

**CHOLAMANDALAM
SECURITIES
LIMITED**

ANNUAL REPORT 2015 - 16

Cholamandalam Securities Limited

Board of Directors

Nalin Mansukhlal Shah (DIN 00882723)

Sasikala Varadachari (DIN 07132398)

Rohit Phadke (DIN 07293524)

R.Chandrasekar (DIN 02687447)

Auditors

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

Company Secretary

Balaji H

Corporate Identity Number

U65993TN1994PLC028674

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

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Cholamandalam Securities Limited

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

Phone No.: 044 3000 7370; Fax No.: 044 3000 7373

CIN - U65993TN1994PLC028674

Website: www.cholawealthdirect.com

Notice to Members

NOTICE is hereby given that the twenty second annual general meeting of the members of Cholamandalam Securities Limited will be held at 5.30 p.m. on Thursday, 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 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. S.R.Batliboi & Associates LLP, Chartered Accountants, Chennai bearing registration no. 101049W as Statutory Auditors of the company from the conclusion of the twenty second annual general meeting till the conclusion of the twenty third annual general meeting at a remuneration of Rs. 3.85 lacs 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:

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 sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the company, Mr. R Chandrasekar (holding DIN 02687447), an additional director, holding office up to the date of this annual general meeting and in respect of whom the company has received a notice in writing proposing his candidature for the office of a director under section 160 of the Companies Act, 2013, be and is hereby appointed as a director of the company liable to retire by rotation.

4. 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 sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the company, Mr. Rohit Phadke (holding DIN 07293524), an additional director, holding office up to the date of this annual general meeting and in respect of whom the company has received a notice in writing proposing his candidature for the office of a director under section 160 of the Companies Act, 2013, be and is hereby appointed as a director of the company liable to retire by rotation.

By Order of the Board

Place : Chennai
Date : 28 April, 2016

H Balaji
Company Secretary

NOTES:

1. A member entitled to attend and vote at the annual general meeting (AGM) may appoint one or more proxies to attend and vote instead of him. The proxy need not be a member of the company. Proxy to be valid shall be deposited at the registered office of the company at least forty eight hours before the time for holding the meeting. A person shall not act as a proxy for more than fifty members and holding in the aggregate not more than 10% (ten percent) of the total share capital of the company carrying voting rights. A person holding more than 10% (ten percent) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The explanatory statement pursuant to section 102 of the Companies Act, 2013 and the secretarial standards setting out all material facts in respect of the item nos. 2 to 4 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

H Balaji
Company Secretary

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SECRETARIAL STANDARDS

Item no. 2 - Ratification of appointment of statutory auditors in the 22nd AGM 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. S.R. Batliboi & Associates LLP, Chartered Accountants were appointed as statutory auditors in the 20th AGM held on 31 July, 2014 for a period of 3 consecutive years commencing from the conclusion of the 20th AGM till the conclusion of the 23rd 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. S.R. Batliboi & Associates LLP, Chartered Accountants, as the statutory auditors, to audit the financial statements of the company for the period from the conclusion of the 22nd AGM till the conclusion of the 23rd AGM at a remuneration as specified in resolution no.2 of the notice. The board recommends the ratification of appointment of the statutory auditors of the company for approval of the shareholders.

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

Item Nos. 3 & 4: Appointment of Mr. R Chandrasekar and Mr. Rohit Phadke as Non-executive directors of the company:

Mr. R Chandrasekar (DIN: 02687447) and Mr Rohit Phadke (DIN: 07293524) were appointed as additional directors of the company on 22 October 2015. Pursuant to the provisions of section 161 of the Act, Mr. R Chandrasekar and Mr. Rohit Phadke hold office as additional directors up to the date of 22nd annual general meeting.

The company has received notices in writing along with deposits of Rs.100,000/- each from members under the provisions of section 160 of the Act proposing the candidatures of Mr. Chandrasekar and Mr. Phadke as directors of the Company.

Mr. Chandrasekar, aged 52 years, holds a Masters in Business Administration and a Post Graduate Diploma in Human Resource Management. He has over 30 years of professional

experience and has been associated with M/s. Cholamandalam Investment and Finance Company Limited, the holding company, for over 10 years and is currently the head of human resources function in the holding company. Mr. Chandrasekar 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. Chandrasekar has attended 3 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 CSEC
Cholamandalam Securities Limited	- Nomination and Remuneration Committee
Kartik Investments Trust Limited	- Audit Committee - Nomination & Remuneration Committee - Stakeholder Relationship Committee - Risk Management Committee
Chola Business Services Limited	- Nomination & Remuneration Committee - Audit Committee

Mr. Phadke, aged 51 years, holds a degree in Economics and a Masters in Marketing. He has over 23 years of professional experience and has been associated with M/s. Cholamandalam Investment and Finance Company Limited, the holding company, for over 14 years. Mr. Phadke is the business head for Corporate Finance, Home Equity and Home Loans in the holding company and is experienced in the capital market operations.

Mr. Phadke 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. Phadke has attended 3 meetings of the Board during the year. As on 31 March, 2016, he does not hold directorship, committee membership / chairmanship in any other company as per his disclosures to the board.

In compliance with the provisions of the Act, the appointment of Mr. Chandrasekar and Mr. Phadke are being placed before the members for their approval.

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

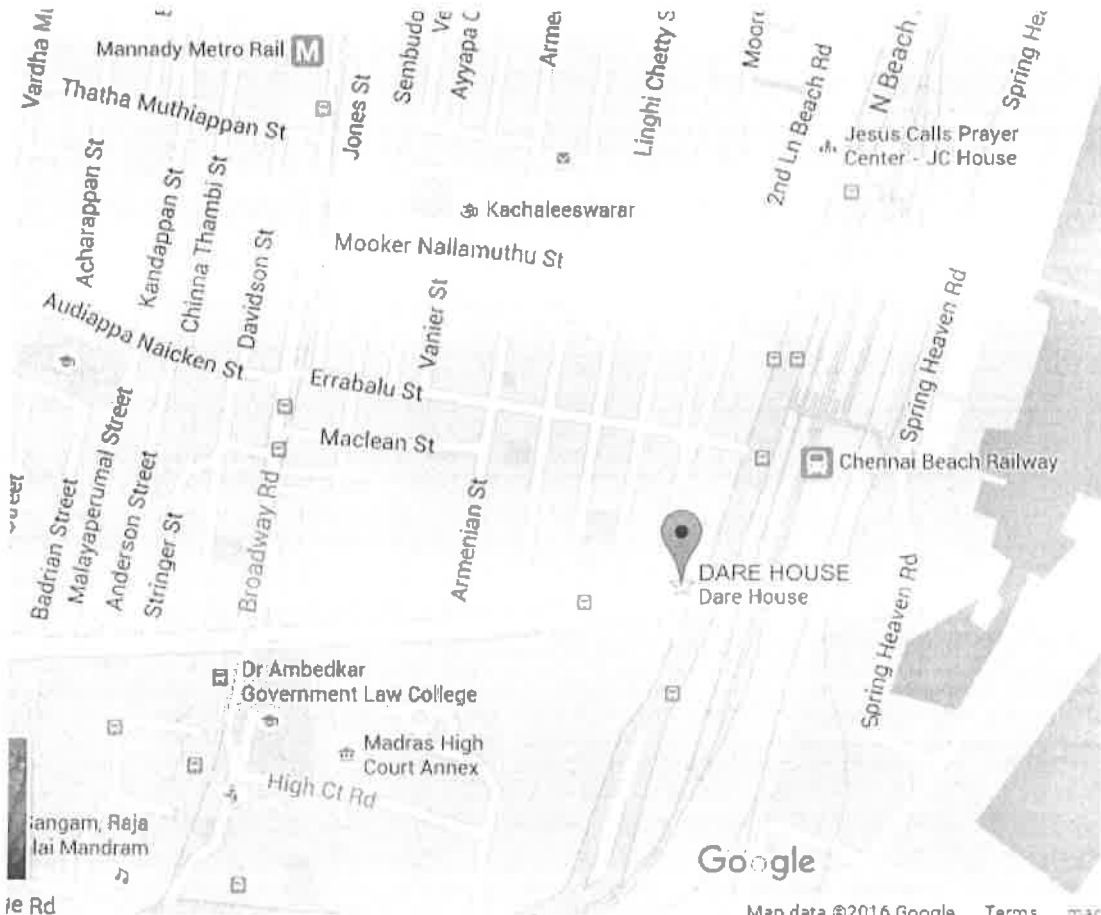
By Order of the Board

Place : Chennai
Date : 28 April, 2016

H Balaji
Company Secretary

Route Map to the venue of the AGM

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



CHOLAMANDALAM SECURITIES LIMITED

CIN: U65993TN1994PLC028674

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

Phone No.: 044 3000 7172; Fax No.: 044 3000 7373

Website:www.cholawealthdirect.com

ATTENDANCE SLIP

Folio No.:

Name & Address of Member:

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

I/we hereby record my / our presence at the 22nd 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 SECURITIES LIMITED

CIN: U65993TN1994PLC028674

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

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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

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

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

my/our behalf at the twenty second Annual General Meeting of the Company, to held at 5.30 p.m. on Thursday, 28 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.	Appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants as auditors and fixing their remuneration			
Special Business				
3.	Appointment of Mr. R Chandrasekar as a Director of the Company			
4.	Appointment of Mr. Rohit Phadke as a Director of the Company			

Signed this day of, 2016.

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

Affix
Revenue
Stamp
Re. I

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 twenty-second annual report together with the audited accounts of the company for the year ended 31 March, 2016.

FINANCIAL RESULTS

(Rs. in lakhs)

	2015-16	2014-15
Gross Income	1282.51	1,457.20
Profit before tax	173.69	342.24
Profit after tax	155.39	323.53

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

FY 2015-16 has been a lackluster year for the markets and the exchange volume in retail was down by 3%. Since CSEC is in a cyclical business, it is important that the core business needs to show profitability, irrespective of the market conditions. During the year, the company achieved an income of Rs. 1199.67 lakhs as against Rs. 1380.63 lakhs during the previous year and PBT of Rs.173.69 lakhs as against Rs. 342.24 lakhs during the previous year. CSEC had also embarked on a journey for an end to end transformation towards being a more customer centric organization with more focus on providing wealth solutions to clients and growing relationships.

OUTLOOK

Benefits of policy level changes brought in by the Government for creating a more conducive business environment are yet to reflect in earnings of companies. The company expects FY 2016-17 to take advantage of policy shift and make gains. The business will operate at a low cost model to ensure that all branches are profitable in FY 2016-17. With a positive outlook on macros and the continued focus on providing customised services, the company lays emphasis on the following – (i) Productivity focus will continue to be the key to drive higher profitability; (ii) Digital initiatives to give customers an easy and convenient experience of transacting; (iii) Customer engagement focus to ensure more interaction with client both online and in person to drive larger wallet share.

DIRECTORS

During the year, Mr. Vellayan Subbiah and 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. Subbiah and Mr. Banerjee to the company as members of the board and its sub-committees during their tenure of office.

Mr. R Chandrasekar and Mr. Rohit Phadke, were appointed as additional directors of the company and they hold office up to the 22nd annual general meeting of the company. Your company has received required notices under the provisions of section 160 of the Act proposing the candidature of Mr. Chandrasekar and Mr. Phadke as directors and your board recommends their appointment as non-executive directors of the company liable to retire by rotation.

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 have confirmed that they are independent of the management.

KEY MANAGERIAL PERSONNEL

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

1. Ms. Mariam Mathew – Manager
2. Ms. Kavitha A – Chief Financial Officer
3. Mr. Balaji H– Company Secretary

Mr. Balaji H was appointed as the company secretary effective 22 October, 2015 in the place of Mr. Shakil Ahmed Choudhury who had resigned from his position as the company secretary.

AUDITORS

Pursuant to the provisions of section 139 of the Act, and the rules framed there under, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, were appointed as statutory auditors of the company in the 20th annual general meeting held on 30 July, 2014 for a period of 3 years commencing from the closure of the twentieth annual general meeting till the closure of the twenty third annual general meeting subject to ratification by members at every AGM. Accordingly, your directors recommend the ratification of the appointment of M/s. S.R. Batliboi & Associates LLP as statutory auditors of the company from the conclusion of the twenty second annual general meeting till the conclusion of the twenty third 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 five times on 23 April, 2015, 30 July, 2015, 22 October, 2015, 28 January, 2016 and 22 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. Rohit Phadke. 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. Nalin Mansukhlal Shah, Ms. Sasikala Varadachari and Mr. R Chandrasekar. During the year, the committee met three times on 23 April, 2015, 30 July, 2015 and 22 October, 2015.

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 the board's report.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant material orders passed by the regulators / courts / tribunals which would impact the going concern status of the company and its future operations. However, SEBI vide its impugned order dated 19th May 2015 had imposed a penalty of Rs.7 lakhs on the Company. The details of the same are given in annexure to the Board's Report in point no.vii.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS

All the 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 the consumption of energy or technology absorption. Foreign currency expenditure amounting to Rs. 0.58 lakhs was incurred during the year. Foreign capital expenditure during the year was Rs 1.04 lakh.

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 (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's internal risk management team does surveillance of client trading activity, real time monitoring of client positions, thereby triggering margin calls and the client exposures are managed basis the client credibility.

Business Continuity Plan (BCP):

The Company has developed a BCP for your company and the same was implemented during December 2015 for the business and functions to continue smoothly in case of business disruptions.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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(12) 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, stock exchanges, clearing and depository corporations, bankers and other business partners. The directors also thank the staff for their contribution to the company's operations during the year under review.

On behalf of the Board

Place : Chennai
Date : 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

Place : Chennai
Date : 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)	U65993TN1994PLC028674
Registration Date	20 September, 1994
Name of the Company	Cholamandalam Securities Limited
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of the Registered office and contact details	"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai - 600 001 Phone: 044 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	Broking	Section K – Group 661 – Class 6612 - Security and commodity contracts brokerage	67.62%

*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.	M/s.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.No.	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*	-	12	12	0.00	-	12	12	0.00	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	22,500,000	22,500,000	99.99	-	22,500,000	22,500,000	99.99	-
(d)	Banks / Financial Institutions									
(e)	Any Other ;	-	-	-	-	-	-	-	-	-
	Sub-Total A(1):	-	22,500,012	22,500,012	99.99	-	22,500,012	22,500,012	99.99	-
(2)	FOREIGN									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-

S.No.	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)	-	22,500,012	22,500,012	99.99	-	22,500,012	22,500,012	99.99	-
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
(b)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government (s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other:	-	-	-	-	-	-	-	-	-
	- Multilateral Financial Institution	-	-	-	-	-	-	-	-	-
	- Foreign Corporate Bodies	-	-	-	-	-	-	-	-	-
	Sub-Total B(1):	-	-	-	-	-	-	-	-	-
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
	(i) Indian	-	-	-	-	-	-	-	-	-
	(ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals	-	-	-	-	-	-	-	-	-
	(i) Individual shareholders holding nominal share capital upto Rs.1 lakh*	-	2	2	0.01	-	2	2	0.01	-
	(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
(c)	Any Other:	-	-	-	-	-	-	-	-	-
	NON RESIDENT INDIANS	-	-	-	-	-	-	-	-	-
	TRUST	-	-	-	-	-	-	-	-	-
	CLEARING MEMBERS	-	-	-	-	-	-	-	-	-
	Sub-Total B(2):	-	2	2	0.01	-	2	2	0.01	-
	Total Public shareholding B=B(1)+B(2):	-	2	2	0.01	-	2	2	0.01	-
	Total (A+B):	-	22,500,014	22,500,014	100.00	-	22,500,014	22,500,014	100.00	-
(C)	Shares held by custodians, for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Sub-Total (C):	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C):	-	22,500,014	22,500,014	100.00	-	22,500,014	22,500,014	100.00	-

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

(ii) Shareholding of Promoters -

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
PROMOTERS								
1.	Cholamandalam Investment and Finance Company Limited	22,500,000	99.99	-	22,500,000	99.99	-	-
2.	M A Alagappan	9*	-	-	9*	-	-	-
3.	M M Venkatachalam	1*	-	-	1*	-	-	-
4.	A Vellayan	1*	-	-	1*	-	-	-
5.	M M Murugappan	1*	-	-	1*	-	-	-
	Total	22,500,012	99.99	-	22,500,012	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
1.	At the beginning of the year –Promoter & Promoter Group	22,500,012	99.9999	22,500,012	99.9999
2.	Date wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease	-	-	-	-
3.	At the end of the year – Promoter & Promoter Group	22,500,012	99.9999	22,500,012	99.9999

(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 (01-04-2014 to 31-03-2015)	
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% 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. R Chandrasekar		-	-	-	-	-	-
4.	Mr. Rohit Phadke		-	-	-	-	-	-
5.	Mr. Kaushik Banerjee*		-	-	-	-	-	-
6.	Mr. Vellayan Subbiah*		-	-	-	-	-	-
KMP:								
7.	Ms. Mariam Mathew	At the beginning – 01.04.2015 & end of the	-	-	-	-	-	-
8.	Ms. Kavitha A		-	-	-	-	-	-

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
9.	Mr. Shakil Ahmed Choudhury	year – 31.03.2016 (No change in the shareholding position during the year)	-	-	-	-	-	-
10.	Mr. Balaji H		-	-	-	-	-	-

* Mr. Vellayan Subbiah & Mr. Kaushik Banerjee resigned as Directors w.e.f. 22/10/2015.

* Mr. Balaji H was appointed as the company secretary effective 22 October, 2015 in the place of Mr. Shakil Ahmed Choudhury who had resigned from his position as the company secretary.

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

(Rs. in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	0.00	-	0.00
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	0.00	-	0.00
Change in Indebtedness during the financial year	-	-	-	-
• Addition	-	102.00	-	102.00
• Reduction	-	102.00	-	102.00
Net Change	-	0.00	-	0.00
Indebtedness at the end of the financial year	-	-	-	-
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Manager:

Sl. no.	Particulars of Remuneration	Mariam Mathew - Manager (Amount in Rs.)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,748,794
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	149,610
	(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)	4,898,404
	Ceiling as per the Act	1,115,875

*The above remuneration is computed at 5% of the net profits of the company in the manner prescribed in section 198 of the Companies Act, 2013. Further, in the event of inadequacy of profits, the company has obtained approval of the shareholders by passing a special resolution at the AGM held on 30 July, 2014 for payment of remuneration under Part II of Section II of Schedule V of the Act.

B. Remuneration to Directors:

S.No	Particulars of Remuneration	Name of Directors		Total Amount (in Rs.)
1.	Independent Directors	Nalin Mansukhlal Shah	Sasikala Varadachari	
	• Fee for attending board /committee meetings	50,000	50,000	1,00,000
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	-	-	1,00,000
2.	Other Non-Executive Directors	R Chandrasekar	Rohit Phadke	
	• Fee for attending board committee meetings	-	-	-
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)	-	-	-
3.	Other Non-Executive Directors	Vellayan Subblah*	Kaushik Banerjee*	
	• Fee for attending board committee meetings	-	-	-
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (3)	-	-	-
	Total (B)=(1+2+3)			1,00,000
	Total Managerial Remuneration			1,00,000
	Overall Ceiling as per the Act			10,00,000**

* Mr. Vellayan Subblah & Mr. Kaushik Banerjee resigned as Directors w.e.f. 22/10/2015

**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	271,824* 661,000*	2,789,754	3,722,578
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	9,32,824	2,789,754	3,722,578

* Mr. Balaji H was appointed as the company secretary effective 22 October, 2015 in the place of Mr. Shakil Ahmed Choudhury who had resigned from his position as the company secretary.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year ended 31 March, 2016, SEBI had imposed a penalty of Rs.7 lakhs on the Company for acting as a broker and counter party broker for its three clients who were allegedly involved in creation of artificial volume and price manipulation in the scrip of Richa Industries Ltd. In this regard, the Company preferred an appeal before the Hon'ble Securities Appellate Tribunal (SAT) to set aside the said order and the same had been filed on 6th July 2015. The Company is awaiting further communication from SAT in this regard. Other than this, there were no penalties, punishment or compounding of offences during the year.

INDEPENDENT AUDITOR'S REPORTTo the Members of **Cholamandalam Securities Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of **Cholamandalam Securities Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of 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 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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, issued by the Institute of Chartered Accountants of India, as 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 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 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 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 of the state of affairs of the Company as at March 31, 2016, its profit, and its 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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) 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;
 - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report &



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S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 – Refer Note 27 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 **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: **101049W**



per Subramanian Suresh
Partner
Membership Number: **083673**
Place of Signature: Chennai
Date: April 28, 2016

Annexure 1 referred to in our report of even date

Re: Cholamandalam Securities Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The Company does not have any immovable property included in the Fixed Asset Register.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, cess and other material statutory dues applicable to it. The provisions relating to employees' state insurance, sales-tax, wealth-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, cess and other material statutory dues applicable were outstanding, at the year end, for a period of more than six months from the date they became payable.

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S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows

Name of the statute	Nature of the dues	Amount not deposited (Rs in lakhs)	Period to which the amount relates	Amount paid under protest (Rs. In lakhs)	Forum where the dispute is pending
Finance Act, 1994	Service tax(Including interest and penalty)	47.90	April 04 to December 08	-	CESTAT
Finance Act, 1994	Service tax (Including interest)	20.56	2006-2007 & 2007-2008		Commissioner of Central Excise - Appeals
Income Tax Act, 1961	Income tax (Including Interest)		AY 2006-2007	29.58	Commissioner of Income Tax - Appeals
Income Tax Act, 1961	Income tax (Including Interest)		AY 2007-2008	4.40	Commissioner of Income Tax - Appeals

- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not made any borrowings from any financial institution or bank and has not issued any debentures during the year.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him/her.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 10104917



per **Subramanian Suresh**

Partner

Membership Number: **083673**

Place of Signature: Chennai

Date: April 28, 2016



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

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

To the Members of **Cholamandalam Securities Limited**

We have audited the internal financial controls over financial reporting of **Cholamandalam Securities 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: **101049W**



per **Subramanian Suresh**

Partner

Membership Number: **083673**

Place of Signature: Chennai

Date: April 28, 2016



CHOLAMANDALAM SECURITIES LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	225,000,140	225,000,140
Reserves and surplus	4	(55,801,839)	(71,340,982)
		169,198,301	153,659,158
Current Liabilities			
Trade payables	5	119,492,974	157,082,193
Other current liabilities	6	15,629,679	10,449,478
Short-term provisions	7	3,597,413	3,134,731
		138,720,066	170,666,402
Total		307,918,367	324,325,560
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	8	5,825,619	2,424,086
Intangible assets	9	2,314,540	574,044
		8,140,159	2,998,130
Non-current investments	10	13,818,854	13,818,854
Long-term loans and advances	11	26,748,302	24,328,371
Other non-current assets	12	81,092	70,996
		48,788,407	41,216,351
Current Assets			
Trade receivables	13	109,595,350	113,491,350
Cash and bank balances	14	99,649,530	110,953,769
Short-term loans and advances	15	49,491,326	58,273,154
Other current assets	16	393,754	390,936
		259,129,960	283,109,209
Total		307,918,367	324,325,560

Summary of Significant Accounting policies

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The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of the Board of Directors

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W

Amey

per Subramanian Suresh

Partner

Membership No: 083673



Nalin M. Shah

Nalin Mansukhlal Shah
Chairman

Rohit Phadke

Rohit Phadke
Director

Kayitha A

Kayitha A
Chief Financial Officer

Balaji H

Balaji H
Company Secretary

Place: Chennai

Date: April 28, 2016

Chennai

Date: April 28, 2016

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CHOLAMANDALAM SECURITIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016
(All amounts are in Indian rupees unless otherwise stated)

	Note No.	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenue			
Revenue from operations	17	119,966,595	138,063,988
Other income	18	8,284,090	7,656,698
Total Revenue		128,250,685	145,720,686
Expenses:			
Employee benefits expense	19	52,488,419	49,256,557
Other expenses	21	53,330,061	53,668,016
Finance costs	23	2,577,376	3,354,485
Depreciation and amortisation expense	24	2,485,726	5,217,643
Total Expenses		110,881,582	111,496,701
Profit before Tax		17,369,103	34,223,985
Tax Expenses:			
- Current tax		1,798,346	1,870,510
- Tax relating to earlier years		31,614	-
Profit for the year		15,539,143	32,353,475

Earnings per share information:

Basic earnings per share	0.69	1.45
Diluted earnings per share	0.69	1.45
Weighted average number of equity shares (Nos.)	22,500,014	22,302,754
Nominal Value per Share	10.00	10.00

Summary of significant accounting policies 2

The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of the Board of Directors

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W

Subramanian Suresh

per Subramanian Suresh

Partner

Membership No: 083673



Nalin M. Shah
Nalin Mansukhlal Shah
 Chairman

Rohit Phadke
Rohit Phadke
 Director

Kavitha A
Kavitha A
 Chief Financial Officer

Balaji H
Balaji H
 Company Secretary

Place: Chennai

Date: April 28, 2016

Chennai

Date: April 28, 2016



CHOLAMANDALAM SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

	Year ended March 31, 2016	Year Ended March 31, 2015
A. Cash Flow from Operating Activities		
Profit before tax	17,369,103	34,223,985
Adjustments for:		
Depreciation and amortisation expense	2,485,726	5,217,643
(Profit)/Loss on sale of tangible assets	(32,033)	(7,400)
(Profit)/Loss on sale of Investments (net)	(39,530)	(411,022)
Interest income	(5,907,930)	(5,372,365)
Dividend income	(1,106,136)	(521,408)
Finance cost	2,577,376	3,354,485
Provision no longer required written back	(7,212,459)	-
Provision for doubtful debts	147,913	98,476
Operating profit / (loss) before working capital changes	<u>8,282,030</u>	<u>36,582,394</u>
Changes in Working Capital:		
Increase / (Decrease) in current liabilities	(32,409,018)	(53,113,044)
Increase / (Decrease) in provisions	462,682	570,125
(Increase) / Decrease in trade receivables	10,950,449	48,397,735
(Increase) / Decrease in loans and advances	20,403,211	42,974,950
Cash generated / (used) in operations	<u>7,689,354</u>	<u>75,412,160</u>
Income taxes paid (net of refunds)	(2,917,542)	(4,176,872)
Net Cash flow from / (used) in operating activities (A)	<u>4,771,812</u>	<u>71,235,288</u>
Net cash generated from operating activities	4,771,812	71,235,288
B. Cash flow from Investing Activities		
Purchase of tangible / intangible assets /Capital work-in-progress	(7,744,059)	(948,389)
Sale of tangible assets	148,337	7,400
Purchase of current Investments	(30,000,000)	(202,500,000)
Sale of current investments	30,039,530	202,911,022
Interest received	5,905,112	5,410,444
Dividend received	1,106,136	521,408
Investments in bank deposits (having original maturities of more than 3 months / restricted funds)	(2,500,000)	(16,000,000)
Net Cash flow from / (used) in investing activities (B)	<u>(3,044,944)</u>	<u>(10,598,115)</u>
C. Cash flow from Financing Activities		
Infusion of Equity Share Capital	-	20,000,000
Interest paid	(2,577,376)	(3,354,485)
Proceeds from short-term borrowings	1,020,000,000	1,545,000,000
Repayment of short-term borrowings	(1,020,000,000)	(1,625,000,000)
Net Cash flow from / (used) in financing activities (C)	<u>(2,577,376)</u>	<u>(63,354,485)</u>
Net increase in cash and cash equivalents (A + B + C)	<u>(850,508)</u>	<u>(2,717,312)</u>
Cash and cash equivalents at the beginning of the year	1,133,499	3,850,811
Cash and cash equivalents at the end of the year	<u>282,991</u>	<u>1,133,499</u>



CHOLAMANDALAM SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(All amounts are in Indian rupees unless otherwise stated)

	Year ended March 31, 2016	Year Ended March 31, 2015
Components of cash and cash equivalents		
Balance as per Balance Sheet (note 14)	99,649,530	110,953,769
Less : Deposits under Lien	71,250,000	68,750,000
Less : Client and exchange related cash balances	28,116,539	41,070,270
Total cash and cash equivalents	282,991	1,133,499

For S.R.BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number : 101049W



per Subramanian Suresh

Partner

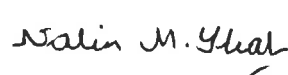
Membership No: 083673

Place: Chennai

Date: April 28, 2016



For and on behalf of the Board of Directors



Nalin Mansukhlal Shah

Chairman



Rohit Phadke

Director



Kavitha A

Chief Financial Officer



Balaji H

Company Secretary



CHOLAMANDALAM SECURITIES 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 Securities Limited ("the Company") is a subsidiary of Cholamandalam Investment and Finance Company Limited ("CIFCO"). It is a securities brokerage firm offering stock broking, depository and equity research services to retail, corporate and institutional clients. The Company is a member of the Bombay and National Stock Exchanges. It is also a depository participant with National Securities Depository Limited and Central Depository Services Limited.

2. Significant Accounting Policies:

a) Basis of Preparation of Financial Statements

The financial statements are prepared on accrual basis and under historical cost convention in accordance with the generally accepted accounting principles in India (Indian GAAP) except treatment in respect of accounting relating to the Bombay Stock Exchange membership card which is based on fair value in terms of the Expert Advisory Committee's opinion. The Company has prepared these financial statements to comply in all material aspects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

Assets and Liabilities are classified as Current and Non-Current based on the Operating Cycle which has been estimated to be 12 months. All assets and liabilities which are expected to be realised or settled, within a period of 12 months from the date of the Balance Sheet held primarily for the purpose of being traded have been classified as Current and other assets and liabilities are classified as Non-current.

b) Use of Estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the Management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as on the date of financial statements. The judgments, estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The actual results may vary from these estimates.

c) (i) Tangible assets

- Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct expenses such as inward freight, duties, taxes and expenses incidental to acquisition and installation net of cenvat credit where applicable.
- Fixed assets retired from active use and held for sale are stated at lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

(ii) Intangible assets

Intangible assets are recorded at the consideration paid for acquisition, except accounting relating to the Bombay Stock Exchange membership card which is based on fair value.

Subsequent expenditure which substantially enhances the previously assessed standard of performance of the assets is added to the carrying value of the assets.

d) Depreciation / 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. The Company has used the following rates to provide depreciation on its fixed assets.

Block of Asset	Useful life estimated by the management(In years)
Computers	3
Servers*	3
Office equipment	5
Furniture and fixtures*	5
Vehicles*	5
Membership card of stock exchanges	10
Computer software	3

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



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016
(All amounts are in Indian rupees unless otherwise stated)

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

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

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

e) Impairment of Tangible and Intangible Assets

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

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed either its recoverable amount or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

f) Investments

Investments, 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 long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition cost is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Long-term Investments are stated at cost other than the investment in the shares of Bombay Stock Exchange Limited, which is accounted at fair value based on the Expert Advisory Committee opinion on 'Accounting for conversion of membership rights of erstwhile BSE (AOP) into trading rights of BSEL and shares'. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Current Investments are valued at the lower of cost and market price.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, the revenue can be reliably measured and there is reasonable certainty of ultimate collection.

Income from services

Brokerage Income on stock broking and other charges are recognised on the trade date of transaction upon confirmation of the transaction by the exchanges.

Income from depository services, finance charges on client dues are recognised on the basis of agreements entered into with the clients and when the right to receive the income is established.

Interest

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

Dividend

Dividend income is accounted in the year in which the right to receive the dividend is established by the reporting date.



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016
(All amounts are in Indian rupees unless otherwise stated)

h) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

i) Foreign Currency Translation

(i) Initial recognition

Foreign currency transactions are accounted at the exchange rate ruling on the dates of the transactions. At the year end, all monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates.

(ii) Conversion

Foreign currency monetary items are reported using the closing exchange rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction, and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising out of actual payments / realisations and from year end retranslation referred to above are recognised as income or as expenses in the period in which they arise.

j) Retirement and Other Employee Benefits

a) Defined Contribution Plans

Provident Fund: Contributions to the Regional Provident Fund Commissioner to secure retirement benefits in respect of Employees' Provident Fund and Employees' Family Pension Fund, based on the statutory provisions as per the Employee Provident Fund Scheme, are charged to revenue.

Superannuation Fund: The Company contributes a sum equivalent to 15% of eligible employees salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The Company has no liability for future Superannuation Fund benefits other than its annual contribution and recognises such contribution as an expense in the year incurred.

b) Defined Benefit Plan & Compensated Absences

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

The Company makes annual contribution to a Gratuity Fund administered by trustees and managed by LIC. The Company accounts its liability for future gratuity benefits based on an actuarial valuation using the Projected Unit Credit method at the year-end.

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

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

Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016
(All amounts are in Indian rupees unless otherwise stated)

k) Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred income taxes reflect the impact of timing differences between the taxable income and the accounting income originating 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 at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of all deferred tax assets to the extent that it is no longer reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available.

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

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

l) Earnings per Share

The earnings considered in ascertaining the Company's Earnings per Share (EPS) comprise the Net Profit after Tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.

m) Provisions

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation 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 estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit and Loss, net of any reimbursement.



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016
(All amounts are in Indian rupees unless otherwise stated)

n) Contingencies

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

o) Cash and cash equivalents

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

p) Trade Receivables / Payables

Trade receivables and trade payables include pass through amounts representing dues from / to clients and stock exchange towards transactions not fully settled as at the reporting date.

q) Service Tax Input Credit

Service Tax Input Credit is accounted for in the books in the period when the underlying service received is accounted and when there is no uncertainty in availing/utilising the service tax input credit.



CHOLAMANDALAM SECURITIES 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 No	As at March 31, 2016	As at March 31, 2015
3. Share Capital		
Authorised		
35,000,000 (March 31, 2015 - 35,000,000) Equity Shares of Rs.10/- each	350,000,000	350,000,000
Issued, subscribed and fully paid-up shares		
22,500,014 (March 31,2015 - 22,500,014) Equity Shares of Rs.10/- each	225,000,140	225,000,140
Subscribed and Paid up		
22,500,014 (March 31,2015 - 22,500,014) Equity Shares of Rs.10/- each fully paid up	225,000,140	225,000,140

A. Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period

Balance at the beginning of the year		
- No. of shares	22,500,014	20,500,014
- Amount (in rupees)	225,000,140	205,000,140
Equity Shares issued during the period		
- No. of shares	-	2,000,000
- Amount (in rupees)	-	20,000,000
Balance at the end of the year		
- No. of shares	22,500,014	22,500,014
- Amount (in rupees)	225,000,140	225,000,140

B. Rights, preferences and restrictions attached to 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. 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 Shares

22,500,014 Equity shares (March 31,2015- 22,500,014) held by M/s Cholamandalam Investment & Finance Company Limited and its nominees	225,000,140	225,000,140
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D. Shares held by shareholders holding more than 5% of the aggregate shares in the Company

Equity Shares

22,500,014 Equity shares (March 31,2015 - 22,500,014) held by M/s Cholamandalam Investment & Finance Company Ltd, the holding company and its nominees	225,000,140	225,000,140
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Percentage of holding	100%	100%
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CHOLAMANDALAM SECURITIES 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 No	As at March 31, 2016	As at March 31, 2015
4. Reserves and Surplus		
General Reserve		
Balance at the beginning of the year	800,000	800,000
Balance at the end of the year	<u>800,000</u>	<u>800,000</u>
Surplus/(deficit) in the Statement of Profit and Loss		
Balance at the beginning of the year	(72,140,982)	(104,494,457)
Profit for the year	15,539,143	32,353,475
Balance at the end of the year	<u>(56,601,839)</u>	<u>(72,140,982)</u>
Total Reserves and Surplus	<u>(55,801,839)</u>	<u>(71,340,982)</u>
5. Trade Payables		
Dues to clients and stock exchanges	106,582,820	144,087,844
Salaries, wages and other employee's benefits payable	5,320,140	7,307,652
Sundry creditors (Refer Note 32)	7,590,014	5,686,697
	<u>119,492,974</u>	<u>157,082,193</u>
6. Other Current Liabilities		
Deposits from sub-brokers & others	10,686,545	7,274,045
Advances received from customers	565,222	812,802
Income received in advance	3,115	12,845
Statutory dues/Remittances	4,374,797	2,349,786
	<u>15,629,679</u>	<u>10,449,478</u>
7. Short-term Provisions		
Provision for Employee Benefits:		
Provision for compensated absences	3,060,655	2,965,262
Provision for gratuity (Refer Note 19)	536,758	169,469
	<u>3,597,413</u>	<u>3,134,731</u>



Cholamandalam Securities Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

8. Tangible Assets

Particulars	Plant and Machinery - computer hardware	Office equipment	Furniture and fixtures	Air conditioners	Vehicles	Total
Cost or Valuation						
At April 1, 2014	19,082,238	1,195,380	2,896,211	320,919	686,500	24,181,248
Additions during the year	720,948	143,238	84,203	-	-	948,389
Disposal / Written off	442,500	25,296	112,045	-	-	579,841
As at March 31, 2015	19,360,686	1,313,322	2,868,369	320,919	686,500	24,549,796
Additions during the year	3,583,620	188,579	-	-	1,693,583	5,465,782
Disposal / Written off	6,281,806	20,355	120,305	-	686,500	7,108,966
As at March 31, 2016	16,662,500	1,481,546	2,748,064	320,919	1,693,583	22,906,611
Depreciation						
At April 1, 2014	18,549,818	580,273	796,299	78,354	388,640	20,393,384
Charge for the year#	411,876	581,975	964,408	216,608	137,300	2,312,167
Disposal / Written off	442,500	25,296	112,045	-	-	579,841
As at March 31, 2015	18,519,194	1,136,952	1,648,662	294,962	525,940	22,125,710
Charge for the year	975,378	84,664	623,953	7,492	256,458	1,947,945
Disposal / Written off	6,281,806	16,524	120,305	-	574,027	6,992,662
As at March 31, 2016	13,212,766	1,205,092	2,152,310	302,454	208,371	17,080,993
Net Block						
As at March 31, 2015	841,492	176,370	1,219,707	25,957	160,560	2,424,086
As at March 31, 2016	3,449,734	276,454	595,754	18,465	1,485,212	5,825,619

9. Intangible Assets

Computer software	Madras Stock Exchange (MSE) Membership Card	Bombay Stock Exchange (BSE) Membership Card*	Total
42,339,897	10,500,000	6,575,000	59,414,897
-	-	-	-
-	-	-	-
42,339,897	10,500,000	6,575,000	59,414,897
2,278,277	-	-	2,278,277
-	10,500,000	-	10,500,000
44,618,174	-	6,575,000	51,193,174
39,737,043	10,500,000	5,698,333	55,935,376
2,247,977	-	657,500	2,905,477
-	-	-	-
41,985,020	10,500,000	6,355,833	58,840,853
318,614	-	219,167	537,781
-	10,500,000	-	10,500,000
42,303,634	-	6,575,000	48,878,634
354,877	-	219,167	574,044
2,314,540	-	-	2,314,540

* Initially acquired in August 2000 and Fair Valued as at July 31, 2005. Also refer note no.10



CHOLAMANDALAM SECURITIES 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 No	As at March 31, 2016	As at March 31, 2015
10. Non-current Investments		
Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments (Unquoted)		
130,000 (March 31, 2015 - 130,000) equity shares of Rs. 1 each fully paid up in Bombay Stock Exchange Limited (Represents fair value as at July 31, 2005). Also refer note a and b below	13,803,854	13,803,854
	15,000	15,000
285,000 (March 31, 2015 - 285,000) equity shares of Re.1 each fully paid up in Madras Stock Exchange Limited.		
	<u>13,818,854</u>	<u>13,818,854</u>
Aggregate value of unquoted investments	13,818,854	13,818,854
Aggregate provision for diminution in value of investments	-	-
<u>BSE Shares @ Fair Value</u>		
The BSE (Corporatisation and Demutualisation) Scheme 2005 converted BSE from an Association of Persons (AOP) to a corporate body "Bombay Stock Exchange Limited"(BSEL) to segregate ownership and management from trading rights of members. In line with this scheme:-		
a) BSE allotted 10,000 fully paid up equity shares of face value of Rs. 1/- each for a consideration of Rs.10,000/- to all members (membership card holders) appearing in their Register as on July 31, 2005 (record date) and concurrently Members as on the record date were vested with trading rights in the stock exchange in lieu of the membership card earlier held by them.		
The Company recorded the investments at historical cost of Rs 10,000/- and continued amortisation of the membership card.		
b) In the year ended March 31,2010, the Company decided to record the equity shares of BSEL at their fair value as at July 31, 2005.		
11. Long-term Loans and Advances (Unsecured, Considered good)		
Deposits with stock exchanges	13,770,000	13,910,000
Deposits with others	80,500	83,000
Advance Income-tax (net of provision for taxation)	10,261,652	9,174,070
MAT Credit entitlement	1,070,386	1,070,386
Capital/Other Advances	1,177,353	-
Prepaid expenses	388,411	90,915
	<u>26,748,302</u>	<u>24,328,371</u>
12. Other Non-Current Assets		
Long-term Trade Receivables		
Secured - Considered good	81,092	70,996
Unsecured - Considered doubtful	9,452,619	16,675,174
Debts outstanding for a period exceeding six months	9,533,711	16,746,170
Less:Provision for doubtful trade receivables	9,452,619	16,675,174
	<u>81,092</u>	<u>70,996</u>



CHOLAMANDALAM SECURITIES 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 No	As at March 31, 2016	As at March 31, 2015
13. Trade Receivables		
Secured - Considered good		
Outstanding for a period exceeding six months from the date they are due for payment	2,381,318	2,113,014
Others	107,214,032	111,378,336
	109,595,350	113,491,350
Unsecured - Considered doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	3,550,181	3,365,312
Others	28,398	55,257
	3,578,579	3,420,569
Less:Provision for doubtful debts	3,578,579	3,420,569
	-	-
	109,595,350	113,491,350
14. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	30,000	30,000
Bank Balances		
on current accounts	252,991	1,103,499
	282,991	1,133,499
Other Bank Balances		
On client and exchange related accounts	28,116,539	41,070,270
Deposits with original maturity for more than 3 months but less than 12 months*	71,250,000	68,750,000
	99,649,530	110,953,769
* Includes margin money deposit of Rs.71,250,000/- (March 31, 2015 - Rs 68,750,000/-) held as lien for Bank guarantees issued to stock exchanges for margin.		
15. Short-term Loans and Advances		
Unsecured considered good		
Advances with Exchanges and Stock Holding Corporation of India Limited	45,713,747	55,380,554
Prepaid expenses	2,807,241	2,410,585
Balance with government authorities	204,953	306,973
Staff advances	549,996	-
Other advances	215,389	175,042
	49,491,326	58,273,154
16. Other Current Assets		
Interest accrued on bank deposits	393,754	390,936



CHOLAMANDALAM SECURITIES 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 No	Year Ended March 31, 2016	Year Ended March 31, 2015
17. Revenue from Operations		
Brokerage on stock broking	86,726,389	108,065,851
Depository services	5,581,010	8,330,795
Other operating revenues		
- Interest on client overdues	11,948,374	12,322,888
- Commission - Mutual Funds/Bonds	4,474,569	3,066,903
- Provision no longer required written back	7,100,000	-
- Processing Fees/Other operating service Income	4,136,253	6,277,551
	119,966,595	138,063,988
18. Other Income		
Interest income from:		
- Bank deposits	5,907,930	5,372,365
Profit on sale of current investments	39,530	411,022
Dividend income		
- From Long term investments	1,105,000	520,000
- From current investments	1,136	1,408
Liabilities written back to the extent no longer required	288,826	57,511
Profit on sale of assets (net)	32,033	7,400
Miscellaneous income	909,635	1,286,992
	8,284,090	7,656,698
19. Employee Benefits Expense		
Salaries (net of recovery of Rs. 1,057,239/- (March 31, 2015 - Rs 549,674/-))	46,325,896	44,629,583
Contribution to provident and other funds	3,333,110	2,387,818
Staff welfare expenses	2,829,413	2,239,156
	52,488,419	49,256,557
Defined Benefit & Contribution Plans		
Amount recognised in the Statement of Profit and Loss		
(i) Provident fund	1,169,135	856,869
(ii) Pension fund	666,390	601,467
(iii) Superannuation Fund	670,515	562,379
	2,506,040	2,020,715
(iv) Gratuity Expense (Refer table below)	827,070	367,103
	3,333,110	2,387,818

Provident Fund: Provident Fund for all eligible employees is remitted to the Regional Provident Fund Commissioner towards Employees' Provident Fund and Employees' Family Pension Fund, based on the statutory provisions as per the Employee Provident Fund Scheme and is charged to revenue. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon is payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. The Company has no liability other than the amount contributed by it to the Provident Fund.

Gratuity: The Company makes annual contribution to a Gratuity Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.



CHOLAMANDALAM SECURITIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016***(All amounts are in Indian rupees unless otherwise stated)***(i) Changes in present value of defined benefit obligation**

	As at March 31, 2016	As at March 31, 2015
Balance at the beginning of the year	3,200,454	2,597,242
Current service cost	624,205	482,498
Interest cost	123,412	103,890
Contribution by Plan Participants		
Actuarial Losses / (Gains)	331,111	16,824
Benefits Paid	(230,302)	-
Balance at the end of the year	<u>4,048,880</u>	<u>3,200,454</u>

(ii) Changes in fair value of plan asset

Balance at the beginning of the year	3,030,985	2,698,393
Expected return on plan assets	130,862	114,588
Actuarial (losses) / gains	120,796	121,520
Contributions by the Company	459,781	96,484
Benefits paid	(230,302)	-
Balance at the end of the year	<u>3,512,122</u>	<u>3,030,985</u>

(iii) Assets and Liabilities recognised in the Balance Sheet

Present value of defined benefit obligation	4,048,880	3,200,454
Less: Fair value of plan asset	3,512,122	3,030,985

Amount recognised in the Balance Sheet under Note 7

Short-term provisions	<u>(536,758)</u>	<u>(169,469)</u>
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(iv) Expense recognised in the Statement of Profit and Loss

Current service cost	624,205	482,498
Interest cost	123,412	103,890
Expected return on plan assets	(130,862)	(114,588)
Actuarial Losses / (Gains)	210,315	(104,697)
Total Expense	<u>827,070</u>	<u>367,103</u>

(included in Contribution to provident and other funds in Note 19)**(v) Experience Adjustments**

Experience Adjustment on Plan Liabilities (Gain) / Loss	331,111	16,824
Experience Adjustment on Plan Assets Gain / (Loss)	120,796	121,520

(vi) Actuarial Assumptions

Discount rate	8%	8%
Expected return on plan assets	8%	8%
Salary growth rate	5%	5%
Attrition rate	1% to 3%	1% to 3%

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation



CHOLAMANDALAM SECURITIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016***(All amounts are in Indian rupees unless otherwise stated)***(vii) Amounts recognised in current year and previous four years**

	March 31, 2016	March 31, 2015
Gratuity		
Defined benefit obligation	4,048,880	3,200,454
Plan asset	3,512,122	3,030,985
Surplus/(Deficit)	(536,758)	(169,469)
	March 31, 2014	March 31, 2013
Gratuity		
Defined benefit obligation	2,597,242	2,085,975
Plan asset	2,698,393	2,332,247
Surplus/(Deficit)	101,151	246,272
	March 31, 2012	
Gratuity		
Defined benefit obligation	2,083,342	
Plan asset	2,236,398	
Surplus/(Deficit)	153,056	

(viii) Expected Contribution to the Funds in the next year

Estimated amount of contribution to the fund during the Year Ended March 31, 2017, as estimated by management is Rs. 600,000/- (Previous year Rs. 200,000)

Notes

(a) The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

(b) Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation

(c) 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

20. Employee Stock Option Plan

Under the Employee Stock Option Scheme - 2007 of the Holding Company, M/s Cholamandalam Investment & Finance Company Limited, 21,749 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.



CHOLAMANDALAM SECURITIES 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 No	Year Ended March 31, 2016	Year ended March 31, 2015
21. Other Expenses		
Rent	5,553,738	4,583,237
Rates and taxes (net of recovery of Rs. 5,935,153/- Mar 31, 2015 - Rs 5,905,026/-)	1,936,044	1,065,673
Business development expenses	1,493,435	1,743,859
Sub-brokerage	12,644,229	16,431,943
Communication expenses	3,229,024	2,943,488
Travelling and conveyance	3,031,577	2,208,237
Printing and stationery	989,366	933,454
Electricity charges	1,298,474	1,550,259
Insurance	1,611,869	1,639,970
Repairs and maintenance	1,612,364	1,420,555
Subscription	855,912	708,696
Information technology expenses	4,432,882	5,753,399
Provision for bad and doubtful debts	260,372	98,476
Less : Bad debts written off	(112,459)	-
	<u>147,913</u>	<u>98,476</u>
Outsourcing expenses	11,057,929	8,979,633
Professional charges	2,482,766	2,348,044
Auditors' remuneration		
As auditor		
- Audit fee	360,000	300,000
- Tax audit fee	60,000	50,000
- other services	260,000	180,000
- reimbursement of expenses	25,000	20,000
Loss on sale of shares	54,852	488,089
Miscellaneous expenses	192,687	221,004
	<u>53,330,061</u>	<u>53,668,016</u>
22. Finance Costs		
Interest on loan from holding company	1,319,027	2,269,312
Other finance charges	1,258,349	1,085,173
	<u>2,577,376</u>	<u>3,354,485</u>
23. Depreciation and amortisation Expense		
Depreciation of tangible assets	1,947,945	2,312,166
Amortisation of intangible assets	537,781	2,905,477
	<u>2,485,726</u>	<u>5,217,643</u>
24. Segment Reporting		

The Company's operations predominantly relate only to Stock Broking, Depository Participant services and Portfolio Management Services and accordingly this is the only reportable segment.

Further, the operations of the Company are limited within one geographical segment (India) and accordingly reporting under geographical segments does not arise.



CHOLAMANDALAM SECURITIES 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 No	Year Ended March 31, 2016	Year Ended March 31, 2015
25. Related Party Disclosures		
Related parties under AS 18 with whom transactions have taken place during the year		
A. Names of related parties and nature of relationship		
(i) Where control exists		
Ultimate Holding Company	Tube Investments of India Limited (till September 1, 2015)	
Holding Company	Cholamandalam Investment and Finance Company Limited	
(ii) Other related parties with whom transactions have taken place during the year		
Fellow Subsidiary	(i) Cholamandalam Distribution Services Limited (ii) White Data Systems India Private Limited (from March 16, 2016)	
Holding Company's Fellow Subsidiaries	Cholamandalam MS General Insurance Company Limited (till September 1, 2015)	
Joint Venture of Ultimate Holding Company	Chola MS Risk Services Limited (till September 1, 2015)	
Key Managerial Personnel	(i) Mariam Mathew, Manager	
Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year		
Key Managerial Personnel	(i) Kavitha A, Chief Financial Officer (ii) Shakil Ahmed Choudhury, Company Secretary (till October 21, 2015) (iii) Balaji H, Company Secretary (from October 22, 2015)	
B. Details of related party transactions and balances		
Issue of Shares		
Cholamandalam Investment and Finance Company Limited	-	20,000,000
Loans taken		
Cholamandalam Investment and Finance Company Limited	1,020,000,000	1,545,000,000
Loans Repaid		
Cholamandalam Investment and Finance Company Limited	1,020,000,000	1,625,000,000
Purchase of Fixed Assets		
Cholamandalam Investment and Finance Company Limited	333,054	195,000
Finance Costs		
Cholamandalam Investment and Finance Company Limited	1,319,027	2,269,312
Rent Expense		
Cholamandalam Investment and Finance Company Limited	5,360,310	4,393,041
Insurance Premium Paid		
Cholamandalam MS General Insurance Company Limited (till September 1, 2015)	41,160	545,869



CHOLAMANDALAM SECURITIES 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 No	Year Ended March 31, 2016	Year Ended March 31, 2015
Claims Received		
Cholamandalam MS General Insurance Company Limited (till September 1, 2015)	-	90,273
Income from Services Rendered		
Cholamandalam Investment and Finance Company Limited	3,993,011	5,385,003
Cholamandalam MS General Insurance Company Limited (till September 1, 2015)	901,844	670,429
Cholamandalam Distribution Services Limited	-	1,000
Mariam Mathew	652	1,244
Other income		
Cholamandalam Distribution Services Limited	643,386	1,286,772
Reimbursement of Administrative Expenses-Payments		
Cholamandalam Investment and Finance Company Limited	3,974,020	3,489,446
Cholamandalam Distribution Services Limited	3,452	48,999
Reimbursement of Administrative Expenses-Receipts		
Cholamandalam Investment and Finance Company Limited	1,313,447	754,974
Cholamandalam Distribution Services Limited	957,416	1,051,941
Remuneration Paid		
Key Managerial Personnel		
Mariam Mathew	4,898,404	4,532,648
Kavitha A	2,789,754	2,564,814
Shakil Ahmed Choudhury (till October 21, 2015)	271,824	422,170
Balaji H (from October 22, 2015)	661,000	-
Trade (Payable)/Receivable		
Tube Investments of India Limited	-	71
Cholamandalam Investment and Finance Company Limited	(378,577)	37,305
Cholamandalam Distribution Services Limited	11,927	378
Cholamandalam MS General Insurance Company Limited (till September 1, 2015)	-	1,818

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

26. Deferred Tax Asset

The Company has not recognized deferred tax assets arising on account of carried forward tax losses and unabsorbed depreciation in the absence of virtual certainty.



CHOLAMANDALAM SECURITIES 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 No	Year Ended March 31, 2016	Year Ended March 31, 2015
27. Contingent liabilities and commitments		
(i) Claims against the Company not acknowledged as debts		
Income tax matters		
appeal pertaining to disallowances on depreciation on certain assets and others.	6,371,210	6,371,210
Service tax matters		
appeal pertaining to service tax payable on turnover charges and ineligible Service tax Input credit.	6,845,779	6,845,779
Disputed claims against the company lodged by various customers	2,000,000	2,000,000
Order in respect of alleged violations of the provisions of SEBI Act	700,000	-
(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:		
Information Technology related	99,968	-
28. Other Financial Information		
Outstanding bank guarantees given to stock exchanges/stock holding corporation of India limited to meet margin requirements	142,500,000	137,500,000
29. Expenditure in Foreign Currency (on accrual basis)		
Business Development Expenses	-	106,284
Subscription	58,295	64,826



CHOLAMANDALAM SECURITIES 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 No	Year Ended March 31, 2016	Year Ended March 31, 2015
30. Earnings in Foreign Currency (on accrual basis)		
Referral Fees	-	50,024
31. Value of imports Calculated on CIF Basis		
Software Purchase	104,752	-

32. Dues to 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 as 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. Previous year Comparatives

Previous year figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

As per our report of even date

For and on behalf of the Board of Directors

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W


per Subramanian Suresh
Partner
Membership No: 083673



Place: Chennai
Date: April 28, 2016



Nalin Mansukhlal Shah
Chairman



Kavitha A
Chief Financial Officer

Chennai
Date: April 28, 2016



Rohit Phadke
Director



Balaji H
Company Secretary

