION POLICY, CRITERIA FOR BOARD NOMINATION & SENIOR MANAGEMENT APPOINTMENT

The Board of directors has framed a remuneration policy relating to the remuneration of the directors, key managerial personnel and other employees. The Company has further formulated the criteria for board nomination and senior management appointment including determining qualifications, positive attributes and independence of a director.

FORMAL ANNUAL EVALUATION

In compliance with section 134(3)(p) of the Act and the rules made there under, the annual performance evaluation of the board and of individual directors were carried out during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors' responsibility statement as required under section 134(3)(c) of the Act, reporting the compliance with accounting standards is attached and forms part of the board's report.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No loans, guarantees or investments have been made under section 186 of the Act.

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 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 party were placed before the board for approval at the beginning of the financial year. The transactions entered into pursuant to the approval so granted were placed before the Board for their 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 the consumption of energy or technology absorption. During the year, the company has not incurred any expenditure in foreign currency and does not have any foreign exchange earnings.

DETAILS OF ADEQUACY OF 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. These measures have helped in ensuring the adequacy of internal financial controls commensurate with the scale of operations of the company.

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 center 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:

The Enterprise Risk Management (ERM) team of the holding company, Cholamandalam Investment and Finance Company Limited oversees the risk management framework of the company. 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.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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 deals with the complaints received.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

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

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL 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.

ACKNOWLEDGEMENT

Your directors wish to thank the customers, stock exchanges, depositories, clearing corporations, bankers and other business partners. The directors also thank the staff for their contribution to the company's operations during the year under review.

On behalf of the Board

Place : Chennai
Date : April 26, 2019

Sasikala Varadachari
Chairperson

DIRECTORS' RESPONSIBILITY STATEMENT

(Annexure to the Board's Report)

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 board 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; and
- (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 26, 2019

Sasikala Varadachari
Chairperson

ANNEXURE - FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
For the financial year ended on 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

Corporate Identification Number (CIN)	U65993TN1994PLC028674
Registration Date	20 September, 1994
Name of the Company	Cholamandam Securities Limited
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of the Registered office and contact details	"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai - 600 001 Phone: 044 4004 7370 (bd.) Fax: 044 4004 7373 website: www.cholawealthdirect.com
Listed company (Yes / No)	No
Name, address and contact details of Registrar and transfer agent, if any	-

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:-

S. No.	Name and description of main products / services	NIC Code of the product/ Service*	% to total turnover of the company
1	Broking	Section K – Group 661 – Class 6612 - Security and commodity contracts brokerage	51.78%
2	Distribution of Financial Products	Section – Group 661 – Activities auxiliary to financial service activities	32.77%

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Cholamandam Investment and Finance Company Limited	L65993TN1978PLC007576	Holding Company	100%	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding -**

S.No.	Category of Shareholders	No. of Shares held at the beginning of the year (01-APR-2018)				No. of Shares held at the end of the year (31-MAR-2019)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
(A)	PROMOTERS AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individuals / HUF*	-	12	12	0.00	-	13	13	0.00	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	22,500,000	22,500,000	99.99	-	22,500,000	22,500,000	99.99	-
(d)	Banks / Financial Institutions									
(e)	Any Other :	-	-	-	-	-	-	-	-	-
	Sub-Total A(1):	-	22,500,012	22,500,012	99.99	-	22,500,013	22,500,013	99.99	-
(2)	FOREIGN									

S.No.	Category of Shareholders	No. of Shares held at the beginning of the year (01-APR-2018)				No. of Shares held at the end of the year (31-MAR-2019)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Other:	-	-	-	-	-	-	-	-	-
	Sub-Total A(2):	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group A = A(1)+A(2)	-	22,500,012	22,500,012	99.99	-	22,500,013	22,500,013	99.99	-
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
(b)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government (s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other:	-	-	-	-	-	-	-	-	-
	- Multilateral Financial Institution	-	-	-	-	-	-	-	-	-
	- Foreign Corporate Bodies	-	-	-	-	-	-	-	-	-
	Sub-Total B(1):	-	-	-	-	-	-	-	-	-
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
	(i) Indian	-	-	-	-	-	-	-	-	-
	(ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals	-	-	-	-	-	-	-	-	-
	(i) Individual shareholders holding nominal share capital upto Rs.1 lakh*	-	2	2	0.01	-	1	1	0.01	-
	(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
(c)	Any Other:	-	-	-	-	-	-	-	-	-
	NON RESIDENT INDIANS	-	-	-	-	-	-	-	-	-
	TRUST	-	-	-	-	-	-	-	-	-
	CLEARING MEMBERS	-	-	-	-	-	-	-	-	-
	Sub-Total B(2):	-	2	2	0.01	-	1	1	0.01	-
	Total Public shareholding B=B(1)+B(2):	-	2	2	0.01	-	1	1	0.01	-
	Total (A+B):	-	22,500,014	22,500,014	100.00	-	22,500,014	22,500,014	100.00	-
(C)	Shares held by custodians, for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Sub-Total (C):	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C):	-	22,500,014	22,500,014	100.00	-	22,500,014	22,500,014	100.00	-

* Beneficial interest in the shares are held by M/s. Cholamandalam Investment and Finance Company Limited

(ii) Shareholding of Promoters -

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in 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.	Cholamandalam Investment and Finance Company Limited	22,500,000	99.99	-	22,500,000	99.99	-	-
2.	M A Alagappan	9*	-	-	9*	-	-	-
3.	M M Venkatachalam	1*	-	-	1*	-	-	-
4.	A Vellayan	1*	-	-	1*	-	-	-
5.	M M Murugappan	1*	-	-	1*	-	-	-
6.	Arun Alagappan	-	-	-	1*	-	-	0.00
	Total	22,500,012	99.99	-	22,500,013	99.99	-	-

* Beneficial interest in the shares are held by Cholamandalam Investment and Finance Company Limited

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

Sl. No.		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 & Promoter Group	22,500,012	99.99	-	-
2.	<u>Date wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease</u>				
	i) Mr. Arun Alagappan At the beginning of the year	-	-		
	27.09.2018: Transfer of shares from Mr. N Srinivasan	1	0.00	22,500,013	99.99
3.	At the end of the year – Promoter & Promoter Group	-	-	22,500,013	99.99

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

S.No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018) / end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	D Arulselvan	1	-	-	-	-	1	-

(v) Shareholding of Directors and Key Managerial Personnel:

SN.	Name of the Director/ KMP	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		End of the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Directors:								
1.	Ms. Sasikala Varadachari	At the beginning – 01.04.2018 & end of the year – 31.03.2019 (No change in the shareholding position during the year)	-	-	-	-	-	-
2.	Mr. Ravindra Kumar Kundu*		-	-	-	-	-	-
3.	Mr. Mahesh Madhukar Waikar*							
4.	Mr. R Chandrasekar **							
5.	Mr. Rohit Phadke**							

SN.	Name of the Director/ KMP	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		End of the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	KMP:							
6.	Ms. Mariam Mathew	At the beginning – 01.04.2018 & end of the year – 31.03.2019 (No change in the shareholding position during the year)	-	-	-	-	-	-
7.	Mr. D Arul Selvan		1	0.00	1	0.00	1	0.00
8.	Mr. H Balaji		-	-	-	-	-	-

* Mr. Ravindra Kumar Kundu & Mr. Mahesh Madhukar Waikar were appointed as Directors w.e.f 29th October, 2018 and 18th March, 2019 respectively.

** Mr. Rohit Phadke & Mr. R Chandrasekar resigned as Directors w.e.f 30th October, 2018 and 19th March 2019 respectively.

V. Indebtedness of the Company including interest outstanding / accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
(Rs. in crores)				
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	0	-	0
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	0	-	0
Change in Indebtedness during the financial year	-	-	-	-
• Addition	-	153.00	-	153.00
• Reduction	-	141.50	-	141.50
Net Change	-	0.00	-	0.00
Indebtedness at the end of the financial year	-	-	-	-
i. Principal Amount	-	11.50	-	11.50
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Manager:

Sl. no.	Particulars of Remuneration	Ms. Mariam Mathew - Manager (Amount in Rs.)
1.	Gross salary	61,39,654.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	21,600.00
	(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	-
	Total (A)	6161254.00*
	Ceiling as per the Act	84,00,000

*In the event of inadequacy of profits, the company has paid remuneration under Part II of Section II of Schedule V of the Act.

B. Remuneration to Directors:

S.No	Particulars of Remuneration	Name of Directors		Total Amount (in Rs.)
1.	Independent Directors	Sasikala Varadachari		
	• Fee for attending board /committee meetings	50,000		50,000
	• Commission	-		-
	• Others, please specify	-		-
	Total (1)			
2.	Other Non-Executive Directors	Ravindra Kumar Kundu	Mahesh Madhukar Waikar	
	• Fee for attending board committee meetings	-	-	-
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)	-	-	
3.	Other Non-Executive Directors	R Chandrasekar	Rohit Phadke	
	• Fee for attending board committee meetings			
	• Commission			
	• Others, please specify			
	Total (B)=(1+2)			50,000
	Total Managerial Remuneration			50,000
	Overall Ceiling as per the Act excluding Sitting Fees			3,30,298**

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

(Amount in Rs.)

SN.	Particulars of Remuneration	Key Managerial Personnel		
		*Company Secretary	*CFO	Total
1.	Gross salary	0	0	0
2.	Stock Option			
	a. Allotment of Shares(including premium)	-	-	-
	b. Share application money pending allotment	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission -as % of profit - others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	0	0	0

* Remuneration paid by Cholamandalam Investment and Finance Company Limited, the holding company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Cholamandalam Securities Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Cholamandalam Securities 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 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the board's report, Annexure to Annual return in Form MGT-9, and directors' responsibility statement included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

Responsibility of Management for the Ind AS Financial Statements

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



S.R. BATLIBOI & ASSOCIATES LLP

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

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

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

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 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 Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its manager and directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 43 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were 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

Arvind K

per Arvind K
Partner

Membership Number: 221268

Place of Signature: Chennai

Date: April 26, 2019



Annexure 1 referred to in our report of even date

Re: Cholamandalam Securities Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
- (b) Property, plant & 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, there are no immovable properties, included in property, plant & equipment of the Company and accordingly, the requirements under Paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under Paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Sections 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). 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 products/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, goods and service tax, cess and other material statutory dues applicable to it. The provisions relating to wealth tax, customs duty, excise duty, value added tax 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, good and service tax, 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.
- (c) According to the records of the Company, the dues outstanding of income tax, service tax, customs duty, excise duty, goods and services tax and cess which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount not deposited (Rs. In Lacs.)	Period to which the amounts relate	Forum where the dispute is pending
Finance Act, 1994	Service Tax (including interest and penalty)	47.90	April 2004 to December 2008	CESTAT

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Chartered Accountants

Finance Act, 1994	Service Tax (Including Interest)	20.56	2006-2007 & 2007-08	Commissioner of Central Excise - Appeals
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- (viii) The Company did not have any outstanding loans or borrowings dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instrument and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) 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 / her.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R.BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W / E300004

Aravind K

per Aravind K
Partner

Membership Number: 221268

Place of signature: Chennai

Date: April 26, 2019



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CHOLAMANDALAM SECURITIES LIMITED

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

We have audited the internal financial controls over financial reporting of Cholamandalam Securities Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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

Aravind K

per **Aravind K**

Partner

Membership Number: 221268

Place of Signature: Chennai

Date: April 26, 2019



Cholamandalam Securities Limited
Balance Sheet as at 31st March 2019


(All amounts are in Indian rupees unless otherwise stated)

Particulars

ASSETS	Notes	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Financial Assets				
Cash and cash equivalents	4	35,444,009	102,319,723	129,919,649
Bank Balance other than cash and cash equivalents	5	82,800,692	82,106,512	81,831,902
Trade Receivables	6	307,089,462	160,263,277	192,217,628
Investments	7	39,739,750	49,168,000	63,562,250
Other Financial Assets	8	139,984,531	158,931,538	97,483,747
		605,058,444	552,789,050	565,015,176
Non-Financial Assets				
Current Tax Assets (Net)	9	9,590,393	6,026,717	8,178,761
Deferred Tax Assets	10	23,823,047	24,986,721	1,070,386
Property, Plant and Equipment	11	4,651,090	7,985,574	6,730,850
Intangible Assets	12	5,140,064	3,286,033	3,540,583
Other non-financial Assets	13	9,082,828	6,616,520	5,293,291
		52,287,422	48,901,565	24,813,871
Total Assets		657,345,866	601,690,615	589,829,047
LIABILITIES AND EQUITY				
Financial Liabilities				
Trade payables				
i) Dues to Micro and Small Enterprises				
ii) Other Trade payables				
	14	211,608,693	285,066,559	213,265,720
Borrowings (other than debt securities)	15	115,000,000	-	100,000,000
Other Financial Liabilities	16	40,166,531	40,745,820	26,671,772
		366,775,224	325,812,379	339,937,492
Non-Financial Liabilities				
Provisions	17	10,438,179	4,287,034	4,660,575
Other Non-financial Liabilities	18	4,709,920	5,813,203	5,207,278
		15,148,099	10,100,237	9,867,853
Total Liabilities		381,923,323	335,912,616	349,805,345
Equity				
Equity Share Capital	19	225,000,140	225,000,140	225,000,140
Other Equity	20	50,422,403	40,777,859	15,023,562
		275,422,543	265,777,999	240,023,702
TOTAL LIABILITIES AND EQUITY		657,345,866	601,690,615	589,829,047

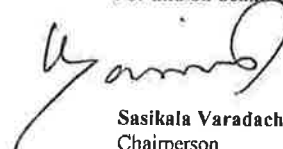
The accompanying notes are an integral part of these financial statements


As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

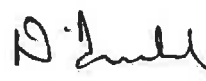

per Aravind K
Partner
Membership No: 221268


Place: Chennai
Date: April 26, 2019

For and on behalf of the Board of Directors


Sasikala Varadachari
Chairperson
DIN -07132398


Mahesh Madhukar Waikar
Director
DIN - 03639127


Arulselvan D
Chief Financial Officer

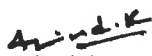

Balaji H
Company Secretary



Cholamandalam Securities Limited
Statement of Profit And Loss for the year ended 31st March 2019
(All amounts are in Indian rupees unless otherwise stated)

Particulars	Notes	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Revenue from Contract with Customers			
Commission Income	21	195,180,493	169,148,104
Other Operating Revenues	22	16,743,744	19,841,641
		<u>211,924,237</u>	<u>188,989,745</u>
Other Income	23	8,289,573	7,846,835
Total Income		<u>220,213,810</u>	<u>196,836,580</u>
Expenses			
Finance Costs	24	5,923,533	3,809,338
Impairment on Financial Instruments	25	641,781	169,623
Employee Benefits Expense	26	111,677,528	77,671,980
Depreciation and Amortisation Expense	27	6,192,297	4,462,842
Other Expenses	28	68,910,089	76,577,957
Total Expense		<u>193,345,228</u>	<u>162,691,740</u>
Profit Before Tax		<u>26,868,582</u>	<u>34,144,840</u>
Tax Expense	29		
- Current Year		8,269,954	7,332,542
- Adjustment of Current tax relating to earlier years		(370,443)	-
- Adjustment in respect of Current Income tax of Previous year		-	(6,753,376)
- Deferred Tax (Net)		(1,831,394)	(17,162,959)
		<u>6,068,117</u>	<u>(16,583,793)</u>
Profit for the year (I)		<u>20,800,465</u>	<u>50,728,633</u>
Other Comprehensive income:	42		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement of the defined benefit plans		(2,393,558)	(278,728)
Income tax effect		665,887	77,542
		<u>(1,727,671)</u>	<u>(201,186)</u>
Net (loss)/gain on FVTOCI equity instruments		(9,428,250)	(14,394,250)
Income tax effect		-	-
		<u>(9,428,250)</u>	<u>(14,394,250)</u>
Other comprehensive income/(loss) for the year, net of tax (II)		<u>(11,155,921)</u>	<u>(14,595,436)</u>
Total comprehensive income for the year, net of tax (I + II)		<u>9,644,544</u>	<u>36,133,197</u>
Earnings per Equity Share			
Basic		0.92	2.25
Diluted		0.92	2.25

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004


per Aravind K
Partner
Membership No: 221268

For and on behalf of the Board of Directors


Sasikala Varadachari
Chairperson
DIN -07132398


Mahesh Madhukar Waikar
Director
DIN - 03639127


Arivselvan D
Chief Financial Officer


Balaji H
Company Secretary

Place: Chennai
Date: April 26, 2019



Cholamandalam Securities Limited
Statement of Changes in Equity for the year ended 31st March 2019
(All amounts are in Indian rupees unless otherwise stated)

a. Equity Share Capital:

Equity shares of Rs 10 each issued, subscribed and fully paid

	No. of shares	in Rupees
As at 1 April 2017	22,500,014	225,000,140
At 31 March 2018	22,500,014	225,000,140
At 31 March 2019	22,500,014	225,000,140

b. Other equity

Particulars	Reserves and Surplus		Items of OCI Equity instruments through other comprehensive income	Total Equity
	Retained earnings	General Reserve		
As at 1st April 2017		800,000		15,023,562
Profit for the period	(35,519,834)		49,743,396	50,728,633
Re-measurement gains and (losses) on defined benefit obligations (net)	50,728,633			(201,186)
Fair Valuation of FVTOCI Investments	(201,186)		(14,394,250)	(14,394,250)
Adjustment on account of Common control transaction (Ref Note 31)	(10,378,900)			(10,378,900)
As at 31st March 2018	4,628,713	800,000	35,349,146	40,777,859
Profit for the period	20,800,465		(9,428,250)	20,800,465
Fair Valuation of FVTOCI Investments	(1,727,671)			(9,428,250)
Re-measurement gains and (losses) on defined benefit obligations (net)				(1,727,671)
As at 31st March 2019	23,701,507	800,000	25,220,896	50,422,403

The accompanying notes are an integral part of these financial statements

As per our report of even date
For S.R. BATLIBOY & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

Aravind K
per Aravind K
Partner
Membership No: 221268

Place: Chennai
Date: April 26, 2019



For and on behalf of the Board of Directors

Yashwanth
Sasikala Varadachari
Chairperson
DIN - 07132398

Mahesh Waikar
Mahesh Waikar
Director
DIN - 03639127

Balsaji H
Balsaji H
Company Secretary

CHOLAMANDALAM SECURITIES LIMITED
Statement of Cash Flows for the year ended 31st March 2019
(All amounts are in Indian rupees unless otherwise stated)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
A. Cash Flow from Operating Activities:		
Profit Before Tax		
Adjustments for :	26,868,582	34,144,840
Depreciation and impairment of property, plant and equipment	6,192,297	4,462,842
Profit/(Loss) on Property plant & equipment and investment property Sold / Discarded (Net)	310,473	(74,800)
Provision / Impairment on financial assets (Net)	641,781	169,623
Finance Income	(5,718,804)	(5,874,158)
Finance Costs	5,923,533	3,809,338
Dividend Income	(2,341,006)	(1,820,212)
Operating Profit before Working Capital / Other Changes	31,876,856	34,817,473
Adjustments for :		
Increase / (Decrease) in Provision for Compensated absences	2,335,590	822,950
Increase / (Decrease) in Other current Liabilities	(73,718,442)	78,818,960
Decrease / (Increase) in Other non-current assets	93,910,170	(44,130,510)
Increase / (Decrease) in trade and other receivables	(150,272,604)	31,334,719
Cash Generated From Operations	(95,868,430)	101,663,592
Income tax paid	(7,802,233)	(5,102,956)
Net Cash Flow from Operating Activities	(103,670,663)	96,560,636
B. Cash Flow from Investing Activities:		
Capital Expenditure (Including Capital Work In Progress and Capital Advances)		
Purchase of Property, plant and equipment	(9,384,043)	(3,200,630)
Sale of Property plant and equipment	1,011,095	74,800
Investments in Fixed Deposits	(694,180)	-
Finance Income	5,718,804	5,417,121
Dividend Received	2,341,006	1,820,212
Acquisition of assets and liabilities from Cholamandalam Home Finance Limited pursuant to Business transfer agreement dated March 31, 2018 ("BTA"):		
Net Cash flow from/(used in) Investing Activities	(1,007,318)	(3,271,768)
C. Cash Flow from Financing Activities:		
Proceeds from short Term Borrowings	1,530,000,000	1,555,000,000
Repayment of short Term Borrowings	(1,415,000,000)	(1,655,000,000)
Finance Costs Paid	(5,923,533)	(3,809,338)
Interest received on Income tax refund	-	182,427
Net Cash flows from Financing Activities	109,076,467	(103,626,911)
Net Increase in Cash and Cash Equivalents [A+B+C]	4,398,486	(10,326,540)
Cash and Cash Equivalents at the Beginning of the Year	4,266,711	14,593,251
Cash and Cash Equivalents as at End of the Year	8,665,197	4,266,711

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

Arvind K
per Arvind K
Partner
Membership No: 221268

Place: Chennai
Date: April 26, 2019



For and on behalf of the Board of Directors

Sasikala Varadachari
Chairperson
DIN - 07132398

Mahesh Madhukar Waikar
Director
DIN - 03639127

Arulselvan D
Chief Financial Officer

Balaji H
Company Secretary

CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts are in Indian rupees unless otherwise stated)

1. Corporate Information

Cholamandalam Securities Limited ("the Company") is a subsidiary of Cholamandalam Investment and Finance Company Limited ("CIFCL"). It is a securities brokerage firm offering stock broking, depository and equity research services to retail, corporate and institutional clients and is also a distributor of financial products like mutual funds, fixed deposits and bonds. The Company is a member of the Bombay and National Stock Exchanges. It is also a depository participant with National Securities Depository Limited and Central Depository Services Limited. The Company is also registered as a corporate agent of IRDAI distributing Life and General Insurance products.

2. Basis of Preparation of Financial Statements

The 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).

For all periods up to and including the year ended 31 March 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 note 37 for information on how the company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) equity instruments. The financial statements are presented in Indian Rupees (INR).

2.1 Presentation of financial statements

The Company presents its balance sheet in order of liquidity and 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 note 38. 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

a) Financial instruments – initial recognition

Date of recognition

Financial assets and liabilities, with the exception of 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. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. The company recognises borrowings when funds reach the company.

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, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the company accounts for the Day 1 profit or loss, as described below.

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, as explained in Note 3b
- > FVOCI, as explained in Note 3c

b) Financial assets and liabilities

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

- i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- ii) 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.

c) 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 recognized in profit or loss as dividend income when the right of the payment has been established, except when the company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.



CHOLAMANDALAM SECURITIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Indian rupees unless otherwise stated)

d) Business model assessment

The Company determines its business model at the level that best reflects how it manages groups 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.

e) SPPI Test

As a second step of its classification process the Group 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.

In contrast, contractual terms that introduce a more than de minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

f) Borrowed funds

After initial measurement, 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. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

g) Trade receivables and Impairment of Financial assets

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.

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 occasionally made as temporary adjustments when such differences are significantly material.

h) 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.

i) 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.

j) Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery, or where the likelihood of such recovery is extremely remote. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

k) Collateral Valuation

To mitigate its credit risks on financial assets, the company seeks to use collateral, where possible. The collateral comes in the form of securities. Collateral, unless repossessed, is not recorded on the company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a monthly basis.

l) Cash and cash equivalents

Cash and cash equivalents includes cash, balance with scheduled banks, deposits held at call with banks and other short-term highly liquid investments including deposits with original maturities of three months or less which are subject to an insignificant risk of change in value. Cash balances held on behalf of clients and stock exchanges as well deposits under lien have been excluded from cash and cash equivalents.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts are in Indian rupees unless otherwise stated)

m) 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.

The estimated useful lives are, as follows:

Block of Asset	Useful life estimated by the management(In years)
Office equipment	5
Furniture and fixtures	5
Vehicles	5
Computers	3
Servers	3

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.

Depreciation charge on additions / deletions is restricted to the period of use. Assets costing Rs.5,000 or less are fully depreciated in the year of addition, based on the usage pattern at such assets.

n) Intangible assets

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. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives, as follows:

Block of Asset	Useful life estimated by the management(In years)
Membership card of stock exchanges	10
Computer software	3

The management has estimated, the useful lives of the above class of assets taking into consideration, the usage and replacement policy of such class of assets.

Basis the above evaluation, the useful lives of the assets pertaining to the block Furnitures and fixtures, Vehicles and Servers are lower than those indicated in Schedule II to the Companies Act, 2013.

Depreciation charge on additions / deletions is restricted to the period of use. Assets costing Rs.5,000 or less are fully depreciated in the year of addition, based on the usage pattern at such assets.

The residual values, useful lives and methods of depreciation of assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

o) Impairment of Non Financial Assets

The Company determines whether there is any indication of impairment of the carrying amount of the Company's assets. The recoverable amount of such assets is estimated and if any indication of impairment exists, impairment loss is recognised wherever the carrying amount of the assets exceeds its recoverable amount.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering 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.



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts are in Indian rupees unless otherwise stated)

p) Recognition of income and expenses

1) Income covered under Ind AS 115

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 the 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.

(i) Brokerage fee income - point in time

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.

(ii) Commission on Mutual funds/Bonds/Insurance

Revenue is recognised on accrual basis based on satisfaction of contractual obligations as per the principles of Ind AS 115 duly considering the origination / retention of the customer portfolios and when there is no uncertainty in receiving the same.

2) Other Revenue

(i) Interest Income on client overdues

Interest income is recognised on an effective interest rate basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other operating income" in the Statement of Profit and Loss.

(ii) 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.

q) Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

r) Company as a lessee

Leases that do not transfer to the company substantially all of the risks and benefits incidental to ownership of the leased items are 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, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which it is incurred.

s) Retirement and Other Employee Benefits

i) Defined Contribution Plans

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

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

Superannuation Fund: 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.



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts are in Indian rupees unless otherwise stated)

ii) Defined Benefit Plan & Compensated Absences

Expenditure for defined benefit gratuity plan and long-term accumulated compensated absences is calculated as at the Balance Sheet date in a manner that distributes expenses over the employees' working lives. These commitments are valued at the present value of expected future payments and with consideration for calculated future salary increases.

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

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unavailed entitlements that have accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the Projected Unit Credit method at balance sheet date.

Remeasurements, 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 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

t) Income Taxes

i) 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.

ii) 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.



CHOLAMANDALAM SECURITIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Indian rupees unless otherwise stated)

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.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the 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 Company recognises MAT credit as an asset in accordance with the "Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961", the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

u) 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.

v) 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.

w) 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.

x) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

y) Goods and Service Tax (GST) Input Credit

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i.) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.



Cholamandalam Securities Limited

Notes to financial statements for the year ended 31st March 2019

(All amounts are in Indian rupees unless otherwise stated)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Note 4. Cash and cash equivalents			
Balances with banks:			
– On current accounts	8,635,198	4,236,711	14,563,251
Cash on hand	30,000	30,000	30,000
Other bank balances:			
– On client and exchange related accounts	26,778,811	98,053,012	115,326,398
	35,444,009	102,319,723	129,919,649

Note 5. Bank Balance other than cash and cash equivalents

Fixed deposit with Banks with an original maturity of more than 3 months	81,937,500	81,250,000	81,250,000
Interest Accrued	863,192	856,512	581,902
	82,800,692	82,106,512	81,831,902

Note 6. Trade Receivables

Secured

Considered good	307,278,894	160,434,015	192,392,322
Provision for Impairment on receivables	(189,432)	(170,738)	(174,694)
	307,089,462	160,263,277	192,217,628

Trade Receivables credit impaired	13,793,640	13,170,553	12,996,974
Provision for Impairment on receivables	(13,793,640)	(13,170,553)	(12,996,974)

Total Trade receivables

Considered good	307,278,894	160,434,015	192,392,322
Trade Receivables credit impaired	13,793,640	13,170,553	12,996,974
Total	321,072,534	173,604,568	205,389,296
Provision for Impairment on receivables	(13,983,072)	(13,341,291)	(13,171,668)
Total trade receivable	307,089,462	160,263,277	192,217,628

Reconciliation of Provision/ Impairment for Receivables

Opening Balance	(13,341,291)	(13,171,668)
Created/Reversed during the year	641,781	169,623
Closing Balance	(13,983,072)	(13,341,291)

Trade Receivables are interest bearing from the due date at the rate of 18% / 24% based on the outstanding balances every day after the due date. The maximum credit period that is offered to a select set of customers is upto a maximum of 30 days (T+30 days). However, interest on the all overdue receivables is accrued from second day post the date of the transaction (T+2 days) irrespective of the credit period offered to the customers.



Cholamandalam Securities Limited
Notes to financial statements for the year ended 31st March 2019
(All amounts are in Indian rupees unless otherwise stated)

Note 7. Financial assets - Investments

Particulars	Nominal Value per unit	Number of shares				In Rupees			
		As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017	As at 31-Mar-2018	
Investments at Fair Value Through Other Comprehensive Income (FVTOCI):									
Equity Shares (Fully Paid)									
65,000 (March 31, 2018 - 65,000 equity shares of Rs. 1 each) equity shares (Quoted) of Rs. 2 each fully paid up in Bombay Stock Exchange Limited	2	65,000	130,000	130,000	39,724,750	49,153,000	63,547,250		
285,000 (March 31, 2018 - 285,000) equity shares (Unquoted) of Re.1 each fully paid up in Madras Enterprises Limited	1	285,000	285,000	285,000	15,000	15,000	15,000		
Total FVTOCI investments					39,739,750	49,168,000	63,562,250		
Total Investments					39,739,750	49,168,000	63,562,250		
Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities. Refer note 35 for determination of their fair value.									
(i) Investments in India					39,739,750	49,168,000	63,562,250		
(ii) Investments outside India					-	-	-		
Total Value of Investments					39,739,750	49,168,000	63,562,250		

The company received dividends of INR 23.41 Lakhs (2018: INR 18.20 Lakhs) from its FVOCI securities, recorded as dividend income.



Cholamandalam Securities Limited

Notes to financial statements for the year ended 31st March 2019

(All amounts are in Indian rupees unless otherwise stated)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Note 8. Other Financial assets			
Other financial assets - amortized cost			
Deposits			
- Stock Exchanges	13,920,000	13,770,000	13,770,000
Exchanges and Stock Holding Corporation of India Limited	122,609,896	144,561,574	83,363,767
Staff Advances			
- Employee related	200,000	149,964	349,980
Unbilled Revenue	3,254,635	450,000	-
	<u>139,984,531</u>	<u>158,931,538</u>	<u>97,483,747</u>
Note 9. Current Tax Assets (Net)			
- Advance Income Tax (Net of Provision)	9,590,393	6,026,717	8,178,761
	<u>9,590,393</u>	<u>6,026,717</u>	<u>8,178,761</u>
Note 10. Deferred tax assets			
Deferred Tax Assets	23,823,047	24,986,721	1,070,386
	<u>23,823,047</u>	<u>24,986,721</u>	<u>1,070,386</u>



Cholamandalam Securities Limited
Notes to financial statements for the year ended 31st March 2019
(All amounts are in Indian rupees unless otherwise stated)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Note 13. Other non financial assets			
Capital advances	4,181,896	831,266	436,016
Prepaid expenses	4,191,371	3,942,986	4,033,364
Other Advances	709,561	799,458	301,494
Balance with government authorities	-	1,042,810	522,417
	9,082,828	6,616,520	5,293,291
Note 14. Trade Payables			
Dues to Micro, Small & Medium Enterprises	-	-	-
Dues to clients and stock exchanges	211,608,693	285,066,559	213,265,720
	211,608,693	285,066,559	213,265,720
Note 15. Borrowings (other than debt securities)			
Unsecured Borrowings			
From Holding Company			
7.70% Inter Corporate Deposit from related party payable on demand	115,000,000	-	100,000,000
Total Borrowings	115,000,000	-	100,000,000
Borrowings in India	115,000,000	-	100,000,000
Borrowings outside India	-	-	-
During the current year, the company has borrowed fresh Inter corporate deposit loans amounting to Rs. 1,530,000,000 (Previous year Rs. 1,555,000,000) and repaid loans to the tune of Rs. 1,415,000,000 (Previous year Rs. 1,655,000,000) relating to the Loans taken from Cholamandalam Investment and Finance Company Limited			
Note 16. Other Financial Liabilities			
Salaries, wages and other employee's benefits payable	8,082,593	9,016,156	6,330,463
Provisions/other payables	11,948,639	14,522,172	6,304,685
Advances from Sub brokers/Others	19,345,145	16,427,600	13,116,545
Advances from Clients	739,422	562,024	484,445
Other liabilities			
- Capital creditors	50,732	217,868	435,634
Total other financial liabilities at amortized cost	40,166,531	40,745,820	26,671,772
Note 17. Provisions			
Provision for Compensated Absences	6,393,634	4,058,043	3,235,094
Provision for Gratuity	4,044,545	228,991	1,425,481
	10,438,179	4,287,034	4,660,575
Note 18. Other Non Financial liabilities			
Statutory dues/Remittances	4,709,920	5,813,203	5,207,278
	4,709,920	5,813,203	5,207,278



Cholamandalam Securities Limited
Notes to financial statements for the year ended 31st March 2019
(All amounts are in Indian rupees unless otherwise stated)
Note - 19. Equity Share Capital

(All amounts are in Indian rupees unless otherwise stated)

	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Authorised Capital			
35,000,000 (March 31, 2015 - 35,000,000) Equity Shares of Rs.10/- each	350,000,000	350,000,000	350,000,000
Issued, Subscribed and Paid-up Capital			
22,500,014 (March 31, 2015 - 22,500,014) Equity Shares of Rs.10/- each	225,000,140	225,000,140	225,000,140
	225,000,140	225,000,140	225,000,140

a) The Reconciliation of shares capital is given below:

	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
No. of Shares	in Rupees	in Rupees	in Rupees
At the beginning of the year	22,500,014	22,500,014	22,500,014
Shares allotted on exercise of Employee Stock Options			
At the end of the year	22,500,014	22,500,014	22,500,014

b) Terms/Rights attached to class of shares

The Company has only one class of shares referred to as Equity Shares having a par value of ` 10 each. The holders of Equity Shares are entitled to one vote per share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. Repayment of capital will be in proportion to the number of equity shares held by the shareholders

c) Details of Shareholder(s) holding more than 5 percent of Equity Shares in the Company

	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
22,500,014 Equity shares (March 31, 2015 - 22,500,014) held by M/s Cholamandalam Investment & Finance Company Limited and its nominees	100%	225,000,140	100%
		225,000,140	100%



Cholamandalam Securities Limited
Notes to financial statements for the year ended 31st March 2019
(All amounts are in Indian rupees unless otherwise stated)

Particulars	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Note - 20. Other equity			
General reserve	800,000	800,000	800,000
Retained earnings	23,701,507	4,628,713	(35,519,834)
Other items of Other comprehensive income			
FVTOCI reserve	25,920,896	35,349,146	49,743,396
Total other equity	50,422,403	40,777,859	15,023,562

Nature and Purpose of reserve

20.1 General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilized only in accordance with the specific requirements of Companies Act, 2013.

Particulars

	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	800,000	800,000
Additions during the year	-	-
Balance at the end of the year	800,000	800,000

20.2 Retained Earnings

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

Particulars

	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	4,628,713	(35,519,834)
Profit for the period	20,800,465	50,728,633
Re-measurement gains and (losses) on defined benefit obligations (net)	(1,727,671)	(201,186)
Adjustment on account of Common control transaction (Ref Note 31)	-	(10,378,900)
Adjustment on account of share based employee payments and ECL Impairment on receivables	-	-
Balance at the end of the year	23,701,507	4,628,713

20.3 FVOCI Equity Investments

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

Particulars

	As at 31-Mar-2019	As at 31-Mar-2018
Balance at the beginning of the year	35,349,146	49,743,396
Fair Valuation of FVOCI Investments	(9,428,250)	(14,394,250)
Balance at the end of the year	25,920,896	35,349,146



Cholamandalam Securities Limited
Notes to financial statements for the year ended 31st March 2019
(All amounts are in Indian rupees unless otherwise stated)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Note 21. Revenue from Contract with Customers		
Sale of Services		
Brokerage on stock broking	114,029,016	143,864,901
Depository services	8,991,522	8,153,931
Commission - Mutual Funds/Bonds/Insurance	72,159,955	17,129,272
Sale of Services (A)	195,180,493	169,148,104
Note 22. Other Operating Revenue		
- Interest on client over dues	16,227,014	19,143,958
- Processing Fees/Other operating service Income	516,730	697,683
Other Operating Revenue (B)	16,743,744	19,841,641
Total Operating Income (A+B)	211,924,237	188,989,745
Note 23. Other Income		
Dividend income from FVTOCI Investments	2,341,006	1,820,212
Profit on Property, Plant and Equipment Sold / Discarded (Net)	-	74,800
Insurance Claim Received	-	77,665
Miscellaneous Income	229,763	-
Interest Income	-	-
Fixed Deposits with Banks	5,718,804	5,691,731
Others	-	182,427
	8,289,573	7,846,835
Note 24. Finance Costs		
Interest Expense	4,657,284	2,305,105
Other Finance Charges	1,266,249	1,504,233
	5,923,533	3,809,338
Note 25. Impairment on Financial Instruments		
<i>At Amortized cost</i>		
Trade Receivable	641,781	169,623
	641,781	169,623
Note 26. Employee Benefit Expense		
Salaries, Wages and Bonus	97,466,753	67,880,832
Gratuity Expenses	1,451,036	878,382
Contribution to Provident and Other Funds	6,002,419	3,578,027
Staff Welfare Expenses	5,481,612	3,785,822
Share Based employee Payments	1,275,708	1,548,917
	111,677,528	77,671,980
Note 27. Depreciation and amortization expense		
Depreciation of Property, Plant and Equipment	3,848,359	2,905,160
Depreciation on Intangible Assets	2,343,938	1,557,682
	6,192,297	4,462,842



Cholamandalam Securities Limited

Notes to financial statements for the year ended 31st March 2019.

(All amounts are in Indian rupees unless otherwise stated)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Note 28. Other Expenses		
Electricity	2,266,468	1,484,801
Rent (Net of recoveries)	6,071,063	4,831,268
Repairs and maintenance	2,026,033	1,441,901
Insurance	3,215,888	2,896,812
Rates and Taxes	2,843,564	3,389,846
Travelling and Conveyance	6,498,227	3,999,591
Printing, Stationery and Communication	4,796,548	5,070,106
Auditor's Remuneration (Note a)	813,000	705,000
Directors' Sitting Fees	50,000	70,000
Information Technology Expenses	9,342,530	5,944,068
Business development expenses	3,362,346	4,072,760
Sub-brokerage	17,736,918	29,615,530
Subscription	644,978	1,014,755
Outsourcing expenses	4,921,049	9,032,540
Professional charges	3,387,866	2,471,527
Loss on sale of shares	214,973	113,220
Loss on sale of Property Plant and Equipment	310,473	-
Other Expenses	408,165	424,232
	68,910,089	76,577,957
(a) Auditor's Remuneration		
As Auditor:		
Audit fee	460,000	410,000
Tax audit fee	80,000	60,000
Limited review	210,000	180,000
In other capacity:		
Certification	35,000	30,000
Reimbursement of expenses	28,000	25,000
	813,000	705,000



Cholamandalam Securities Limited
 Notes to financial statements for the year ended 31st March 2019
 (All amounts are in Indian rupees unless otherwise stated)

Particulars	* in Rupees	
	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018

Note 29. Income Tax Expense

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

Profit or loss section

Current Tax:

Current income tax charge	8,269,954	7,332,542
Adjustments in respect of current income tax of previous year	(370,443)	(6,753,376)
Deferred Tax (Net)	(1,831,394)	(17,162,959)
Income Tax expense reported in the statement of profit and loss	6,068,117	(16,583,793)

Other Comprehensive Income(OCI) section

Remeasurement of Defined Benefit obligations	(665,888)	(77,542)
Income Tax charged to Other Comprehensive Income	(665,888)	(77,542)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (27.82%) as follows:

Accounting Profit before income tax	26,868,582	35,411,073
Profit before income tax multiplied by standard rate of corporate tax in India of 27.82%	7,474,839	7,220,318
Dividend Income	(651,268)	-
Others	-	-
Non deductible Expenses	1,446,382	34,683
MAT Credit Entitlement recognised (Including unrealised items relating to earlier years)	-	(6,753,376)
Deferred Tax Asset Net	(1,831,394)	(17,162,959)
Adjustments in respect of current income tax of previous year	(370,443)	-
Remeasurement of Defined Benefit obligations	-	77,542
Income tax expense reported in the statement of profit and loss	6,068,117	(16,583,793)

Applicable tax rate	27.82%	20.39%
Type of Tax	Normal Rate	MAT Rate



Cholamandalam Securities Limited

Notes to financial statements for the year ended 31st March 2019

(All amounts are in Indian rupees unless otherwise stated)

Note 30. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	FVTOCI reserve	Other items of Other comprehensive income	Total
During the year ended 31 March 2019			
Loss on FVTOCI financial assets	(9,428,250)	-	(9,428,250)
Re-measurement Loss on defined benefit plans	-	(2,393,558)	(2,393,558)
	(9,428,250)	(2,393,558)	(11,821,808)
During the year ended 31 March 2018			
Loss on FVTOCI financial assets	(14,394,250)	-	(14,394,250)
Re-measurement Loss on defined benefit plans	-	(278,728)	(278,728)
	(14,394,250)	(278,728)	(14,672,978)
During the year ended 31 March 2017			
Gain/(loss) on FVTOCI financial assets	49,743,396	-	49,743,396
Re-measurement gains (losses) on defined benefit plans	-	(895,382)	(895,382)
	49,743,396	(895,382)	48,848,014

Note 31. Acquisition of assets and liabilities from Cholamandalam Home Finance Limited (Formerly known as Chola Distribution Services Limited, hereinafter "CHFL") pursuant to Business transfer agreement dated March 31, 2018 ("BTA"):

During the year ended 31st March 2018 the Company has acquired AUM under ARN License from Cholamandalam Home Finance Limited (Formerly known as Chola Distribution Services Limited, hereinafter "CHFL") together with assets and the liabilities including transfer of employees relating to Wealth management business for consideration agreed with Cholamandalam Home Finance Limited as per the BTA. Pursuant to this transaction being under common control as per Ind AS 103, the transfer of the assets and liabilities has been accounted at book values and the difference between the book values of assets and liabilities taken over and the consideration paid has been adjusted to the reserves and surplus as at March 31, 2018.

The Assets and liabilities acquired under this BTA had been accounted at relevant fair values under previous GAAP in Company's Financials for the year ended March 31, 2018.

The details of the assets and liabilities acquired from CHFL, pursuant to the BTA is as follows :

Particulars	Amount (Rs.)
Employee related other payables	(4,808,583)
Other Creditors - Clawback provisions	(1,378,050)
Tangible Assets	3,093,651
Loans and Advances	85,850
Net Book value of assets and liabilities taken over owing to the transaction between entities under common control	(3,007,132)
Consideration paid by the Company to CHFL	7,371,868
Adjustment to reserves on account of the transaction	10,379,000



Cholamandalam Securities Limited
Notes to financial statements for the year ended 31st March 2019
(All amounts are in Indian rupees unless otherwise stated)

Note 32. Significant accounting judgements, estimates and assumptions

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

Judgements

In the process of applying the Company's accounting policies, management has made certain judgements, which have the most significant effect on the amounts recognised in the Financial Statements.

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.

Provisions and other contingent liabilities

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

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates. For further details on provisions and other contingencies refer Summary of significant accounting policies.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The company's employees are being issued the shares of the parent company and the related costs in this regard are charged to the Company by the Parent/Holding Company.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for the plans, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 34.

Deferred Tax

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Note 33. Defined Contribution Plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Group in a fund under the control of trustees.



Note 34 - Employee Benefit Expenses

Defined Benefit Plan

a. Gratuity

Under the Gratuity plan operated by the Company, every employee who has completed at least five years of service gets a Gratuity on departure at 15 days on last drawn salary for each completed year of service as per Payment of Gratuity Act, 1972. The scheme is funded with an Insurance Company in the form of qualifying insurance policy. The following table summarizes the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the Balance Sheet.

Particulars		31-Mar-19	31-Mar-18
A.	Change in defined benefit obligation		
1	Defined benefit obligation at beginning of period	7,455,470	5,968,040
2	Service cost		
	a. Current service cost	1,434,103	807,329
3	Interest expenses	551,313	411,503
4	Cash flows		
	a. Benefits paid	(1,807,382)	-
5	Remeasurements		
	a. Effect of changes in financial assumptions	227,045	(181,800)
	b. Effect of experience adjustments	2,175,052	450,398
6	Liability transferred on A/c of BTA (Refer - Note 31)	1,328,718	-
	Defined benefit obligation at end of period	11,364,319	7,455,470

Particulars		31-Mar-19	31-Mar-18
B.	Change in fair value of plan assets		
1	Fair value of plan assets at beginning of period	7,226,479	4,542,559
2	Interest income	534,380	313,214
3	Cash flows		
	a. Total employer contributions	29,041	2,282,112
	b. Benefit payments from plan assets	(1,807,382)	-
4	Remeasurements		
	a. Return on plan assets (excluding interest income)	8,539	88,594
5	Liability transferred on A/c of BTA (Refer - Note 31)	1,328,718	-
	Fair value of plan assets at end of period	7,319,775	7,226,479

Particulars		31-Mar-19	31-Mar-18
C.	Amounts recognized in the Balance Sheet		
1	Fair value of plan assets at the end of the year	(7,319,775)	(7,226,479)
2	Liability at the end of the year(Net)	4,044,544	228,991

Particulars		31-Mar-19	31-Mar-18
D.	Components of defined benefit cost		
1	Service cost		
	a. Current service cost	1,434,103	807,329
2	Net interest cost		
	a. Interest expense on DBO	551,313	411,503
	b. Less - Interest (income) on plan assets	(534,380)	(313,214)
	c. Total net interest cost	16,933	98,289
	Total Defined Benefit Cost	1,467,969	1,003,907
3	Remeasurements (recognized in OCI)		
	a. Actuarial (gains)/losses from changes in demographic assumptions	-	-
	b. Effect of changes in financial assumptions	227,045	(181,800)
	c. Effect of experience adjustments	2,175,042	450,398
	d. Less - (Return) on plan assets (excluding interest income)	(8,529)	(88,594)
	e. Total remeasurements included in OCI	2,393,558	180,004
	Total defined benefit cost recognized in P&L and OCI	3,844,594	1,085,622



Cholamandam Securities Limited
Notes to financial statements for the year ended 31st March 2019
(All amounts in Indian Rupees, unless otherwise stated)

Particulars		31-Mar-19	31-Mar-18	31-Mar-17
E.	Significant actuarial assumptions			
1.	Discount rate Current Year	7.00%	7.40%	6.90%
2.	Discount rate Previous Year	7.40%	6.90%	6.85%
3.	Salary increase rate	Uniform 7.50%	Uniform 7.50%	Uniform 7.50%
4.	Attrition Rate	17.00%	17.00%	17.00%
5.	Retirement Age	58	58	58

Particulars		31-Mar-19	31-Mar-18
F.	Expected cash flows for following year		
1	Expected employer contributions / Addl. Provision Next Year	5,520,187	1,113,202
2	Expected total benefit payments		
	Year 1	1,907,708	1,299,931
	Year 2 to Year 5	6,597,027	4,715,886
	Next 5 years	8,690,581	3,099,499

Particulars		31-Mar-19	31-Mar-18
G.	Defined benefit obligation at end of period		
	Current Obligation	1,907,708	1,299,931
	Non-Current Obligation	9,456,611	6,155,539
	Total	11,364,319	7,455,470

SUMMARY		31-Mar-19	31-Mar-18
	Assets / Liabilities		
1	Defined benefit obligation at end of period	11,364,319	7,455,470
2	Fair value of plan assets at end of period	7,319,775	7,226,479
3	Net defined benefit liability / (asset)	4,044,544	228,991
4	Defined benefit cost included in P&L	1,451,036	878,382
5	Total remeasurements included in OCI	2,393,558	180,004
6	Total defined benefit cost recognized in P&L and OCI	3,844,594	1,058,386

Provision for Compensated Absences

The assumption used for computing the provision for accumulated compensated absences on an actuarial basis are as follows:

Assumptions		31-Mar-19	31-Mar-18	31-Mar-17
1	Discount Rate	7.00%	7.40%	6.90%
2	Future Salary Increase (%)	7.50%	7.50%	7.50%
3	Attrition Rate	17.00%	17.00%	17.00%

Sensitivity Analysis - DBO at the end of the period		31-Mar-19	31-Mar-18
a)	Discount rates + 1%	10,812,660	7,113,616
b)	Discount rates -1%	11,968,384	7,827,757
c)	Future Salary Increases + 1%	11,914,601	7,794,580
d)	Future Salary Increases - %	10,844,678	7,132,155
e)	Attrition Rates +1%	11,174,666	7,406,182
f)	Attrition Rates -1%	11,552,184	7,426,475

The average duration of the defined benefit plan obligation at the end of the reporting period is 5years.



Cholamandalam Securities Limited

Notes to financial statements for the year ended 31st March 2019

(All amounts in Indian Rupees, unless otherwise stated)

Note 35. Fair Values

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

Particulars	Carrying Value			Fair Value		
	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Financial assets						
Investments (Refer Note 35.1)	39,739,750	49,168,000	63,562,250	39,739,750	49,168,000	63,562,250
Trade Receivables	307,089,462	160,263,277	192,217,628	307,089,462	160,263,277	192,217,628
Cash & Cash Equivalents	35,444,009	102,319,723	129,919,649	35,444,009	102,319,723	129,919,649
Bank Balance other than cash and cash equivalents	82,800,692	82,106,512	81,831,902	82,800,692	82,106,512	81,831,902
Other Financial Assets	139,984,531	158,931,538	97,483,747	139,984,531	158,931,538	97,483,747
Total	605,058,444	552,789,050	565,015,176	605,058,444	552,789,050	565,015,176
Financial liabilities						
Borrowings	115,000,000	-	100,000,000	115,000,000	-	100,000,000
Trade Payables	211,608,693	285,066,559	213,265,720	211,608,693	285,066,559	213,265,720
Other Financial Liabilities	40,166,531	40,745,820	26,671,772	40,166,531	40,745,820	26,671,772
Total	366,775,224	325,812,379	339,937,492	366,775,224	325,812,379	339,937,492

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

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

- The fair values of quoted equity investments are derived from quoted market prices in active markets.
- The fair value of borrowings is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return, adjusted for the Credit spread considered by the lenders for instruments of the similar maturity.

Note 35.1 - Fair Values Hierarchy

a) Financial Assets carried at Fair Values

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

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

Particulars	Fair Value as at			Fair Value Hierarchy	Valuation Techniques & key inputs used
	March 31, 2019	March 31, 2018	April 1, 2017		
Asset measured at fair value:					
- FVTOCI Equity Investments	39,739,750	49,168,000	63,562,250	Level 1	Quoted bid price in an active market

Note:

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



Cholamandalam Securities Limited

Notes to financial statements for the year ended 31st March 2019

(All amounts in Indian Rupees, unless otherwise stated)

Note 36. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises equity price risk.

Equity Price Risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Further, management ensures that the investments in securities are placed in highly rated / stable securities. The Company's Board of Directors reviews and approves all equity investment decisions.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Trade Receivable

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any exposure to major customers are generally covered by advance from customers.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are Companded into homogenous Company's and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 6. The receivable are generally secured with the securities purchased by the customers through the Company.

Cash and Bank Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on a periodic basis. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity Risk

The Company monitors its risk of a shortage of funds on a daily basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and Inter Corporate funding. The Company has access to a sufficient variety of sources of funding and is generally mitigated through funding from intercorporate loans from parent Company.

Collaterals offered by the Customers

Collateral can be an important mitigation of credit risk, it is the Company's practice to hold securities of the customers in lien till the settlement of the transaction based on the credit period offered to the customer / lend on the basis of these holdings / customer's ability to meet the obligations out the settlement of the collaterals through settlement in the market.

The Company obtains first and exclusive lien on all the securities which have been executed by the Company on behalf of the customer. These holdings are liquidated by the Company in case of default by the customer in settlement of dues to the Company. Any surplus on the disposal of securities will be settled to the customer.



Cholamandiam Securities Limited
(All amounts are in Indian rupees unless otherwise stated)

Note 36.1 Analysis of Financial Assets and Financial Liabilities by remaining contractual maturities

As at 31st March 2019

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 Years	Total
Financial Assets								
(a) Cash and Bank Balances	35,444,009	-	-	-	-	-	-	35,444,009
(b) Bank Balance other than (a) above	19,343,563	7,409,051	14,169,547	45,607,219	-	-	-	86,529,380
(c) Trade Receivables	307,089,462	-	-	-	-	-	-	307,089,462
(d) Investments	-	-	-	-	-	-	39,739,750	39,739,750
(e) Other Financial Assets	126,064,531	-	-	-	-	-	13,920,000	139,984,531
Total Financial Assets	487,941,565	7,409,051	14,169,547	45,607,219	-	-	53,659,750	608,787,132
Financial Liabilities								
(a) Trade payables	-	-	-	-	-	-	-	-
i) Dues to Micro and Small Enterprises	211,608,693	-	-	-	-	-	-	211,608,693
ii) Other Trade payables	115,000,000	-	-	-	-	-	-	115,000,000
(b) Borrowings (other than Debt securities)	20,821,386	-	-	-	19,345,145	-	-	40,166,531
(c) Other Financial Liabilities	-	-	-	-	-	-	-	-
Total Financial Liabilities	347,430,079	-	-	-	19,345,145	-	-	366,775,224

As at 31st March 2018

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 Years	Total
Financial Assets								
(a) Cash and Bank Balances	102,319,723	-	-	-	-	-	-	102,319,723
(b) Bank Balance other than (a) above	19,362,813	7,342,293	13,838,594	44,692,969	-	-	-	85,236,669
(c) Trade Receivables	160,263,277	-	-	-	-	-	-	160,263,277
(d) Investments	-	-	-	-	-	-	49,168,000	49,168,000
(e) Other Financial Assets	145,161,538	-	-	-	-	-	13,770,000	158,931,538
Total Financial Assets	427,107,351	7,342,293	13,838,594	44,692,969	-	-	62,938,000	555,919,207
Financial Liabilities								
(a) Trade payables	-	-	-	-	-	-	-	-
i) Dues to Micro and Small Enterprises	285,066,559	-	-	-	-	-	-	285,066,559
ii) Other Trade payables	-	-	-	-	-	-	-	-
(b) Borrowings (other than Debt securities)	24,318,220	-	-	-	16,427,600	-	-	40,745,820
(c) Other Financial Liabilities	-	-	-	-	-	-	-	-
Total Financial Liabilities	309,384,779	-	-	-	16,427,600	-	-	325,812,379



Cholamandiam Securities Limited
(All amounts are in Indian rupees unless otherwise stated)
As at 1st April 2017

Particulars	Upto 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 Years	Total
Financial Assets								
(a) Cash and Bank Balances	129,919,649	-	-	-	-	-	-	129,919,649
(b) Bank Balance other than (a) above	19,385,938	7,121,746	13,882,031	44,697,656	-	-	-	85,087,371
(c) Trade Receivables	192,217,628	-	-	-	-	-	-	192,217,628
(d) Investments	-	-	-	-	-	-	63,562,250	63,562,250
(e) Other Financial Assets	83,713,747	-	-	-	-	-	13,770,000	97,483,747
Total Financial Assets	425,236,962	7,121,746	13,882,031	44,697,656	-	-	77,332,250	568,270,645
Financial Liabilities								
(a) Trade payables	-	-	-	-	-	-	-	-
i) Dues to Micro and Small Enterprises	-	-	-	-	-	-	-	-
ii) Other Trade payables	213,265,720	-	-	-	-	-	-	213,265,720
(b) Borrowings (other than Debt securities)	100,000,000	-	-	-	-	-	-	100,000,000
(c) Other Financial Liabilities	13,555,227	-	-	-	13,116,545	-	-	26,671,772
Total Financial Liabilities	326,820,947	-	-	-	13,116,545	-	-	339,937,492

37. Standards issued but not yet effective

Ind AS 116 - Leases

Ind AS 116 Leases was notified in March 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize 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 recognize 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.

Ind AS 23 - Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019.



Cholamandalam Securities Limited

Note 38. Maturity Analysis of Assets and Liabilities as at 31st March 2019

(All amounts are in Indian rupees unless otherwise stated)

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

Particulars	As at 31-Mar-2019		
	Within 12 months	After 12 months	Total
ASSETS			
Financial Assets			
(a) Cash and Bank Balances	35,444,009	-	35,444,009
(b) Bank Balance other than (a) above	82,800,692	-	82,800,692
(c) Trade Receivables	307,089,462	-	307,089,462
(d) Investments	-	39,739,750	39,739,750
(e) Other Financial Assets	126,064,531	13,920,000	139,984,531
	551,398,694	53,659,750	605,058,444
Non-Financial Assets			
(a) Current Tax Assets (Net)	-	9,590,393	9,590,393
(b) Deferred Tax Assets	-	23,823,047	23,823,047
(c) Property, Plant and Equipment	-	4,651,090	4,651,090
(d) Intangible Assets	-	5,140,064	5,140,064
(e) Other non-financial Assets	8,382,828	700,000	9,082,828
	8,382,828	43,904,594	52,287,422
Total Assets	559,781,522	97,564,344	657,345,866
LIABILITIES AND EQUITY			
Financial Liabilities			
(a) Trade payables			
i) Dues to Micro and Small Enterprises			
ii) Other Trade payables	211,608,693	-	211,608,693
(b) Borrowings (other than Debt securities)	115,000,000	-	115,000,000
(c) Other Financial Liabilities	20,821,386	19,345,145	40,166,531
	347,430,079	19,345,145	366,775,224
Non-Financial Liabilities			
(a) Provisions	10,438,179	-	10,438,179
(b) Other Non-financial Liabilities	4,709,920	-	4,709,920
	15,148,099	-	15,148,099
Total Liabilities			
Equity			
(a) Equity Share Capital	-	225,000,140	225,000,140
(b) Other Equity	-	50,422,403	50,422,403
	-	275,422,543	275,422,543
TOTAL LIABILITIES AND EQUITY	362,578,178	294,767,688	657,345,866



Cholamandalam Securities Limited

Note 38. Maturity Analysis of Assets and Liabilities as at 31st March 2019

(All amounts are in Indian rupees unless otherwise stated)

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

Particulars	As at 31-Mar-2018		
	Within 12 months	After 12 months	Total
ASSETS			
Financial Assets			
(a) Cash and Bank Balances	102,319,723	-	102,319,723
(b) Bank Balance other than (a) above	82,106,512	-	82,106,512
(c) Trade Receivables	160,263,277	-	160,263,277
(d) Investments	-	49,168,000	49,168,000
(e) Other Financial Assets	145,161,538	13,770,000	158,931,538
	489,851,050	62,938,000	552,789,050
Non-Financial Assets			
(a) Current Tax Assets (Net)	-	6,026,717	6,026,717
(b) Deferred Tax Assets	-	24,986,721	24,986,721
(c) Property, Plant and Equipment	-	7,985,574	7,985,574
(d) Intangible Assets	-	3,286,033	3,286,033
(e) Other non-financial Assets	5,916,520	700,000	6,616,520
	5,916,520	42,985,045	48,901,565
Total Assets	495,767,570	105,923,045	601,690,615
LIABILITIES AND EQUITY			
Financial Liabilities			
(a) Trade payables			
i) Dues to Micro and Small Enterprises			
ii) Other Trade payables	285,066,559	-	285,066,559
(b) Borrowings (other than Debt securities)	-	-	-
(c) Other Financial Liabilities	24,318,220	16,427,600	40,745,820
	309,384,779	16,427,600	325,812,379
Non-Financial Liabilities			
(a) Provisions	4,287,034	-	4,287,034
(b) Other Non-financial Liabilities	5,813,203	-	5,813,203
	10,100,237	-	10,100,237
Total Liabilities			
Equity			
(a) Equity Share Capital	-	225,000,140	225,000,140
(b) Other Equity	-	40,777,859	40,777,859
	-	265,777,999	265,777,999
Total Liabilities			
TOTAL LIABILITIES AND EQUITY	319,485,016	282,205,599	601,690,615



Cholamandalam Securities Limited

Note 38. Maturity Analysis of Assets and Liabilities as at 31st March 2019

(All amounts are in Indian rupees unless otherwise stated)

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

Particulars	As at 01-Apr-2017		
	Within 12 months	After 12 months	Total
ASSETS			
Financial Assets			
(a) Cash and Bank Balances	129,919,649	-	129,919,649
(b) Bank Balance other than (a) above	81,831,902	-	81,831,902
(c) Trade Receivables	192,217,628	-	192,217,628
(d) Investments	-	63,562,250	63,562,250
(e) Other Financial Assets	83,713,747	13,770,000	97,483,747
	487,682,926	77,332,250	565,015,176
Non-Financial Assets			
(a) Current Tax Assets (Net)	-	8,178,761	8,178,761
(b) Deferred Tax Assets	-	1,070,386	1,070,386
(c) Property, Plant and Equipment	-	6,730,850	6,730,850
(d) Intangible Assets	-	3,540,583	3,540,583
(e) Other non-financial Assets	4,593,291	700,000	5,293,291
	4,593,291	20,220,580	24,813,871
Total Assets	492,276,217	97,552,830	589,829,047
LIABILITIES AND EQUITY			
Financial Liabilities			
(a) Trade payables			
i) Dues to Micro and Small Enterprises			
ii) Other Trade payables	213,265,720	-	213,265,720
(b) Borrowings (other than Debt securities)	100,000,000	-	100,000,000
(c) Other Financial Liabilities	13,555,227	13,116,545	26,671,772
	326,820,947	13,116,545	339,937,492
Non-Financial Liabilities			
(a) Provisions	4,660,575	-	4,660,575
(b) Other Non-financial Liabilities	5,207,278	-	5,207,278
	9,867,853	-	9,867,853
Total Liabilities			
Equity			
(a) Equity Share Capital	-	225,000,140	225,000,140
(b) Other Equity	-	15,023,562	15,023,562
	-	240,023,702	240,023,702
Total Liabilities			
TOTAL LIABILITIES AND EQUITY	336,688,800	253,140,247	589,829,047



Cholamandalam Securities Limited

Notes to financial statements for the year ended 31st March 2019

(All amounts are in Indian rupees unless otherwise stated)

Note 39. First time Adoption of Ind AS

These financial statements, for the year ended 31 March 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with 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 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1 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 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

Exemptions applied

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

Mandatory exemptions

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

Optional exemptions

i) Deemed cost-Previous GAAP carrying amount: (PPE and Intangible Assets)

Company has opted to continue with the carrying value for all of its PPE as recognized in its previous GAAP financial as deemed cost at the transition date. However, it makes necessary adjustments for decommissioning liabilities to be included in the carrying value of PPE.



Cholamandam Securities Limited

Notes to financial statements for the year ended 31st March 2019

(All amounts are in Indian rupees unless otherwise stated)

Note 39.1 Equity Reconciliation for March 31, 2018

ASSETS	Reference	Previous GAAP	Adjustments/ Reclassification	Ind AS
Financial Assets				
(a) Cash and Bank Balances		102,319,723	-	102,319,723
(b) Bank Balance other than (a) above	(vi)	81,250,000	856,512	82,106,512
(c) Trade Receivables	(i)	160,802,004	(538,727)	160,263,277
(d) Investments	(ii)	13,818,854	35,349,146	49,168,000
(e) Other Financial Assets	(vi)	159,420,062	(488,524)	158,931,538
		517,610,643	35,178,407	552,789,050
Non-Financial Assets				
(a) Current Tax Assets (Net)		6,026,717	-	6,026,717
(b) Deferred Tax Assets	(vii)	18,303,693	6,683,028	24,986,721
(c) Property, Plant and Equipment		7,985,572	-	7,985,574
(d) Intangible Assets	(vii)	13,664,933	(10,378,898)	3,286,033
(e) Other non-financial Assets		6,616,520	-	6,616,520
		52,597,435	(3,695,870)	48,901,565
Total Assets		570,208,078	31,482,537	601,690,615
LIABILITIES AND EQUITY				
Financial Liabilities				
(a) Trade payables				
i) Dues to Micro and Small Enterprises				
ii) Other Trade payables		285,066,559	-	285,066,559
(b) Borrowings (Other than Debt Securities)		-	-	-
(c) Other Financial Liabilities	(v)	39,137,151	1,608,669	40,745,820
		324,203,710	1,608,669	325,812,379
Non-Financial Liabilities				
(a) Provisions	(iii)	4,058,043	228,991	4,287,034
(b) Other Non-financial Liabilities		5,813,203		5,813,203
		9,871,246	228,991	10,100,237
Total Liabilities		334,074,956	1,837,660	335,912,616
Equity				
(a) Equity Share Capital		225,000,140	-	225,000,140
(b) Other Equity		11,132,982	29,644,877	40,777,859
		236,133,122	29,644,877	265,777,999
Total Liabilities		570,208,078	31,482,537	601,690,615
TOTAL LIABILITIES AND EQUITY		570,208,078	31,482,537	601,690,615



Cholamandalam Securities Limited

Notes to financial statements for the year ended 31st March 2019

(All amounts are in Indian rupees unless otherwise stated)

Note 40. Equity Reconciliation for 1st April 2017

ASSETS	Reference	Previous GAAP	Adjustments/ Reclassification	Ind AS
Financial Assets				
(a) Cash and Bank Balances		129,919,649	-	129,919,649
(b) Bank Balance other than (a) above	(vi)	81,250,000	581,902	81,831,902
(c) Trade Receivables	(i)	192,309,586	-91,958	192,217,628
(d) Investments	(ii)	13,818,854	49,743,396	63,562,250
(e) Other Financial Assets	(vi)			
		98,148,383	-664,636	97,483,747
		515,446,472	49,568,704	565,015,176
Non-Financial Assets				
(a) Current Tax Assets (Net)		8,178,761	-	8,178,761
(b) Deferred Tax Assets & MAT Credit		1,070,386	-	1,070,386
(c) Property, Plant and Equipment		6,730,850	-	6,730,850
(d) Intangible Assets		3,540,583	-	3,540,583
(e) Other non-financial Assets		5,293,291	-	5,293,291
		24,813,871	-	24,813,871
Total Assets		540,260,343	49,568,704	589,829,047
LIABILITIES AND EQUITY				
Financial Liabilities				
(a) Trade payables				
i) Dues to Micro and Small Enterprises				-
ii) Other Trade payables		213,265,720	-	213,265,720
(b) Borrowings		100,000,000	-	100,000,000
(c) Other Financial Liabilities	(v)	27,808,510	-1,136,738	26,671,772
		341,074,230	-1,136,738	339,937,492
Non-Financial Liabilities				
(a) Provisions	(iii)	3,235,094	1,425,481	4,660,575
(b) Other Non-financial Liabilities		5,207,278	-	5,207,278
		8,442,372	1,425,481	9,867,853
Total Liabilities		349,516,602	288,743	349,805,345
Equity				
(a) Equity Share Capital		225,000,140	-	225,000,140
(b) Other Equity		-34,256,399	49,279,961	15,023,562
		190,743,741	49,279,961	240,023,702
Total Liabilities		540,260,343	49,568,704	589,829,047
TOTAL LIABILITIES AND EQUITY		540,260,343	49,568,704	589,829,047



Cholamandalam Securities Limited

Notes to financial statements for the year ended 31st March 2019

(All amounts are in Indian rupees unless otherwise stated)

Note 41. Profit Reconciliation for the year ended 31st March 2018

Particulars	Reference	Year Ended 31-Mar-2018		
		Previous GAAP	Adjustments	Ind AS
Revenue from Operations				
Sale of Services rendered		169,148,104	-	169,148,104
Other Operating Revenues		19,841,641	-	19,841,641
		188,989,745	-	188,989,745
Other Income		7,846,835	-	7,846,835
Total Income		196,836,580	-	196,836,580
Expenses				
Employee Benefits Expense	(iii)	76,401,791	1,270,189	77,671,980
Depreciation and Amortization Expense		4,462,842	-	4,462,842
Finance Costs		3,809,338	-	3,809,338
Other Expenses	(i)	76,751,536	-3,956	76,747,580
Total Expense		161,425,507	1,266,233	162,691,740
Profit Before Exceptional Items and Tax		35,411,073	(1,266,233)	34,144,840
Exceptional Items				
Profit Before Tax		35,411,073	(1,266,233)	34,144,840
Income Tax				
- Current Year	(iii)	7,255,000	77,542	7,332,542
- Adjustment of tax relating to earlier years		-6,753,376	-	(6,753,376)
- Deferred Tax (Net)	(vii)	-10,479,931	-6,683,028	(17,162,959)
		(9,978,307)	(6,605,486)	(16,583,793)
Profit for the year (I)		45,389,380	5,339,253	50,728,633
Other Comprehensive income:				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains and (losses) on defined benefit obligations (net)	(iv)	-	-278,728	(278,728)
Income tax effect		-	77,542	77,542
Net loss/gain on FVTOCI equity security		-	-14,394,250	(14,394,250)
Other comprehensive income/(loss) for the year, net of tax		-	-14,595,436	(14,595,436)
Total comprehensive income for the year, net of tax (I + II)		45,389,380	(9,256,183)	36,133,197



Cholamandalam Securities Limited

Notes to financial statements for the year ended 31st March 2019

(All amounts are in Indian rupees unless otherwise stated)

Notes in connection with disclosures made in Note 39 to Note 41

The previous GAAP figures have been reclassified to confirm to Ind AS presentation:

i) Trade Receivables - Recognition of expected credit losses

The company has recognised a loss allowance for expected credit losses on financial assets in accordance with the requirements of Ind AS 109 retrospectively. However, as permitted by 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 instruments were initially recognised.

ii) FVTOCI Financial Assets:

Under Indian GAAP, long term investments in non group quoted equity shares were accounted as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, such investments have been designated as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value.

iii) Defined benefit liabilities:

Under IND AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognized in other comprehensive income instead of profit or loss in previous GAAP.

iv) Other comprehensive income:

Under IND AS, all items of income and expense recognized in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss and "other comprehensive income" includes remeasurements of defined benefit plans, Fair Valuation of Long Term investments. The concept of other comprehensive income did not exist under previous GAAP.

v) ESOP payable:

Under IND AS, the expense in connection with the shares / options that have been granted by the Holding Company will have to be accounted as an expense, determined at fair value of such stock options granted. This cost will have to be recharged to the holding Company by the subsidiary Company based on debit notes raised by the holding Company pertaining to the employees of the subsidiary Company.

vi) Reclassification:

The assets and liabilities as of April 01, 2017 and April 01, 2018 have been regrouped/reclassified where necessary to comply with the accounting policies of the Company under Ind AS

vii) Adjustment on account of Common control Business combination

The Company had acquired AUM under ARN License from Cholamandalam Home Finance Limited (Formerly known as Chola Distribution Services Limited, hereinafter "CHFL") together with assets and the liabilities including transfer of employees relating to Wealth management business for consideration agreed with Cholamandalam Home Finance Limited as per the BTA. Refer Note 31 for details in this regard.



Cholamandalam Securities Limited
Notes to financial statements for the year ended 31st March 2019
(All amounts are in Indian rupees unless otherwise stated)

Note 42. Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-19	31-Mar-18
Profit after tax	20,800,465	50,728,633
Weighted average number of shares		
- Basic	22,500,014	22,500,014
- Diluted	22,500,014	22,500,014
Earning per share of Rs.10 each		
- Basic	0.92	2.25
- Diluted	0.92	2.25



Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Note 43. Contingent Liabilities		
(i) Claims against the Company not acknowledged as debts		
Service tax matters		
Appeal pertaining to service tax payable on turnover charges and ineligible Service tax Input credit.	6,845,779	6,845,779
Disputed claims against the company lodged by various customers	2,000,000	2,000,000
Order in respect of alleged violations of the provisions of SEBI Act	700,000	700,000
 (a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.		
 (b) The Company does not expect any reimbursements in respect of the above contingent liabilities.		
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Information Technology related	4,750,000	3,320,000
 Other Financial Information		
Outstanding bank guarantees given to stock exchanges/stock holding corporation of India limited to meet margin requirements	163,875,000	162,500,000

Note 44. Disclosure in respect of Related Parties pursuant to Ind AS 24

A. Names of related parties and nature of relationship
(i) Where control exists

Ultimate Holding Company Entity having significant influence over Ultimate Holding Company	Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited) Ambadi Investments Limited
Holding Company Fellow Subsidiaries	Cholamandalam Investment and Finance Company Limited (i) Cholamandalam Home Finance Limited (ii) White Data Systems India Private Limited till September 2018 (iii) Cholamandalam MS General Insurance Company Limited (iv) Parry Enterprises India Limited
Associate of Holding Company Key Managerial Personnel	White Data Systems India Private Limited from October 2018 (i) Mariam Mathew, Manager (ii) Arulselvan . D, Chief Financial Officer* (iii) Balaji H, Company Secretary (iv) Mahesh Madhukar Waikar - Independent Director (w.e.f - March 18, 2019) (v) Chandrasekhar R - Independent Director (upto October 28, 2018) (vi) Ravindra Kumar Kundu - Independent Director (w.e.f - October 28, 2018) (vii) Rohit Gangadharrao Phadke - Independent Director (upto - March 18, 2019) (viii) Sasikala Varadachari - Independent Director

B. Details of related party transactions and balances

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Loans taken		
Cholamandalam Investment and Finance Company Limited	1,530,000,000	1,555,000,000
Loans Repaid		
Cholamandalam Investment and Finance Company Limited	1,415,000,000	1,655,000,000
Acquisition of Assets and Liabilities pursuant to Business Transfer Agreement dated 31st March 2018		
Cholamandalam Home Finance Limited	-	7,371,868
Finance Costs		
Cholamandalam Investment and Finance Company Limited	4,657,284	2,305,105
Rent Expense		
Cholamandalam Investment and Finance Company Limited	6,030,000	4,721,595
Income from Services Rendered		
Cholamandalam Investment and Finance Company Limited	673,427	211,549
Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited)	49,268	
Reimbursement of Administrative Expenses-Payments		
Cholamandalam Investment and Finance Company Limited	7,468,840	5,256,318
Cholamandalam MS General Insurance Company Limited	160,428	
Parry Enterprises India Limited	323,166	



Cholamandalam Securities Limited
Notes to financial statements for the year ended 31st March 2019
(All amounts are in Indian rupees unless otherwise stated)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
ESOP Expenses		
Cholamandalam Investment and Finance Company Limited	1,275,708	1,548,917
Reimbursement of Administrative Expenses-Receipts		
Cholamandalam Investment and Finance Company Limited	890,137	836,227
Cholamandalam Home Finance Limited	3,297,693	650,324
Remuneration Paid		
Key Managerial Personnel		
Sitting Fees Paid		
Ms.Sasikala Varadachari - Independent Director	50,000	50,000
Mr.Nalin Shah - Independent Director	-	20,000
Income from Services Rendered		
Mr.Ravindra Kumar Kundu - Non - Executive Director	10,544	-
Mr.Mahesh Madhukar Waikar - Non - Executive Director	5,136	-
Mr. R Chandrasekar - Non - Executive Director	-	973
Mr. Rohit Phadke - Non - Executive Director	-	-
Managerial Remuneration		
Ms.Mariam Mathew	6,161,254	5,668,168
Mr. Balaji H #	-	-
Trade (Payable)/Receivable		
Cholamandalam Investment and Finance Company Limited	48,543	74,890
Cholamandalam Home Finance Limited	-	(83,736)
Cholamandalam Financial Holdings Limited (formerly known as TI Financial Holdings Limited)	1,180	1,498
ESOP Payable		
Cholamandalam Investment and Finance Company Limited	(3,113,368)	(1,837,660)
Short-term borrowings		
Cholamandalam Investment and Finance Company Limited (CIFCO)	115,000,000	-

The Company shares certain costs / service charges with other companies in the Group. These costs have been allocated on a reasonable and consistent basis between the Companies as mutually agreed to.

* Chief Financial Officer of Holding Company is also the Chief Financial Officer for the Company. Hence no remuneration is paid by the Company.

Short term borrowing

The loan from the CIFCO is intended for general working capital purpose and has been utilised for the same. The loan is unsecured and repayable on demand. Interest is charged at 7.70% determined based on bank rates.

Note 45. Revenue from Contracts with customers

(a) Services

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Type of Services		
Brokerage on stock broking	114,029,016	143,864,901
Depository services	8,991,522	8,153,931
Commission - Mutual Funds/Bonds/Insurance	72,159,955	17,129,272
Total Revenue from contracts with customers	195,180,493	169,148,104
Timing of Revenue Recognition:		
Services transferred at a point in time	157,685,489	164,447,425
Services transferred over time	37,495,004	4,700,679
Total Revenue from contracts with customers	195,180,493	169,148,104

Note:

(i) All the above revenue has been earned by the Company within India.

(ii) There is no difference between the contracted price and the prices basis which the revenue has been recognised in books and reported in the statement of profit and loss.

(b) Contract Balances

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Trade Receivables	321,072,534	173,604,568

Contract asset relates to our conditional right to consideration for our completed performance under the contract. Trade receivables are recognised when the right to consideration becomes unconditional.

(c) Information about the Company's performance obligation

Brokerage on stock broking - The performance obligation in with regard to brokerage contracts is satisfied when a trade is executed. The Company does not have fixed broking fee arrangement with any of its customers.

Depository Services - The performance obligation relating to depository services are satisfied when the customer enters into the depository transactions with the Company.

Commission - Mutual Funds / Bond / Insurance - The performance obligation in regards of commission from Mutual funds and Insurance Companies are based on the successful registration of a new customer / product and execution of transactions with the vendors for upfront income and based on the retention of customers as per applicable mutual fund rules for trail income.



Cholamandalam Securities Limited
Notes to financial statements for the year ended 31st March 2019
(All amounts are in Indian rupees unless otherwise stated)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
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The group has used practical expedient and have not disclosed the amount of remaining performance obligations, since the contracts with customers have duration of less than one year.

Note 46: Changes in Liabilities arising from Financing activities

Particulars	01-Apr-18	Cash flows	31-Mar-19
Borrowings other than Debt securities	-	115,000,000	115,000,000
Total Liabilities from Financing activities	-	115,000,000	115,000,000

Particulars	01-Apr-17	Cash flows	31-Mar-18
Borrowings other than Debt securities	100,000,000	(100,000,000)	-
Total Liabilities from Financing activities	100,000,000	(100,000,000)	-

Note 47: Summary of Financial assets and liabilities which are recognised at amortised cost

Particulars	March 31,2019	March 31,2018	March 31,2017
Financial Assets			
Cash and cash equivalents	35,444,009	102,319,723	129,919,649
Bank Balance other than cash and cash equivalents	82,800,692	82,106,512	81,831,902
Trade Receivables	307,089,462	160,263,277	192,217,628
Other Financial Assets	139,984,531	158,931,538	97,483,747
Financial Liabilities			
Trade payables	211,608,693	285,066,559	213,265,720
Borrowings (other than debt securities)	115,000,000	-	100,000,000
Other Financial Liabilities	40,166,531	40,745,820	26,671,772

Note 48. Capital Management

The primary objectives of the Company's capital management policy are to ensure that it complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

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. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board

Particulars	March 31,2019	March 31,2018
Borrowings		
-Short term	115,000,000	-
Total Debt	115,000,000	-
Equity share capital	225,000,140	225,000,140
Other Equity	50,422,403	40,777,859
Equity	275,422,543	265,777,999
Debt Equity Ratio	0.42	0.00



Cholanandam Securities Limited
Notes to financial statements for the year ended 31st March 2019
(All amounts are in Indian rupees unless otherwise stated)

Note 49- ESOP Disclosure

ESOP 2016

The Board of directors at Cholanandam Investment and Finance Company Limited ("the Holding Company") at its meeting held on October 7, 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 Rs.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 ₹12.75 lakhs for employees services received during the year, shown under Employee Benefit Expenses (Refer Note 26). This amount will be paid by the Company to its holding Company in connection with the ESOP plan (Refer Note 26)

The movement in Stock Options during the current year are given below:

Particulars	Date of Grant	Options outstanding		During the Year 2018-19		Options outstanding		Options vested but not exercised		Options unvested		Weighted Average Remaining Contractual Life
		As at 31-Mar-2018	As at 31-Mar-2019	Options Granted	Options Forfeited/ Expired	Options Exercised and allotted	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2019	As at 31-Mar-2019	
GT25JAN2017	25-Jan-17	17,960	8,980	-	-	-8,980	8,980	3,592	5,388	1,010	1.32 years	
GT30JAN2018	30-Jan-18	1,296	1,296	-	-	-	1,296	324	972	1,310	1.34 years	
Total		19,256	10,276	-	-	-8,980	10,276	3,916	6,360	2,320	-	

The movement in Stock Options during the previous year are given below:

Particulars	Date of Grant	Options outstanding		During the Year 2017-18		Options outstanding		Options vested but not exercised		Options unvested		Weighted Average Remaining Contractual Life
		As at 31-Mar-2017	As at 31-Mar-2018	Options Granted	Options Cancelled/ lapsed	Options Exercised and allotted	As at 31-Mar-2018	As at 31-Mar-2018	As at 31-Mar-2018	As at 31-Mar-2018	As at 31-Mar-2018	
GT25JAN2017	25-Jan-17	17,960	17,960	-	-	-	17,960	3,592	14,368	1,010	1.95 years	
GT30JAN2018	30-Jan-18	1,296	1,296	-	-	-	1,296	-	1,296	1,310	1.96 years	
Total		19,256	19,256	-	-	-	19,256	3,592	15,664	2,320	-	

The following tables list the inputs to the Black Scholes model used for the plans for the year ended 31st March 2019:

Date of Grant	Risk Free Interest Rate	Expected Life	Variables			Fair Value of the Option (₹)
			Expected Volatility	Dividend Yield	Price of the underlying Share in the Market at the time of the Option Grant (₹)	
25/01/2017	6.36% - 6.67%	3.5 - 6.51 years	33.39% - 34.47%	0.44%	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	531.81



Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
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Note 50. Operating Leases

The Company has operating lease agreements for certain office space which are generally cancellable in nature. As per the lease terms, an amount of Rs. 63.13 Lakhs. (Previous Year - Rs. 52 Lakhs.) has been recognized in the Statement of Profit and Loss.

Note 51. Segment Reporting

The Company's main business is to distribute financial products and services. All other activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segment.

Note 52. Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

The accompanying notes are an integral part of these financial statements

As per our report of even date
 For S.R. BATLIBOI & ASSOCIATES LLP
 Chartered Accountants
 ICAI Firm Registration No.: 101049W/E300004

Arvind K
 per Arvind K
 Partner
 Membership No: 221268

Place: Chennai
 Date: April 26, 2019

For and on behalf of the Board of Directors

Sasikala Varadachari
 Sasikala Varadachari
 Chairperson
 DIN -07132398

Mahesh Madhukar Waikar
 Mahesh Madhukar Waikar
 Director
 DIN - 03639127

Arulselvan D
 Arulselvan D
 Chief Financial Officer

Balaji H
 Balaji H
 Company Secretary

