

**CHOLAMANDALAM
DISTRIBUTION SERVICES
LIMITED**

ANNUAL REPORT 2015 - 16

Cholamandalam Distribution Services Limited

Board of Directors

Nalin Mansukhlal Shah (DIN 00882723)

Sasikala Varadachari (DIN 07132398)

Vellayan Subbiah (DIN 01138759)

Auditors

M/s. RGN Price & Co., Chartered Accountants

Company Secretary

J Meenakshi

Corporate Identity Number

U67190TN2000PLC045617

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

CONTENTS

Notice to Members.....	1
Board's Report	9
Independent Auditor's Report.....	22
Balance Sheet	29
Statement of Profit and Loss	30
Cash Flow Statement	31
Notes forming part of the Financial Statements	32

Cholamandalam Distribution Services Limited
Registered Office: "Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai 600 001.
Phone No.: 044 3000 7172; Fax No.: 044 2534 6446
Website: www.cholawealthdirect.com
CIN - U67190TN2000PLC045617

NOTICE TO MEMBERS

NOTICE is hereby given that the sixteenth annual general meeting of the members of Cholamandalam Distribution Services Limited will be held at 5 p.m. on Thursday, the 28 July, 2016 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, with or without modification(s), 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, 2016 and the balance sheet as at that date together with the independent auditors' report thereon be and are hereby considered, approved and adopted.

2. To consider and if deemed fit, to pass, with or without modification(s), the following as an **ORDINARY RESOLUTION:**

RESOLVED THAT Mr. Vellayan Subbiah (holding DIN 01138759) who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a director of the company, liable to retire by rotation.

3. To consider and if deemed fit, to pass, with or without modification(s), the following as an **ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the provisions of section 139 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), the appointment of M/s. RGN Price & Co., Chartered Accountants, Chennai bearing registration no. 002785S as the statutory auditors of the company from the conclusion of the sixteenth annual general meeting till the conclusion of the seventeenth annual general meeting at a remuneration of Rs.4.45 lakhs per annum including the actual travelling and out of pocket expenses incurred in connection with the audit in addition to service tax / other taxes as applicable be and is hereby ratified.

SPECIAL BUSINESS:

4. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the provisions of Sections 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and subject to such approvals as may be required, Mr. B Govindarajan be and is hereby appointed as the Manager of the Company for a term of 3 years with effect from 28 April, 2016 and be paid remuneration by way of salary, allowances, perquisites and incentive subject to an overall limit in the manner prescribed in Section 198 of the Companies Act, 2013 and in the event of inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, amenities, facilities,

incentive and retirements benefits be paid to Mr. Govindarajan be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013.

a. Salary

Rs.53,555 /- per month

Increments to be decided by the Nomination and Remuneration Committee.

b. Allowances / Perquisites / Incentive

As may be determined by the Nomination and Remuneration Committee.

c. Retirement benefits

i. Contribution to Provident Fund, Superannuation Fund and Gratuity as per rules of the Fund / Scheme in force from time to time.

ii. Encashment of leave as per rules of the Company in force from time to time.

d. General

i. In the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, amenities, facilities, incentive and retirement benefits to Mr. Govindarajan may be determined by the Board or Nomination and Remuneration Committee and shall not exceed the limits prescribed under the Companies Act, 2013 and rules made there under or any statutory modification or re-enactment thereof.

ii. Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes and loans) the perquisites shall be valued as per income tax rules.

iii. Incentive shall be determined by the Nomination and Remuneration Committee based on the Company's Scheme in force from time to time.

iv. Mr. Govindarajan will be subject to all other service conditions as applicable to any other employee of the Company.

5. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 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 and subject to such approvals as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors to lend / make investments for a sum not exceeding Rs.40 crores and to give any guarantees or to provide security in connection with a loan made by any other person to, or to any other person by, bodies corporate including M/s. Cholamandalam Investment and Finance Company Limited, the holding company from time to time in one or more tranches in any form including by way of inter-corporate deposits, loans / investments, advances, secured or unsecured, on such terms and conditions as may be deemed fit by the Board of Directors, notwithstanding that the loans / investments are beyond the limits prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT Mr. Vellayan Subbiah, Director and Mr. D Arul Selvan, Chief Financial Officer, be and hereby severally authorized to negotiate / finalise the terms and conditions of the loan(s) / ICDs / investments to take such steps as may be considered necessary for obtaining approval, statutory, contractual or otherwise, in relation to the above inter-corporate deposits and investments and to sign and execute all deeds, applications, documents and writings that may be required on behalf of the Company in connection with the above inter-corporate deposits and investments and generally to do all such acts, deeds, matters and things as may be considered necessary, proper, expedient or incidental for the said purpose from time to time for giving effect to the aforesaid resolution.

By Order of the Board

Place: Chennai
Date : 28 April, 2016

J Meenakshi
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. 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.3 to 5 is annexed.**
- 3. Members are requested to intimate immediately any change in their address to the registered office of the company.**

By Order of the Board

Place: Chennai
Date : 28 April, 2016

J Meenakshi
Company Secretary

ANNEXURE TO THE NOTICE

B. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Secretarial Standards:

Item no. 2: Re-appointment of Mr. Vellayan Subbiah as a director liable to retire by rotation:

Mr. Vellayan Subbiah (holding DIN: 01138759) has been a director of the Company since 19 August, 2010. He is liable to retire by rotation at this AGM and being eligible has offered himself for re-appointment. Mr. Subbiah, aged 46 years, holds a Bachelor of Technology in Civil Engineering from IIT, Madras and also holds masters in Business administration from the University of Michigan, USA. Mr. Subbiah is currently the Managing Director of Cholamandalam Investment and Finance Company Limited and has over 22 years of work experience in consulting,

Cholamandalam Distribution Services Limited

technology and financial services. Mr. Subbiah does not hold any equity shares of the company and is not related to any other director and key managerial personnel of the company. Mr. Subbiah has attended 6 meetings of the Board during the year. Names of other companies in which he holds directorship, committee membership / chairmanship as on 31 March, 2016 as referred to in secretarial standards and as per his disclosures to the board are given below:

Directorships	Committee membership including CDSL
Cholamandalam Distribution Services Limited	- Audit Committee - Nomination and Remuneration Committee (Chairman) - Corporate Social Responsibility Committee (Chairman)
Cholamandalam Investment and Finance Company Limited (Managing Director)	- Stakeholder Relationship Committee - Business Committee - Risk Management Committee - Corporate Social Responsibility Committee
SRF Limited	- Audit Committee - Nomination & Remuneration Committee
CherryTin Online Private Limited	-
White Data Systems India Private Limited (Chairman)	-

The board considers that the continued association of Mr. Subbiah as a director would be of immense benefit to the company and hence it is desirable to continue to avail his services. Accordingly, the board recommends the resolution in relation to the re-appointment of Mr. Subbiah as a director, liable to retire by rotation for approval by the members of the company.

None of the Directors, key managerial personnel and their relatives is deemed to be concerned or interested in the resolution set forth in item no.2 of the notice except Mr. Subbiah.

Item no. 3: Ratification of appointment of statutory auditors and fixing their remuneration:

Pursuant to the provisions of section 139 of the Companies Act, 2013 (“the Act”) read with Companies (Audit and Auditors) Rules, 2014, M/s. RGN Price & Co., Chartered Accountants were appointed as statutory auditors in the last AGM held on 30 July, 2014 for a period of 5 consecutive years commencing from the conclusion of the 14th AGM till the conclusion of the 19th AGM subject to ratification by members at every AGM.

The statutory auditors have confirmed that their appointment, if made, would be within the limits prescribed under section 141(3)(g) of the Act and is in accordance with the requirements of section 139(1) of the Act read with rule 4 of the Companies (Audit and Auditors) Rules, 2014. The auditors have further confirmed that they are not disqualified from being appointed as auditors under the Act or the Chartered Accountants Act, 1949. Further, section 142 of the Act requires the remuneration of the auditors to be fixed in the general meeting and the same shall include the expenses, if any, incurred by the auditor in connection with the audit of the company and any facility extended to them.

Accordingly, the approval of the members is being sought by means of an ordinary resolution for ratification of appointment of M/s. RGN Price & Co., Chartered Accountants, as the statutory auditors, to audit the financial statements of the company for the period from the conclusion of the 16th AGM till the conclusion of the 17th AGM at a remuneration as specified in resolution no.3 of the notice. The board recommends the ratification of appointment of the statutory auditors of the company for approval of the members.

None of the directors, key managerial personnel of the company and their relatives is concerned or interested in the resolution.

Item No. 4: Appointment of Mr. B Govindarajan as Manager of the Company:

Pursuant to Section 203 of the Act, the Company shall have a whole-time key managerial personnel. Hence, consequent to the stepping down of Mr. V Manoj Kumar as a Manager of the Company effective 30 November 2015, Mr. B Govindarajan. was appointed as Manager by the Board of Directors with effect from 28 April, 2016 for a period of 3 years subject to the approval of the shareholders and other necessary approvals. As the appointment of Manager is required to be approved by the shareholders at the first general meeting held after the appointment by the Board, approval of the shareholders is being sought.

Mr. Govindarajan, aged 48 years, is a graduate in Commerce and also holds a masters in Business Administration (Marketing). He has been with the Murugappa Group since 1994. Mr. Govindarajan has over 25 years of work experience and has been with the Company in various positions since October 1999.

Mr. Govindarajan does not hold any equity shares of the company and is not related to any other director and key managerial personnel of the company. He is not holding directorship, committee membership / chairmanship in any other company as referred to in secretarial standards and as per his disclosures to the board dated 28 April, 2016.

The remuneration will be paid under Part II of Schedule V of the Act as the Company is making inadequate profits. The resolution is proposed as an ordinary resolution since the proposed remuneration is within the limits prescribed under Section II of Part II of Schedule V of the Act.

The board considers that the continued association of Mr. Govindarajan as a manager would be of immense benefit to the company and hence it is desirable to continue to avail his services. Accordingly, the board recommends the resolution in relation to the appointment of Mr. Govindarajan as manager for approval by the members of the company.

None of the Directors, key managerial personnel and their relatives is deemed to be concerned or interested in the resolution set forth in item no.4 of the notice except Mr. B Govindarajan.

Item No. 5: Approval of Inter-corporate Loans and Investments:

Pursuant to the provisions of Section 186 of the Companies Act, 2013, approval of the members by way of a special resolution is required for enabling the Board of Directors to make inter-corporate loans and investments exceeding sixty percent of paid up share capital and free reserves or hundred percent of the free reserves of the Company, whichever is more.

The Company proposes to make inter-corporate deposits and investments for a sum not exceeding Rs.40 crores. The purpose of the investments is to utilise the surplus funds of the Company from time to time in order to improve the other income of the Company.

As the proposed lending / investments in the form of inter corporate deposits together with the existing investments exceed the limits specified under Section 186 of the Companies Act, 2013, the approval of the members is sought for making such investments.

Cholamandalam Distribution Services Limited

The source of funding for the said inter-corporate loans and investments is out of the surplus funds of the Company.

Your Directors recommend the resolution set forth in the notice for approval of members.

None of the Directors, key managerial personnel and their relatives is concerned or interested in the resolution.

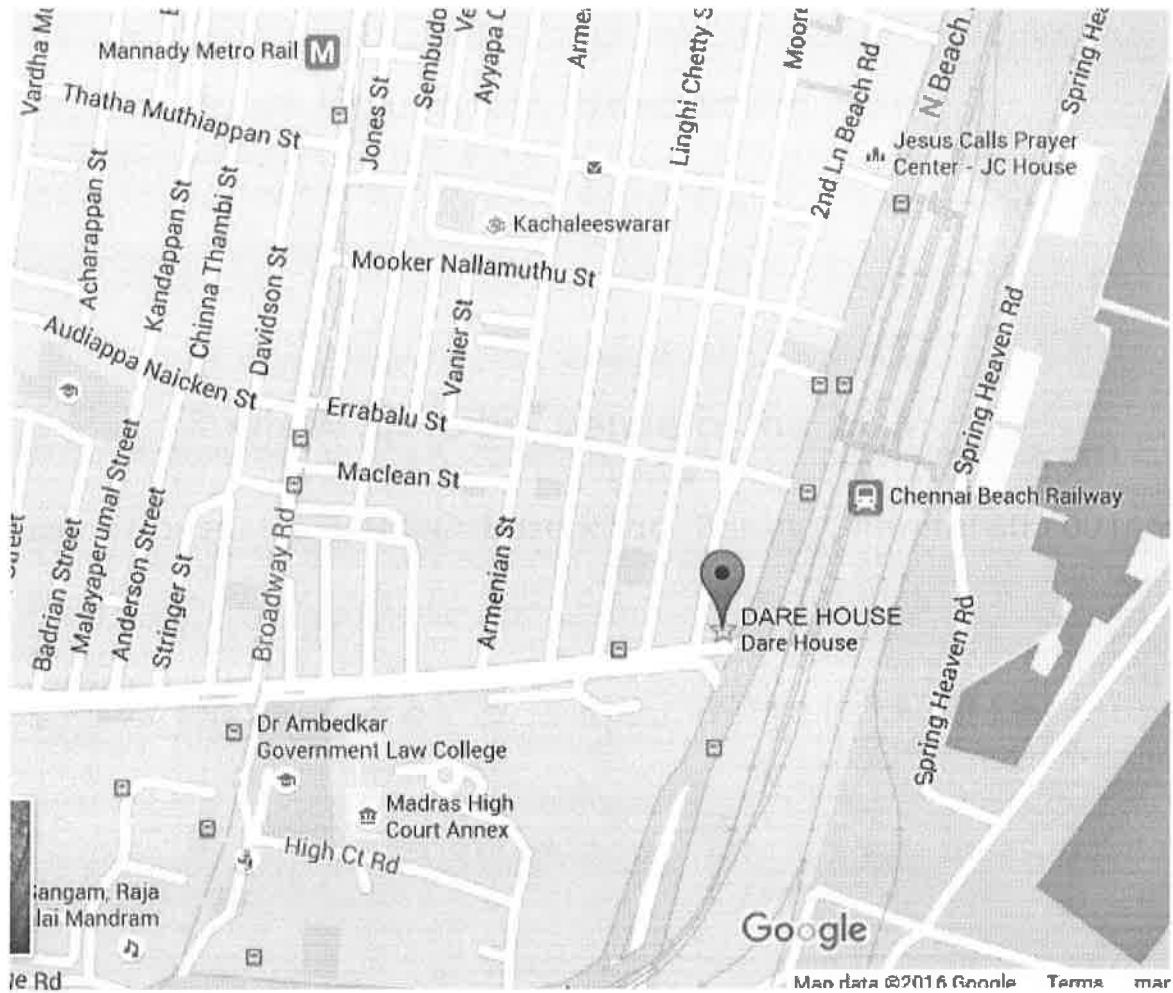
By Order of the Board

Place: Chennai
Date : 28 April, 2016

J Meenakshi
Company Secretary

Route Map to the venue of the AGM

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



CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

CIN: U67190TN2000PLC045617

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

Phone No.: 044 3000 7172; Fax No.: 044 2534 6446

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 16th AGM held at No.2, N.S.C. Bose Raod, 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 DISTRIBUTION SERVICES LIMITED

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PROXY FORM

Name of the member:

Registered Address:

E-mail ID:

Folio No.:

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 of.....

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 Sixteenth Annual General Meeting of the Company, to held at 5 p.m. on Thursday, the

28th July 2016 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, 2016			
2.	Re-appointment of Mr. Vellayan Subbiah who retires by rotation and being eligible, offers himself for re-appointment			
3.	Appointment of M/s. RGN Price & Co., Chartered Accountants as auditors and fixing their remuneration			
Special Business				
4.	Appointment of Mr. B Govindarajan as Manager of the Company			
5.	Approval of Inter-corporate Loans and Investments			

Signed this day of, 2016.

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

Affix Revenue Stamp Re.1

Note:

1. 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.

*2. 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 sixteenth annual report together with the audited accounts of the company for the year ended 31 March 2016.

FINANCIAL RESULTS

	<i>(Rs. in lakhs)</i>	
	2015-16	2014-15
Income	1,263	1,313
Profit before tax	701	558
Profit after tax	473	574

DIVIDEND

Your directors do not recommend any dividend for the year in order to conserve the profits for further business growth of the company.

OPERATIONS

During FY 2015-16, your company maintained focus on efficiency in both sales and operations. Your company capitalised on the buoyant trend in both debt and equity markets, by rationalising the expenses more productively, particularly in the second half of the financial year owing to change in commercials and applicability of service tax in the mutual fund industry. Your company had initiated the process of working through closer customer engagement, active enablers for the sales team and strengthening the relationships with asset management companies, apart from having a broader product / investment strategy. During the year, IRDA issued a fresh certificate of registration under the new IRDA Regulations, 2015 and approved the corporate agent tie-up with HDFC Life Insurance Company Limited and Cholamandalam MS General Insurance Company Limited. Your company also developed and launched an in-house financial planning tool called Chola comprehensive financial planner, targeting the top wealth customers.

OUTLOOK

Your company plans to further grow the wealth business by growing the assets under management through active client engagement, new client acquisition and increasing the number of relationship managers. To supplement this effort, digital marketing is focused to be pursued by leveraging the network of group companies across India for future growth of this segment. Your company will focus to achieve this by further enhancements in mutual fund online portal and simultaneously increase the penetration into other products like structured products and insurance policies. SIP Initiatives are focused to be another tool to acquire more clients through online portal. Your company will continue to aim for high productivity benchmarks and quarter on quarter growth.

PAYMENTS BANK

During the year, RBI vide its letter dated 7 September, 2015 had conveyed its "in-principle" approval to convert your company into a payments bank under the Guidelines for Licensing of Payments Bank dated 27th November 2014 read with clarification issued on 1 January, 2015. The validity of this "in-principle" approval was 18 months from the date of this letter subject to certain additional conditions as specified by RBI which *inter alia* included maintenance of minimum net worth of Rs.100 crores at all times.

However, considering the challenges in the project and the changing landscape, leading to substantially higher investment over and above the regulatory capital requirement of Rs.100 crores, longer gestation period to reach profitable operations, the Board of directors of the holding

company had decided not to proceed with the Payments Bank proposal and a decision was taken to surrender the RBI “in-principle” approval. Accordingly, the in-principle approval was surrendered to RBI in March 2016.

DIRECTORS

During the year, Mr. Kaushik Banerjee stepped down from the board of the company. The board places on record its deep appreciation for the contributions made by Mr. Banerjee to the company as a member of the board and its sub-committees during his tenure of office.

Mr. Vellayan Subbiah (holding DIN 01138759) retires by rotation at the ensuing annual general meeting and being eligible, has offered himself for re-appointment.

DECLARATION FROM INDEPENDENT DIRECTORS

The independent directors (IDs), Mr. Nalin Mansukhlal Shah and Ms. Sasikala Varadachari have submitted declarations of independence, as required pursuant to section 149(7) of the Act, stating that they meet the criteria of independence as provided in section 149(6) of the Act. In the opinion of the Board, these IDs fulfill the conditions specified in the Act and the rules made there under for appointment as IDs and confirm that they are independent of the management.

KEY MANAGERIAL PERSONNEL

During the year, Mr. Manoj Kumar stepped down from his position as Manager of the company. The board places on record its deep appreciation for the contributions made by Mr. Manoj Kumar during his tenure of office. Pursuant to the provisions of section 203 of the Act read with the rules made there under, the following employees are the whole-time key managerial personnel of the company:

1. Mr. B Govindarajan – Manager (Appointed for a period of 3 years with effect from 28 April, 2016)
2. Mr. D. Arul Selvan - Chief Financial Officer
3. Ms. J Meenakshi - Company Secretary

AUDITORS

Pursuant to the provisions of section 139 of the Act, and the rules framed there under, M/s. RGN Price & Co., Chartered Accountants, were appointed as statutory auditors of the company in the annual general meeting held on 30 July, 2014 for a period of 5 years commencing from the closure of the fourteenth annual general meeting till the closure of the nineteenth annual general meeting subject to ratification by members at every AGM. Accordingly, your directors recommend the ratification of the appointment of M/s. RGN Price & Co. as statutory auditors of the company from the conclusion of the sixteenth annual general meeting till the conclusion of the seventeenth annual general meeting of the company. The statutory auditors have confirmed their eligibility for appointment.

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 six times on 23 April, 2015, 30 July, 2015, 22 October, 2015, 28 January, 2016, 22 March, 2016 and 23 March, 2016.

AUDIT COMMITTEE

As at 31 March, 2016, the audit committee of the Board comprises Mr. Nalin Mansukhlal Shah, Ms. Sasikala Varadachari and Mr. Vellayan Subbiah. The committee on a quarterly basis reviews the internal audit reports, financial statements of the company and evaluates the efficacy of the audit function. During the year, the committee met five times on 23 April, 2015, 30 July, 2015, 22 October, 2015, 28 January, 2016 and 22 March, 2016.

NOMINATION AND REMUNERATION COMMITTEE

As at 31 March, 2016, the nomination and remuneration committee comprises Mr. Vellayan Subbiah, Mr. Nalin Mansukhlal Shah and Ms. Sasikala Varadachari. During the year, the committee met two times on 23 April, 2015 and 30 July, 2015.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to the provisions of section 135 read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR provisions”), the Board constituted a corporate social responsibility committee on 30 July, 2015. The company has put in place a CSR policy incorporating the requirements therein which is available on the company’s website, www.cholamandalam.com.

As at 31 March, 2016, the corporate social responsibility committee comprises Mr. Nalin Mansukhlal Shah, Ms. Sasikala Varadachari and Mr. Vellayan Subbiah. During the year, the committee had one meeting on 28 January, 2016. As per the provisions of the Act, the company is required to spend at least 2% of the average net profits of the company made during the three immediately preceding financial years. This amount aggregated to Rs.8.17 lakhs and the company spent the same towards CSR activities during FY 2015-16, the details of which are annexed to and forms part of this report.

REMUNERATION POLICY, CRITERIA FOR BOARD NOMINATION & SENIOR MANAGEMENT APPOINTMENT

Pursuant to the provisions of section 178 of the Act, on recommendation by the nomination and remuneration committee, the Board of directors has framed a remuneration policy relating to the remuneration of the directors, key managerial personnel and other employees. The nomination and remuneration committee 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 was carried out during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

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

Details of loans, guarantees or investments covered under section 186 of the Act are given in the notes to the financial statements.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. 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.

All proposed related party transactions were placed before the audit committee for approval at the beginning of the financial year. The transactions entered into pursuant to the approval so granted were placed before the audit committee for its review and ratification for modifications, if any, on a quarterly basis.

None of the directors has any pecuniary relationship or transaction vis-à-vis the company.

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

The company has no activity relating to consumption of energy or technology absorption. During the year, the company has not incurred any expenditure in foreign currency. The company 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 POLICY

Risk Registers / Risk Monitoring

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

The ERM framework for the company comprises the following components for effective risk management:

- Identification of various risks
- Risk assessment by evaluating the probability and impact
- Measurement and monitoring process by establishing key risk indicators with thresholds for all critical risks and adequate review mechanism

The company has drawn up comprehensive risk registers, by identifying all types of risks, viz., strategic, financial, operational, compliance and reputation, with appropriate internal controls and the risk owner for each risk. Based on the existing internal controls, the residual risks are derived and top risks are identified based on the severity of residual risks. The key risk indicators are identified for risks, wherever feasible, to track the movement of the risk profile. The company has institutionalised a formal risk reporting framework through the risk monitoring tool called risk index. The risk index highlights the movement of the key risks and this is reviewed on a monthly basis by the senior management.

The company has established Business Continuity plan during the year under review and has carried out testing and training.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The company has established whistle blower mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimisation of directors / employees / customers who avail of the mechanism and also for appointment of an ombudsperson who will deal with the complaints received.

SEXUAL HARASSMENT POLICY

The company has in place a prevention of sexual harassment policy 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 complaints received regarding sexual harassment. All employees are covered under this policy. During the calendar year 31 December 2015, there were no referrals received by ICC.

PARTICULARS OF EMPLOYEES

During the year, there were no employees covered by the provisions of section 197 of the Act read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ACKNOWLEDGEMENT

Your directors wish to thank the customers, principals and other business partners for their support to the continued growth of your company's operations.

The directors also thank the staff of the company for their contribution to the company's operations during the year under review.

On behalf of the board

Chennai

28 April, 2016

NALIN MANSUKHLAL SHAH
CHAIRMAN

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 the relevant board committees, including the audit committee and independently reviewed by the internal, statutory and secretarial auditors.

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom;
- (ii) they have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March, 2016 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) 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, 2016.

On behalf of the board

Chennai
28 April, 2016

NALIN MANSUKHLAL SHAH
CHAIRMAN

ANNEXURE - FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

For the financial year ended on 31 March, 2016

[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)	U67190TN2000PLC045617
Registration Date	23 August, 2000
Name of the Company	Cholamandalam Distribution Services 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 3000 7370 (bd.) Fax: 044 30007373 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	Distribution of Financial Products	Section K – Group 661 Activities auxiliary to financial service activities	20.55%
2		Section K – Group 662 – Class 6622 - Activities of insurance agents and brokers	67.25%

*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.	Cholamandalam 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.N.	Category of Shareholders	No. of Shares held at the beginning of the year (01-APR-2015)				No. of Shares held at the end of the year (31-MAR-2016)				% 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*	-	5	5	0.00	-	5	5	0.00	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	42,399,993	42,399,993	99.99	-	42,399,993	42,399,993	99.99	-
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Other :	-	-	-	-	-	-	-	-	-
	Sub-Total A(1):	-	42,399,998	42,399,998	99.99	-	42,399,998	42,399,998	99.99	-
(2)	FOREIGN									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-

Cholamandalam Distribution Services Limited

S.N.	Category of Shareholders	No. of Shares held at the beginning of the year (01-APR-2015)				No. of Shares held at the end of the year (31-MAR-2016)				% 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	
(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)	-	42,399,998	42,399,998	99.99	-	42,399,998	42,399,998	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	0.00	-	2	2	0.00	-
	(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	0.00	-	2	2	0.00	-
	Total Public shareholding=B(1)+B(2):	-	2	2	0.00	-	2	2	0.00	-
	Total (A+B):	-	42,400,000	42,400,000	100.00	-	42,400,000	42,400,000	100.00	-
(C)	Shares held by custodians, for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Sub-Total (C):	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C):	-	42,400,000	42,400,000	100.00	-	42,400,000	42,400,000	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	42,399,993	99.99	-	42,399,993	99.99	-	-
2	M A Alagappan*	2	-	-	2	-	-	-
3	M M Venkatachalam*	1	-	-	1	-	-	-
4	A Vellayan*	1	-	-	1	-	-	-
5	M M Murugappan*	1	-	-	1	-	-	-
	Total	42,399,998	99.99	-	42,399,998	99.99	-	-

* Beneficial interest in the shares are held by M/s.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
	At the beginning of the year – Promoter & Promoter Group	42,399,998	99.99	42,399,998	99.99
	Date wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease	-	-	-	-
	At the end of the year – Promoter & Promoter Group	42,399,998	99.99	42,399,998	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 (01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the Company				No. of Shares	% of total shares of the Company
-	-	-	-	-	-	-	-	-

(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.	Mr. Nalin Mansukhlal	At the beginning – 01.04.2015 & end of the year – 31.03.2016 (No change in the shareholding position during the year)	-	-	-	-	-	-
2.	Ms. Sasikala Varadachari		-	-	-	-	-	-
3.	Mr. Vellayan Subbiah		-	-	-	-	-	-
4.	Mr. Kaushik Banerjee*		-	-	-	-	-	-
KMP:								
4.	Mr. Manoj Kumar V [#]	At the beginning – 01.04.2015 & end of the year – 31.03.2016 (No change in the shareholding position during the year)	-	-	-	-	-	-
5.	Mr. D Arul Selvan [@]		1	0.00	1	0.00	-	-
6.	Ms. J Meenakshi		-	-	-	-	-	-

* Mr. Kaushik Banerjee resigned as a Director w.e.f. 05/10/2015

Mr. Manoj Kumar V resigned as a Manager w.e.f. 30/11/2015

@ Beneficial interest in the share is held by M/s.Cholamandalam Investment and Finance Company Limited

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

There was no indebtedness of the company during the year ended 31 March, 2016.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Manager:

Sl. no.	Particulars of Remuneration	Manoj Kumar V – Manager – for the period 01/04/2015 to 30/11/2015
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40,04,530
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	2,39,622
	(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)	42,44,152
	Ceiling as per the Act	74,37,464

*The remuneration was paid under Part II of Section II of Schedule V of the Act by obtaining approval of the shareholders by passing a special resolution at the AGM held on 30 July, 2014. The details are provided up to 30th November, 2015 since Mr. Manoj Kumar resigned as a Manager w.e.f. 30/11/2015.

B. Remuneration to Directors:

SN	Particulars of Remuneration	Name of Directors		Total Amount (in Rs.)
1. Independent Directors				
	• Fee for attending board /committee meetings	Nalin Mansukhlal Shah	Sasikala Varadachari	1,10,000
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	-	-	1,10,000
2. Other Non-Executive Directors				
	• Fee for attending board committee meetings	Vellayan Subbiah	Kaushik Banerjee*	-

Cholamandalam Distribution Services Limited

SN	Particulars of Remuneration	Name of Directors		Total Amount (in Rs.)
		Nalin Mansukhlal Shah	Sasikala Varadachari	
	1. Independent Directors			
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	-	-	-
	Total Managerial Remuneration			1,10,000
	Overall Ceiling as per the Act			12,00,000.**

* Mr. Kaushik Banerjee resigned as a Director w.e.f. 05/10/2015

**Pursuant to Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, maximum sitting fees payable shall not exceed rupees one lakh per meeting of the board or committee. In accordance with Rule 4, sitting fee of Rs.10,000 is paid for each board meeting attended by the independent directors.

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 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 c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	21,09,848	-	21,09,848
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	21,09,848	-	21,09,848

@ Mr. D Arul Selvan, Chief Financial Officer of the holding company was appointed as the CFO of this company w.e.f. 30 July, 2014 pursuant to the provisions of section 203 of the Companies Act, 2013 and no remuneration is borne by this company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31 March, 2016.

CSR Report

Annual Report on Corporate Social Responsibility (CSR) Activities

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

Continuing its legacy of being a responsible corporate citizen, the Company took forward the tradition of positively impacting lives, by renovating the Valliammai Achi Hospital which is located among the interior plantations and forest area of Kadayalumoodu in Tamil Nadu. The hospital caters to villages and tribal hamlets around the area. Being a remote area with very little transport facility, the hospital is the sole medical facility available for many of the villagers. The company has supported them with furniture and other medical equipments which will help the patients enter a better life.

<http://www.cholamandalam.com/pdf/CSR-Policy-CDSL.pdf>

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

Mr. Vellayan Subbiah, Chairman of the CSR Committee (Non-executive Director)
 Mr. Nalin Mansukhlal Shah (Independent Director)
 Ms. Sasikala Varadachari (Independent Director)

- 3. Average net profit of the company for last three financial years:**
 Rs.409 lakhs

- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**
 Rs.8.17 lakhs

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

Nature of Activity	Partner Entity	Amount (Rs. in lakhs)
Health Care - Renovation for Valliammai Achi Hospital	A.M.M. Foundation	8.17

- a. Total amount to be spent for the financial year: Rs.8.17 lakhs**
b. Amount unspent, if any: Nil

Cholamandalam Distribution Services Limited

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
				(Rs. in lakhs)			
1	Renovation of Valliammai Achi Hospital	Health Care	Kadayalumoodu, Kanyakumari District, Tamil Nadu	8.17	8.17	8.17	Implementing agency
	TOTAL			8.17	8.17	8.17	

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

Not applicable

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

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

On behalf of the board

Place: Chennai
Date: 28 April, 2016

Vellayan Subbiah
Chairman - CSR Committee

Nalin Mansukhlal Shah
Director

R.G.N.PRICE & CO.
CHARTERED ACCOUNTANTS

Phone : 28413633 /28583494
Telefax : 28544569
E-Mail : price@vsnl.com
Offices at : Mumbai, Ernakulam, Quilon, Calicut,
Bangalore and New Delhi

Simpson's Buildings,
861, Anna Salai
CHENNAI - 600 002.

28th April 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of Cholamandalam Distribution Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Cholamandalam Distribution Services Limited** ("the Company"), which comprises the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,


- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016, and
- (ii) in the case of Statement of Profit and Loss, of the profit for year ended on that date, and
- (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.



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 in terms of Section 143(11) of the Act, we give in the Annexure A, 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) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (d) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in Note 23 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For R. G. N. PRICE & CO.
Chartered Accountants



Mahesh Krishnan
Partner
M. No. 206520
FR No. 002785S

Annexure A referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Audit Report of even date to the members of Cholamandalam Distribution Services Limited on the Financial Statements of the Company for the year ended 31st March, 2016

- I a. The Company has maintained proper records for its fixed assets showing full particulars including quantitative details and situation of those assets.
- b. As per the practice followed by the Company, fixed assets are physically being verified every year. During the year fixed assets were verified by the Company and no material discrepancies were noticed.
- c. The Company owns no immovable property.
- II Considering the nature of business of the Company, Clause 3(ii) of the Order relating to inventories is not applicable.
- III The Company has granted loans during the year to a party covered in the register maintained under Section 189 of the Companies Act. The outstanding amount as at 31st March 2016 was Rs. 30 Crores.
- In respect of the above loans,
- a. The terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- b. The repayment of principal and payment of interest were stipulated and such repayments and payment of interest were regular.
- c. There were no overdue amounts remaining at the year end.
- IV According to the information and explanations given to us, and records of the Company examined by us, in our opinion, the Company has complied with the provisions of Section 185 and 186 of the Companies Act with respect to loans and investments within the ambit of these sections. The Company has not given any guarantees or security relating to section 185 and 186 of the Act.
- V The Company has not accepted any deposits during the year. Hence Clause 3(v) of the Order is not applicable.
- VI Having regard to the nature of business and activities, Clause 3(vi) of the Order relating to maintenance of cost records is not applicable.
- VII a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it. There are no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.



- b. There are no dues of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax which have not been deposited on account of any dispute as at 31st March 2016.
- VIII The Company has not borrowed from any financial institutions or banks or issued debentures. Accordingly Clause 3(viii) of the Order is not applicable.
- IX The Company has not made any public offer for subscription nor has taken any term loans during the period.
- X We have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- XI The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- XII The Company is not a Nidhi Company and hence Clause 3(xii) of the Order is not applicable.
- XIII All transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- XIV The Company has not made any preferential allotment or private placement of shares or fully convertible or partly convertible debentures during the year under review.
- XV The Company has not entered into any non- cash transactions with the directors or persons connected with them contravening Section 192 of Companies Act, 2013.
- XVI The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For R. G. N. PRICE & CO.
Chartered Accountants



Mahesh Krishnan
Partner
M. No. 206520
FR No. 002785S

Annexure B referred to in Clause (e) of Paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date on the Financial Statements of M/s Cholamandalam Distribution Services Limited, for the year ended 31st March 2016.

We have audited the internal financial controls over financial reporting of **Cholamandalam Distribution Services Limited** ('the Company') as of March 31, 2016 in conjunction with our audit of the 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 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 and the Standards of Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and 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 unmodified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on our audit, the Company has, in all material respects, an adequate internal financial control over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2016 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 of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R. G. N. PRICE & CO.
Chartered Accountants

Mahesh Krishnan

Mahesh Krishnan -
Partner
M. No. 206520
FR No. 002785S

CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED


Balance Sheet as at March 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

Particulars	Note No	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	3	424,000,000	424,000,000
Reserves and Surplus	4	33,700,712	(13,609,250)
		457,700,712	410,390,750
Current Liabilities			
Trade Payables	5	4,373,900	9,603,000
Other Current Liabilities	6	2,782,581	5,207,067
Short-Term Provisions	7	1,361,562	4,097,064
		8,518,043	18,907,131
Total		466,218,755	429,297,881
ASSETS			
Non-Current Assets			
Fixed Assets			
(i) Tangible Assets	8	885,592	1,317,440
(ii) Intangible Assets	9	1,578,229	1,112,240
		2,463,821	2,429,680
Non-Current Investments	10	96,682,067	96,856,528
Deferred Tax Assets (Net)	11	9,202,721	9,998,236
Long-Term Loans and Advances	12	31,525,597	43,770,477
		139,874,206	153,054,921
Current Assets			
Current Investments	13	17,000,000	14,000,000
Trade Receivables	14	5,745,567	4,852,997
Cash and Cash Equivalents	15	1,741,998	4,475,463
Short-Term Loans and Advances	16	301,033,996	250,709,530
Other Current Assets	17	822,988	2,204,970
		326,344,549	276,242,960
Total		466,218,755	429,297,881

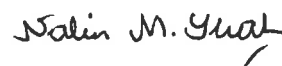
See accompanying Notes forming part of the Financial Statements

In terms of our report attached
For **R.G.N. Price & Co.**
Chartered Accountants
Firm's Registration No: 002785


Mahesh Krishnan
Partner
Membership Number: 206520



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


Nalin Mansukhlal Shah
Chairman


Vellayan Subbiah
Director


Arulselvan. D
Chief Financial Officer


J. Meenakshi
Company Secretary

Place: Chennai
Date : April 28, 2016


CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

Statement of Profit and Loss for the Year Ended March 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

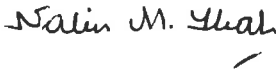
Particulars	Note No	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Revenue			
Revenue from Operations	18	96,714,211	105,810,503
Other Income	19	29,436,481	25,500,419
Total Revenue		126,150,692	131,310,922
Expenses			
Employee Benefits Expense	20	29,429,638	35,618,161
Depreciation and Amortisation Expense	21	1,629,629	3,978,033
Other Expenses	22	24,985,938	35,897,263
Total Expenses		56,045,205	75,493,457
Profit Before Tax		70,105,487	55,817,465
Current Tax Expense			
- Current Year		14,617,518	11,167,819
- Prior Years		264,222	-
Deferred Tax	11	795,515	(9,998,236)
MAT Credit Entitlement			
- Current Year		7,670,415	(2,742,339)
- Prior Years		(552,145)	-
Net Tax Expense		22,795,525	(1,572,756)
Profit After Tax		47,309,962	57,390,221
Earning Per Share(of Rs.10/- each)			
(i) Basic	24	1.12	1.35
(ii) Diluted	24	1.12	1.35
See accompanying Notes forming part of the Financial Statements			

In terms of our report attached
For **R.G.N. Price & Co.**
Chartered Accountants
Firm's Registration No: 002785S


Mahesh Krishnan
Partner
Membership Number: 206520



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


Nalin Mansukhlal Shah
Chairman


Vellayan Subbiah
Director


Arulseivan. D
Chief Financial Officer


J. Meenakshi
Company Secretary

Place: Chennai
Date : April 28,2016

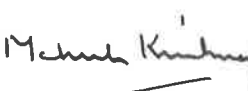



CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

Cash Flow Statement for the Year Ended March 31, 2016
(All amounts are in Indian rupees unless otherwise stated)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
A. Cash Flow from Operating Activities		
Profit Before Tax	70,105,487	55,817,465
Adjustments for:		
Depreciation and Amortisation Expense	1,629,629	3,978,033
Provision for Doubtful Debts and Advances	11,970	(604,929)
Provision for Claw back	(1,040,897)	673,031
Interest Income	(26,327,996)	(23,776,534)
Profit on Sale of Current Investments	(1,776,862)	(970,117)
Profit on Sale of Non-current Investment	(133,455)	-
(Profit)/Loss on Sale /write off of Tangible Assets (Net)	80,904	(5,000)
Liability no longer required written back	(155,220)	(127,339)
Operating Profit before Working Capital changes	42,393,560	34,984,610
Changes in Working Capital:		
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	(5,073,880)	2,586,090
Short - Term Provisions	(1,694,605)	1,507,637
Other Current Liabilities	(2,424,486)	4,568,523
Adjustment for (Increase) / Decrease in Operating Assets:		
Trade Receivables	(892,570)	(784,495)
Short - Term Loans and Advances	(324,466)	168,561
Long - Term Loans and Advances	259,378	255,706
Other Current Assets	1,381,982	(1,339,091)
Cash Generated from / (Used in) Operations	33,624,913	41,947,541
Tax (Paid)/ Refunds	(11,309,259)	(11,205,667)
Net Cash Flow from Operating Activities	22,315,654	30,741,874
B. Cash Flow from Investing Activities		
Purchase of Tangible/Intangible Assets (including Capital Advance)	(1,884,258)	(761,650)
Proceeds from Sale of Tangible Assets	1,422,365	5,000
Purchase of Current / Non-Current Investments	(150,192,084)	(140,404,230)
Proceeds from Sale of Current / Non - Current Investments	149,276,862	115,970,117
Bank balances not considered as Cash and Cash Equivalents		
- Placed	-	-
- Matured	-	42,500,000
Intercompany Deposits (Net)	(50,000,000)	(70,000,000)
Interest Received	26,327,996	24,184,069
Net Cash Flow Used in Investing Activities	(25,049,119)	(28,506,694)
C. Cash Flow from Financing Activities		
Net (Decrease) / Increase in Cash and Cash Equivalents	(2,733,465)	2,235,180
Cash and Cash Equivalents at the Beginning of the Year	4,475,463	2,240,283
Cash and Cash Equivalents at the End of the Year	1,741,998	4,475,463
Net Cash and Cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 15	1,741,998	4,475,463

In terms of our report attached
For **R.G.N. Price & Co.**
Chartered Accountants
Firm's Registration No: 002785S


Mahesh Krishnan
Partner
Membership Number: 206520




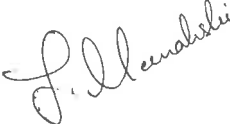
For and on behalf of the **Board of Directors**


Nalin Mansukhlal Shah
Chairman


Vellayan Subbiah
Director

Place: Chennai
Date : April 28, 2016


Arulselvan. D
Chief Financial Officer


J . Meenakshi
Company Secretary

CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

Notes Forming Part of the Financial Statements for the Year Ended March 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

1. Corporate Information

Cholamandalam Distribution Services Limited ("the Company") is a wholly-owned subsidiary of Cholamandalam Investment and Finance Company Limited, a constituent company of Murugappa Group. The Company is in the business of providing wealth management services with enhanced focus on larger product basket and unbiased investment advice. Products offered include mutual funds, life and general insurance, equities, fixed deposits, bonds, real estate advisory and home loans.

2. Significant Accounting Policies:

(i) Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP"), including the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(ii) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the year. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known.

(iii) Cash and Cash equivalents (for purposes of cash flow statement)

Cash and cash equivalents include cash, balances with banks, deposits held at call with banks and other short-term highly liquid investments, including deposits with original maturities of three months or less from the date of acquisition.

(iv) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(v) Depreciation and Amortisation

Depreciation on fixed assets is calculated on a straight-line basis using the rates, arrived at based on the useful lives estimated by the Management, or those prescribed under the Schedule II to the Companies Act, 2013, whichever are higher. The Company has used the following useful lives to provide depreciation on its fixed assets.

Block of Asset	Useful life (In years)
Computers	3
Office equipment	5
Vehicles *	5
Computer software	3

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

Operating software is capitalised along with computers and is depreciated at the rates applicable to Computers. Application software is considered as an intangible asset and is amortised over the useful life.

Accelerated depreciation is provided on fixed assets, based on their condition, usability, etc. as per the technical estimates of the Management, where necessary.

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.



CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

Notes Forming Part of the Financial Statements for the Year Ended March 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

(vi) Revenue Recognition

Revenue is recognised on accrual basis based on contractual obligations and when there is no uncertainty in receiving the same. Commission income is net of service tax.

(vii) Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

Profit / loss on sale of investments is recognised at the time of sale or redemption.

(viii) Tangible Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets is inclusive of freight, any directly attributable expenditure in making the asset ready for its intended use and other incidental expenses. Improvements to leasehold premises are capitalised considering the enduring benefits.

(ix) Intangible Fixed Assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. The cost of intangible asset comprises its purchase price and any directly attributable expenditure in making the asset ready for its intended use.

(x) Capital Work-in-Progress

Projects under which Tangible / Intangible / fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

(xi) Investments

Investment which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Non-current investments.

Non-current investments are carried individually at cost less provision for diminution in value of such investments which is other than temporary in nature. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

(xii) Employee Benefits

a) Defined Contribution Plan

The Company's contributions to Provident Fund, Pension Fund and Superannuation Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

b) Defined Benefit Plans

The Company makes contribution to a Gratuity Fund administered by trustees and managed by LIC. For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.



CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

Notes Forming Part of the Financial Statements for the Year Ended March 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

c) Long-Term Employee Benefits

The Company accounts its liability for compensated absences to be availed in future based on actuarial valuation as at the Balance Sheet date, determined by an independent actuary using the Projected Unit Credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur.

d) Other - Short Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

(xiii) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

(xiv) Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(xv) Taxation

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

Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax during the qualifying period. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred Tax: Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.



CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

Notes Forming Part of the Financial Statements for the Year Ended March 31,2016

(All amounts are in Indian rupees unless otherwise stated)

(xvi) Impairment of Assets

The carrying values of assets at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use.

(xvii) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for -

(i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company of

(ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed in the financial statements.

(xviii) 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.

(xix) Operating Cycle

Assets and Liabilities are classified as Current and Non-Current based on the Management evaluation of Operating Cycle which has been estimated to be 12 months. Based on this evaluation, all assets which are expected to be realised and liabilities which are due to be settled, within a period of 12 months from the Balance Sheet date have been classified as Current and balance Assets and Liabilities are classified as Non-current.

(xx) Service Tax Input Credit

Service Tax Input Credit is accounted for in the books in the period when the underlying service received is accounted. Provision for Service Tax Input Credit has been created when there is uncertainty in utilising the Service Tax Input Credit.



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CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

Notes Forming Part of the Financial Statements for the Year Ended March 31,2016

(All amounts are in Indian rupees unless otherwise stated)

	As at March 31, 2016	As at March 31, 2016
3 Share Capital		
<u>Equity Share Capital</u>		
Authorised		
42,500,000 Equity Shares of Rs.10/each	425,000,000	425,000,000
Issued, Subscribed and fully Paid up		
42,400,000 Equity Shares of Rs.10/ each	424,000,000	424,000,000

a. Reconciliation of shares outstanding at the Beginning and at the End of the Year

	As at March 31,2016		As at March 31, 2015
	Nos	Amount	Nos
At the Beginning of the Year	42,400,000	424,000,000	42,400,000
Issued / Cancelled during the Year	-	-	-
Outstanding as at the End of the Year	42,400,000	424,000,000	42,400,000

b. Rights, Preferences and restrictions attached to Equity shares

The Company is having only one class of equity shares having a nominal value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Shares held by the Holding company - Equity Share with voting rights

	As at March 31,2016	As at March 31,2015
	Nos.	Nos.
Cholamandalam Investment and Finance Company Limited (including Shares held by its Nominees)	42,400,000	42,400,000

d. Shares held by the shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2016	As at March 31, 2015
	Nos.	Nos.
Equity Shares with voting rights (including Shares held by its Nominees)	42,400,000	42,400,000
	% holding in that Class of Shares	% holding in that Class of Shares
Cholamandalam Investment and Finance Company Limited and its nominees - (As at March 31, 2016 and March 31, 2015)	100%	100%

e. Shares reserved for issue under options

Employees of the Company are granted options in the shares of the holding company under the Stock Option Scheme formulated by it based on their performance and other eligibility criteria. The options are vested over a period of four years, subject to the discretion of the Management and fulfillment of certain conditions. Refer Note 34 for details of shares reserved for issue under options.



CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

Notes Forming Part of the Financial Statements for the Year Ended March 31,2016

(All amounts are in Indian rupees unless otherwise stated)

	As at March 31, 2016	As at March 31, 2015
4 Reserves and Surplus		
Surplus / (Deficit) in the Statement of Profit and Loss		
Balance at the Beginning of the Year	(13,609,250)	(70,999,471)
Profit for the year	47,309,962	57,390,221
Balance at the End of the year	33,700,712	(13,609,250)
5 Trade Payables		
Dues to Micro and Small Enterprises (Refer Note 32)	-	-
Others	4,373,900	9,603,000
	4,373,900	9,603,000
6 Other Current Liabilities		
Statutory Dues	532,979	1,217,533
Amount payable to Related Parties (Refer Note 30)	30,698	2,337,088
Others - Advance received from part sale in Faering Capital	2,218,904	1,652,446
	2,782,581	5,207,067
7 Short-Term Provisions		
Provision for Compensated Absences	950,134	1,360,482
Provision for Clawback of Commission Income (Refer Note 33)	411,428	1,452,325
Provision for Gratuity (Refer Note 27)	-	84,257
Provision for Contingencies (Refer Note 33)	-	1,200,000
	1,361,562	4,097,064



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CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED
Notes Forming Part of the Financial Statements for the Year Ended March 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

Note: 8 & 9 - Fixed Assets
Current Year

Description	Gross Block				Accumulated Depreciation and Amortisation				Net Block	
	Balance as at April 1, 2015	Additions	Deletions	Cost as at March 31, 2016	Balance as at April 1, 2015	For the Year Ended March 31, 2016	Withdrawn	Balance as at March 31, 2016	Balance as at March 31, 2016	Balance as at March 31, 2015
8. Tangible Assets										
Improvements to leasehold premises	1,970,533	-	1,970,533	-	1,970,533	-	1,970,533	-	-	-
Computers	9,982,614	-	6,890,830	3,091,784	9,982,614	-	6,890,830	3,091,784	-	-
Office Equipment	838,745	15,000	455,245	398,500	782,157	14,053	413,584	382,626	15,874	56,588
Furniture and Fixtures	195,529	-	100,029	95,500	195,529	-	100,029	95,500	-	-
Vehicles	2,766,404	1,524,196	3,030,800	1,259,800	1,505,552	453,723	1,569,193	390,082	869,718	1,260,852
TOTAL	15,753,825	1,539,196	12,447,437	4,845,584	14,436,385	467,776	10,944,169	3,959,992	885,592	1,317,440
9. Intangible Assets - Acquired										
Computer Software	5,799,500	1,627,842	-	7,427,342	4,687,260	1,161,853	-	5,849,113	1,578,229	1,112,240
Total	5,799,500	1,627,842	-	7,427,342	4,687,260	1,161,853	-	5,849,113	1,578,229	1,112,240

Previous Year

Description	Gross Block				Accumulated Depreciation and Amortisation				Net Block	
	Balance as at April 1, 2014	Additions	Deletions	Cost as at March 31, 2015	Balance as at April 1, 2014	For the Year Ended March 31, 2015 #	Withdrawn	Balance as at March 31, 2015	Balance as at March 31, 2015	Balance as at March 31, 2014
8. Tangible Assets										
Improvements to leasehold premises	1,970,533	-	-	1,970,533	1,970,533	-	-	1,970,533	-	-
Computers	11,057,414	-	1,074,800	9,982,614	9,725,165	1,332,249	1,074,800	9,982,614	-	1,332,249
Office Equipment	1,437,110	31,426	629,791	838,745	1,256,462	155,486	629,791	782,157	56,588	180,648
Furniture and Fixtures	464,712	-	269,183	195,529	464,712	-	269,183	195,529	-	-
Vehicles	2,766,404	-	-	2,766,404	960,292	545,260	-	1,505,552	1,260,852	1,806,112
TOTAL	17,696,173	31,426	1,973,774	15,753,825	14,377,164	2,032,995	1,973,774	14,436,385	1,317,440	3,319,009
9. Intangible Assets - Acquired										
Computer Software	5,799,500	-	-	5,799,500	2,742,222	1,945,038	-	4,687,260	1,112,240	3,057,278
Total	5,799,500	-	-	5,799,500	2,742,222	1,945,038	-	4,687,260	1,112,240	3,057,278

In the previous year, the company had re-assessed the estimated useful lives of the fixed assets and hence an additional amount of Rs. 2,040,371/- was charged to the financial results of the year ended March 31, 2015, which included Rs. 223,248/- representing carrying amounts of assets where the remaining estimated useful life was nil as at April 1, 2014



CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

Notes Forming Part of the Financial Statements for the Year Ended March 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

	As at March 31, 2016	As at March 31, 2015
10 Non-Current Investments (At cost)- Non-trade		
Investments in Venture Capital Fund - Unquoted		
Faering Capital India Evolving Fund (46,657 Units of Rs.1000 each) (As at March 31, 2015 -46,831 Units of Rs.1000 each)	46,657,067	46,831,528
Investment in Shares -Quoted		
Investment in Coromandel Engineering Co. Ltd. (2,500,100 Equity shares of Rs.10 each fully paid up) (As at March 31, 2015 - 2,500,100 Equity Shares)	50,025,000	50,025,000
	96,682,067	96,856,528
Market Value of Quoted Investments	141,630,665	104,379,175
11 Deferred Tax Assets (Net)		
- Difference between depreciation as per Books of Account and the Income Tax Act, 1961	1,314,437	1,237,906
- Provsion for Compensated Absences	314,143	441,408
- Provsion for Gratulity	-	27,337
- Provision for Contingencies	-	389,340
- Provision for Service Tax Input Credit	7,438,111	7,431,038
- Provsion for Clawback	136,030	471,207
	9,202,721	9,998,236
12 Long-Term Loans and Advances		
Unsecured and Considered Good unless otherwise stated		
Security Deposits	1,000	37,000
Staff Advances	183,332	-
Tax Deducted at Source/Advance tax [Net of Provision for Tax - Rs.55,141,211; As at March 31, 2015 -Rs.40,259,471]	6,550,015	10,122,497
MAT Credit Entitlement	24,453,766	31,572,036
Capital Advances	337,484	1,620,264
Service Tax Input Credit	-	418,680
Service Tax Input Credit (considered doubtful)	22,496,781	22,484,811
	54,022,378	66,255,288
Less: Provsion for Service Tax Input Credit	22,496,781	22,484,811
	31,525,597	43,770,477
13 Current Investments (Unquoted)		
Investments In Mutual Funds		
Reliance Liquid Fund Growth Option - Nil (As at March 31, 2015- 3,406 units)	-	14,000,000
HDFC Liquid Fund Growth Option 5,700 units (As at March 31, 2015 -Nil units)	17,000,000	-
	17,000,000	14,000,000
14 Trade Receivables		
Unsecured - Considered Good		
Outstanding for a period exceeding six months from the date they were due for payment	-	-
Amount receivable from Related Party (Refer Note 30)	107,170	2,456,061
Others	5,638,397	2,396,936
	5,745,567	4,852,997



CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

Notes Forming Part of the Financial Statements for the Year Ended March 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

	As at March 31, 2016	As at March 31, 2015
15 Cash and Cash Equivalents		
Cash on Hand	15,000	15,000
Balances with Banks:		
On Current Accounts	1,726,998	4,460,463
	1,741,998	4,475,463
Notes:		
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS3 Cash Flow Statements	1,741,998	4,475,463
16 Short-Term Loans and Advances		
<u>Unsecured considered good</u>		
Prepaid Expenses	548,091	709,530
Gratuity (Refer Note 27)	485,905	-
Intercorporate Deposits to related party (Refer Note 31)	300,000,000	250,000,000
	301,033,996	250,709,530
17 Other Current Assets		
Accrued Revenue - Commission Income	822,988	2,204,970
	822,988	2,204,970
	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
18 Revenue from operations		
Commission Income	96,301,711	105,313,009
Advisory Fees	412,500	497,494
	96,714,211	105,810,503
19 Other Income		
Interest Income on:		
- Bank Deposits	-	512,329
- Intercorporate Deposits	25,928,594	23,264,205
- Income Tax Refund	399,402	-
Profit on Sale Investments		
- Current	1,776,862	970,117
- Non current	133,455	-
Provision for Claw back written back (Refer Note 33)	1,040,897	-
Provision for Doubtful Advances written back	-	604,929
Profit on Sale of Fixed Assets (net)	-	5,000
Liability no longer required written back	155,220	127,339
Miscellaneous Income	2,051	16,500
	29,436,481	25,500,419



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CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

Notes Forming Part of the Financial Statements for the Year Ended March 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
20 Employee Benefits Expense		
Salary	27,004,321	32,478,636
Contribution to Provident and Other Funds	1,035,310	1,898,573
Staff Welfare Expenses	1,390,007	1,240,952
	29,429,638	35,618,161
Defined Contribution Plans / Benefit Plans		
Amount recognised in the Statement of Profit and Loss		
(i) Provident fund	955,779	1,056,989
(ii) Superannuation Fund	215,525	231,992
(iii) Gratuity Expense	(135,994)	609,592
	1,035,310	1,898,573
21 Depreciation and amortisation expense		
Depreciation of Tangible Assets (Refer Note 8)	467,776	2,032,995
Amortisation of Intangible Assets (Refer Note 9)	1,161,853	1,945,038
	1,629,629	3,978,033
22 Other Expenses		
Rent	5,201,523	6,212,121
Rates and Taxes	237,868	166,553
Business Development Expenses	77,305	142,850
Communication Expenses	384,047	681,950
Travelling and Conveyance	899,280	1,028,568
Printing and Stationery	248,509	247,685
Electricity Charges	1,121,302	1,319,199
Insurance	590,332	781,483
Repairs and Maintenance	796,889	614,749
Information Technology Expenses	2,751,782	3,415,993
Outsourcing expenses	9,005,377	13,607,811
Professional Charges	1,995,967	5,781,286
Provision for Doubtful Debts (net)	11,970	-
Provision for Claw back of Commission Income (Net) (Refer Note 33)	-	673,031
Provision for Compensation Claim (Refer Note 33)	-	1,200,000
Compensation Claim	2,000,000	-
Less : Provision In Previous Year	<u>1,200,000</u>	-
Corporate Social Responsibility Expenditure	817,000	-
Payments to Auditors :		
Statutory audit	400,000	400,000
Taxation matters	50,000	50,000
Other Services	225,000	200,000
Out of Pocket Expense	20,000	20,000
Loss on Sale of Assets (Net)	80,904	-
Miscellaneous Expenses	29,883	13,984
	25,744,938	36,557,263
Less: Expenses Recovered	759,000	660,000
	24,985,938	35,897,263



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CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

Notes Forming Part of the Financial Statements for the Year Ended March 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

23 Contingent liabilities and commitments (to the extent not provided for)**(I) Claims against the company not acknowledged as debt**

Particulars		As at March 31 ,2016	As at March 31 ,2015
Disputed claims against the Company lodged by client (Net of Provision for Contingencies)		-	300,000
Total		-	300,000

(I) 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.

(II) 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:

	As at March 31 ,2016	As at March 31 ,2015
Intangible Assets	1,722,423	641,556
Investment Commitment on Faering Capital India Evolving Fund	3,168,472	3,168,472

24 Earnings per share

	As at March 31 ,2016	As at March 31 ,2015
Profit After Tax	47,309,962	57,390,221
Weighted Average Number of Equity Shares (Nos.)	42,400,000	42,400,000
Earnings Per Share - Basic	1.12	1.35
- Diluted	1.12	1.35
Face Value Per Share	10	10



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CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

Notes Forming Part of the Financial Statements for the Year Ended March 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

25 Long -Term Compensated Absences

Particulars	March 31 , 2016	March 31 , 2015
Assumptions :		
Discount Rate	8.00%	8.00%
Future Salary Increase (%)	5.00%	5.00%
Disability	Nil	Nil
Retirement	58 yrs	58 yrs
Attrition :		
MG 7 & above	1.00%	1.00%
MG 4,5 and 6	2.00%	2.00%
Others	3.00%	3.00%

26 Defined Contribution Plans

The Company makes Provident Fund, Pension Fund and Superannuation Fund Contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 955,779 (March 2015 - Rs.1,056,989) for Provident Fund contributions and Rs.215,525 (March 2015- Rs.231,992) for Superannuation Fund contribution in the Statement of Profit and Loss. The Contribution payable to these plans by the Company are at rates specified in the rules of the Schemes.

27 Defined Benefit Plan - Gratuity

Details of Actuarial Valuation:

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Present Value of Defined Benefit Obligation		
Balance at the beginning of the year	1,368,496	717,311
Current Service Cost	195,163	286,099
Interest Cost	53,669	55,026
Actuarial Losses / (Gains)	(266,862)	369,036
Benefits Paid	(53,553)	(58,976)
Balance at the end of the year	1,296,913	1,368,496
Fair Value of Defined Benefit Obligation		
Balance at the beginning of the year	1,284,239	1,171,169
Expected return on Plan Assets	61,341	98,216
Actuarial (Losses) / Gains	56,623	2,353
Contributions by the Company	434,168	71,477
Benefits Paid	(53,553)	(58,976)
Balance at the end of the year	1,782,818	1,284,239
(Assets) and Liabilities recognised in the Balance Sheet		
Liability at the End of the year	1,296,913	1,368,496
Fair Value of Plan Assets as at the End of the year	1,782,818	1,284,239
Amount Recognised in the Balance Sheet under (Note 16 - Short term loans and advances) and (Note - 7 Short term Provisions)	(485,905)	84,257
Expense Recognised in the Statement of Profit and Loss		
Current Service Cost	195,163	286,099
Interest Cost	53,669	55,026
Expected Return on Plan Assets	(61,341)	(98,216)
Actuarial Losses / (Gains)	(323,484)	366,683
Total Expense (Refer Note 20)	(135,994)	609,592
Experience Adjustments		
Experience Adjustment on Plan Liabilities (Gain) / Loss	(266,862)	369,036
Experience Adjustment on Plan Assets Gain / (Loss)	56,623	2,353
Actuarial Assumptions		
Discount Rate	8.00%	8.00%
Expected Return on Plan Assets	8.00%	8.00%
Salary Growth Rate	5.00%	5.00%
Attrition Rate	1% to 3%	1% to 3%



CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED**Notes Forming Part of the Financial Statements for the Year Ended March 31, 2016***(All amounts are in Indian rupees unless otherwise stated)***Other disclosure:**

Year	Projected Benefit Obligation at the End of the year	Fair Value of Plan Assets at the End of the Year	Amount in Rs.
			Surplus/ (Deficit)
2015-16	1,296,913	1,782,818	485,905
2014-15	1,368,496	1,284,239	(84,257)
2013-14	717,311	1,171,169	453,858
2012-13	1,165,460	1,255,025	89,565
2011-12	1,244,489	1,334,226	89,737

Notes:

- The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
- The Composition of Plan assets which is funded with Life Insurance Corporation of India is as below:

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets	Mar 31, 2015*
Government securities	46.35%
Bonds, debentures and other fixed income instruments	47.45%
Equity shares	6.20%

* as per latest information available from LIC

- Estimated amount of contribution to the fund during the Year Ended March 31, 2017, as estimated by the management is Rs. 50,000/- (Previous Year Rs.434,000)

- The discount rate is based on the prevailing market yields or Government of India Securities as at Balance Sheet date for the estimated term of the obligations.

28 Sharing of costs

The Company shares certain costs / service charges with other companies in the Group. These costs have been allocated between the companies on mutually agreed basis between the companies in the Group, which has been relied upon by the Auditors.

29 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 segments as per AS-17 "Segment Reporting".



CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

Notes Forming Part of the Financial Statements for the Year Ended March 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

30 Related Party Disclosures

Related Parties under AS 18 with whom transaction have taken place during the year

Ultimate Holding Company	Tube Investments of India Limited (Upto September 1, 2015)
Holding Company	Cholamandalam Investment and Finance Company Limited
Joint Venture of Ultimate Holding Company	Cholamandalam MS Risk Services Limited (Upto September 1, 2015)
Holding Company's Fellow Subsidiaries	Cholamandalam MS General Insurance Company Limited - (Upto September 1, 2015)
Fellow Subsidiaries	(i) Cholamandalam Securities Limited (ii) White Data System India Private Limited (From March 16, 2016)
Key Managerial Personnel (Effective April 1, 2014)	Mr. Manoj Kumar V - Manager - (Upto November 30, 2015)

Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year

Key Managerial Personnel	Mr. Arulselvan . D - Chief Financial Officer Ms. Meenakshi . J - Company Secretary
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Note: Related Party relationships are as identified by the Company and relied upon by the Auditors.

Details of Related Party Transactions

Transaction	Name of the Party	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Income			
Sharing of costs & service Charges	Cholamandalam Investment and Finance Company Limited	1,104,252	934,544
	Cholamandalam Securities Limited	3,938	54,915
Interest Income	Cholamandalam Investment and Finance Company Limited	25,928,594	23,264,205
Expenses			
Rent	Cholamandalam Investment and Finance Company Limited	4,374,103	5,537,329
Reimbursement of Expenses	Cholamandalam Investment and Finance Company Limited	6,911,851	5,564,326
	Cholamandalam Securities Limited	1,820,969	2,630,829
Others			
Sale of Tangible Assets	Cholamandalam Investment and Finance Company Limited	823,261	-
Advances / Deposits Given	Cholamandalam Investment and Finance Company Limited	100,000,000	250,000,000
Advances / Deposits Recovered	Cholamandalam Investment and Finance Company Limited	50,000,000	180,000,000
Key Managerial Personnel Remuneration			
	Mr. Arulselvan D*	-	-
	Mr. Manoj Kumar V	4,244,152	5,027,551
	Ms. Meenakshi J	2,109,848	1,945,342
Assets			
Intercorporate Deposit	Cholamandalam Investment and Finance Company Limited	300,000,000	250,000,000
Receivable	Cholamandalam Investment and Finance Company Limited	107,170	-
Liabilities			
Payable	Cholamandalam Investment and Finance Company Limited	20,288	2,337,088
	Cholamandalam Securities Limited	10,410	-

Details of Related Party Transactions

Transaction	Name of the Party	For the Period Ended September 1, 2015	For the Year Ended March 31, 2015
Income	Cholamandalam MS General Insurance Company Limited	20,340,745	43,251,087
Claims Received	Cholamandalam MS General Insurance Company Limited	40,699	7,500
Insurance Premium Paid	Cholamandalam MS General Insurance Company Limited	75,198	299,881
Net Receivable	Cholamandalam MS General Insurance Company Limited	2,840,355	2,456,061

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

12



CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

Notes forming part of the financial Statements for the Year Ended March 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

31 Disclosure required under Sec 186(4) of the Companies Act 2013

Included in loans and advances are certain intercorporate deposits the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013

Particulars	Date of Deposit	Date of Maturity	As on 31 March 2016	As on 31 March 2015
To CIFCL @ 10.05% for 2 Years	15-May-14	14-May-16	50,000,000	50,000,000
To CIFCL @ 10.05% for 2 Years	16-May-14	15-May-16	160,000,000	160,000,000
To CIFCL @ 9.10% for 2 Years	20-Feb-15	20-Feb-17	20,000,000	20,000,000
To CIFCL @ 8.15% for 1 Year	13-Nov-15	12-Nov-16	20,000,000	-
To CIFCL @ 8.25% for 1 Year	28-Mar-16	28-Mar-17	15,000,000	-
To CIFCL @ 8.70% for 2 Years	29-Mar-16	29-Mar-18	35,000,000	-
To CIFCL @ 9.20% for 1 Year	13-Nov-14	12-Nov-15		20,000,000
Total			300,000,000	250,000,000

The loans have been utilized for meeting their working capital requirements.

32 Micro, Small and Medium Enterprises

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. Based on the information available with the Company, there are no overdue amounts payable to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 at the Balance Sheet date. Further, the Company has not paid any interest to any Micro and Small Enterprises during the current and previous year.

33 Changes in Provisions

Current Year :

Particulars	As at April 1, 2015	Additional Provision	Utilisation/ Reversals	As at March 31, 2016
Provision for Claw back - Refer Note 7 & 22	1,452,325	410,438	1,451,335	411,428
Provision for Contingencies - Refer Note 7 & 22	1,200,000	800,000	2,000,000	-

Previous Year:

Particulars	As at April 1, 2014	Additional Provision	Utilisation/ Reversals	As at March 31, 2015
Provision for Claw back - Refer Note 7 & 22	779,294	1,452,325	779,294	1,452,325
Provision for Contingencies - Refer Note 7 & 22	-	1,200,000	-	1,200,000

(i) Provision for Clawback : In accordance with SEBI Circular dated 13 September 2012, commission received with regard to mutual fund investments made with effect from 1 October 2012 can be proportionately clawed back if the investment is redeemed within the exit load period as prescribed in each scheme. Accordingly, the Management has estimated the above provision in accordance with the Company's policy and is expected to be settled over the next one year.

(ii) Provision for Contingencies : The provision is made towards loss estimated against the claim made by a customer.



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34 Stock Options

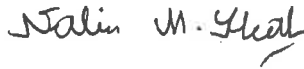
Under the Employee Stock Option Scheme – 2007 of the Holding Company, Cholamandalam Investment & Finance Company Limited, 5792 options (net of cancelled/lapsed) of the Holding Company have been granted to some of the employees of the Company as at March 31, 2016. As the administrator of the Employee Stock Option Scheme, the Holding Company has Informed the Company that there are no costs to be transferred to the Company with respect to the options granted and outstanding as at March 31, 2016.

35 Previous Year Figures

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

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

Place : Chennai
Date : April 28, 2016



Nalin Mansukhlal Shah
Chairman



Velayan Subbiah
Director



Aruiseivan. D
Chief Financial Officer



J. Meenakshi
Company Secretary