

# **CHOLAMANDALAM HOME FINANCE LIMITED**

*(Formerly Cholamandalam Distribution Services Limited)*

**ANNUAL REPORT  
2017 – 18**

**Cholamandalam Home Finance Limited**  
*(Formerly Cholamandalam Distribution Services Limited)*

**Board of Directors**

Sasikala Varadachari (DIN: 07132398)

Arun Alagappan (DIN: 00291361)

Ashok Kumar Barat (DIN: 00492930)

Sridharan Rangarajan (DIN: 01814413)

**Auditors**

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

**Company Secretary**

P Sujatha

**Corporate Identity Number**

U65100TN2000PLC045617

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

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**Cholamandalam Home Finance Limited**  
**(Formerly Cholamandalam Distribution Services Limited)**  
**Registered Office: "Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai 600 001.**  
**Phone No.: 044 3000 7172; Fax No.: 044 2534 6446**  
**Website: www.cholawealthdirect.com**  
**CIN - U65100TN2000PLC045617**

### **NOTICE TO MEMBERS**

**NOTICE** is hereby given that the eighteenth annual general meeting of the members of Cholamandalam Home Finance Limited (formerly Cholamandalam Distribution Services Limited) will be held at 5 p.m. on Wednesday, the 25 July, 2018 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 businesses:

#### **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, 2018 and the balance sheet as at that date together with the independent auditors' report thereon be and are hereby considered, approved and adopted.

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

**RESOLVED THAT** Mr. Arun Alagappan (holding DIN: 00291361) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the company, liable to retire by rotation.

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

**RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s. RGN Price & Co., Chartered Accountants, Chennai bearing registration no.002785S as the statutory auditors of the company from the conclusion of the eighteenth annual general meeting till the conclusion of the nineteenth annual general meeting at a remuneration of Rs.4.45 lakhs per annum including the actual travelling and out of pocket expenses incurred in connection with the audit in addition to the taxes as applicable be and is hereby ratified.

#### **SPECIAL BUSINESS:**

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

**RESOLVED THAT** pursuant to the provisions of section 149, 150, 152, 161, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") 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. Ashok Kumar Barat (holding DIN: 00492930), an additional director, holding office up to the date of this annual general meeting be and is hereby appointed as an independent director of the company not liable to retire by rotation, to hold office for a term of 5 consecutive years effective 8 June, 2018 up to 7 June, 2023.

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

**RESOLVED THAT** pursuant to the provisions of section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") 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. Sridharan Rangarajan (holding DIN: 01814413), an additional director, holding office up to the date of this annual general meeting be and is hereby appointed as director of the company liable to retire by rotation.

**By Order of the Board**

Place: Chennai  
Date : 8 June, 2018

**P Sujatha**  
**Company Secretary**

**NOTES:**

1. A member entitled to attend and vote at the annual general meeting (AGM) may appoint one or more proxies to attend and vote instead of him. The proxy need not be a member of the company. Proxy to be valid shall be deposited at the registered office of the company at least forty eight hours before the time for holding the meeting. A person shall not act as a proxy for more than fifty members and holding in the aggregate not more than 10% (ten percent) of the total share capital of the company carrying voting rights. A person holding more than 10% (ten percent) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Members are requested to intimate immediately any change in their address to the registered office of the company.
3. The explanatory statement pursuant to section 102 of the Companies Act, 2013 ("the Act") in respect of businesses set out above in resolution nos.4 & 5 is annexed.

**By Order of the Board**

Place: Chennai  
Date : 8 June, 2018

**P Sujatha**  
**Company Secretary**

## ANNEXURE TO THE NOTICE

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

#### **Item No.4 - Appointment of Mr. Ashok Kumar Barat as an independent director:**

Pursuant to the provisions of section 161 of the Act, Mr. Ashok Kumar Barat was appointed as an additional director of the company on 8<sup>th</sup> June, 2018 and holds office up to the date of this AGM. Details of his qualification, experience, expertise and the information pursuant to Secretarial Standards on General Meetings are disclosed below. The company has received a notice in writing from a member under the provisions of section 160 of the Act proposing the candidature of Mr. Barat as a director. Mr. Barat has given a declaration to the board that he meets the criteria of independence as provided under section 149 of the Act. In the opinion of the board, Mr. Barat fulfills the conditions specified in the Act and rules made there under for appointment as an independent director (ID). Pursuant to the provisions of section 149 of the Act, an ID shall hold office for a term up to five consecutive years on the board of a company and shall not be liable to retire by rotation. Accordingly, the board recommends the appointment of Mr. Barat as an ID for a term of five years. In compliance with the provisions of section 149 read with schedule IV of the Act, the appointment of Mr. Barat is being placed before the members for their approval.

Mr. Barat is a member of Audit and Nomination & Remuneration Committee

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

#### **Item No.5 - Appointment of Mr. Sridharan Rangarajan as a director liable to retire by rotation:**

Pursuant to the provisions of section 161 of the Act, Mr. Sridharan Rangarajan was appointed as an additional director of the company on 8<sup>th</sup> June, 2018 and holds office up to the date of this AGM. Details of his qualification, experience, expertise and the information pursuant to Secretarial Standards on General Meetings are disclosed below. The company has received a notice in writing from a member under the provisions of section 160 of the Act proposing the candidature of Mr. Sridharan as a director. Accordingly, the board recommends the appointment of Mr. Sridharan as a director liable to retire by rotation. In compliance with the provisions of section 152 of the Act, the appointment of Mr. Sridharan is being placed before the members for their approval.

Mr. Sridharan is a member of Audit Committee, Corporate social Responsibility Committee, Risk Management Committee and Asset Liability Management Committee.

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

**DISCLOSURE PURSUANT TO SECRETARIAL STANDARDS ON GENERAL MEETINGS**

<b>Name of the Director</b>	<b>Mr. Sridharan Rangarajan</b>	<b>Mr. Ashok Kumar Barat</b>
<b>DIN</b>	01814413	00492930
<b>Date of Birth</b>	16 March, 1966	5 December, 1956
<b>Date of Appointment (Initial appointment)</b>	8 June, 2018 – appointed as an additional director of the company	8 June, 2018 - Appointed as an additional director of the company.
<b>Qualification</b>	Graduate in Commerce, Associate member of the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India.	Graduate in Commerce, Fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India.
<b>Expertise in specific functional areas</b>	President and Group CFO – Murugappa Group.  Has over 28 years of experience in Finance in manufacturing, service & distribution, banking and contracting industries.	Has varied experience in the fields of Finance, M&A, Strategy and Governance. He has worked in different roles, operational and staff, as a CFO, Managing Director and CEO and Country Manager.
<b>Number of meetings of the board attended during the year</b>	NA	NA
<b>Directorships in other companies (including foreign companies)</b>	<ol style="list-style-type: none"> <li>1. Net Access India Limited</li> <li>2. Ciria India Limited (Ciria)</li> <li>3. Southern Energy Development Corporation Limited (SEDCL)</li> <li>4. Murugappa Morgan Thermal Ceramics Limited (MMTCL)</li> <li>5. Thukela Refractories Isithebe Pty Limited</li> <li>6. Volzhsky Abrasive Works, Russia</li> </ol>	<ol style="list-style-type: none"> <li>1. Cholamandalam Investment and Finance Company Limited (CIFCL)</li> <li>2. Mahindra Intertrade Limited (Mahindra)</li> <li>3. DCB Bank Limited (DCB)</li> <li>4. Wacker Metroak Chemicals Private Limited</li> <li>5. The Council of EU Chambers of</li> </ol>

<b>Name of the Director</b>	<b>Mr. Sridharan Rangarajan</b>	<b>Mr. Ashok Kumar Barat</b>
	7. CUMI America Inc. USA. 8. CUMI Europe s.r.o 9. Foskor Zirconia (Pty) Ltd	Commerce in India 6. Pro Green Holdings Limited (Foreign Company, UAE)
<b>Memberships in board committees of other companies (includes membership details of all committees)</b>	<b>Chairman</b> Corporate Social Responsibility Committee - Ciria  <b>Member</b> Corporate Social Responsibility Committee – MMTCL & SEDCL	<b>Chairman</b> 1. Audit Committee - DCB 2. Fraud Reporting & Monitoring Committee - DCB <b>Member</b> 1. Audit Committee – Mahindra 2. Nomination & Remuneration Committee – CIFCL 3. Risk Management Committee - DCB 4. Capital Raising Committee - DCB 5. Willful Defaulters Review Committee - DCB 6. IT Strategy Committee - CIFCL
<b>No. of shares held in the company</b>	Nil	Nil
<b>Inter-se relationship with any other directors or KMP of the company</b>	Nil	Nil
<b>Details of remuneration sought to be paid</b>	No remuneration is sought to be paid	No other remuneration is sought to be paid except the sitting fee for attending the meetings.
<b>Details of remuneration last drawn</b>	Not applicable	Not applicable



## Route Map to the venue of the AGM

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



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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 18<sup>th</sup> AGM held at No.2, N.S.C. Bose Road, Parrys, Chennai 600 001.

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

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

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

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**PROXY FORM**

Name of the member:

Registered Address:

E-mail ID:

Folio No.:

I/We being the Member(s) of .....shares 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 eighteenth Annual General Meeting of the Company, to held at 5.00 p.m. on Wednesday,

25 July, 2018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (Optional) <sup>#</sup>		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Financial Statements and Board's Report for the year ended 31 March 2018			
2.	Re- appointment of Mr. Arun Alagappan as a Director			
3.	Ratification of appointment M/s. RGN Price & Co., Chartered Accountants, Chartered Accountants as auditors and fixing their remuneration			
4.	Appointment of Mr. Ashok Kumar Barat as a director of the Company			
5.	Appointment of Mr. Sridharan Rangarajan as a director of the			

Signed this ..... day of ....., 2018.

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

**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.

Affix  
Revenue  
Stamp Re.1

**BOARD'S REPORT**

Your directors have pleasure in presenting the eighteenth annual report together with the audited accounts of the company for the year ended 31 March 2018.

**FINANCIAL RESULTS**

	<i>(Rs. in lakhs)</i>	
	<b>2017-18</b>	<b>2016-17</b>
Gross Income	1151	1340
Profit before tax	678	835
Profit after tax	505	610

**DIVIDEND**

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

**OPERATIONS**

During the year, your company activated BSE STAR MF Platform. BSE STAR MF platform is an end to end digital technology platform and one of the most acceptable platforms among all the participants in the Mutual Fund ecosystem. This technology is simple and customer friendly and saves turnaround time on documentation process. Your company as a part of business strategy consolidated its wealth management business with its fellow subsidiary, Cholamandalam Securities Limited (CSEC). This is expected to result in better focus for the business as well better customer engagement and service as the wealth management team will service all the customers from a single umbrella CSEC. Your company leveraged the group customer base and facilitated Chola SIP Project resulting in 50% of company's SIP book size from group employees.

**OUTLOOK**

With the Central Government focus on "Housing for All", significant opportunity for lending exists in the affordable and mid segment housing. Your Board, considering the opportunity in the home loan segment has approved converting the company into a home loans company, subject to regulatory and other approvals. Accordingly, your Company obtained shareholders approval on 28 March 2018 for change in name of the company to Cholamandalam Home Finance Limited and to amend the Memorandum and Articles of Association of the Company interalia to enable home loan business. Pursuant to this, your company had made an application with Ministry of Corporate Affairs (MCA) for obtaining the approval of Central Government for change in name. During the year, your Company will focus on obtaining Housing Finance Company license from National Housing Bank and will concentrate on setting up the home loans business.

**DIRECTORS**

Mr. Arun Alagappan (holding DIN 00291361) retires by rotation at the ensuing annual general meeting and being eligible, has offered himself for re-appointment.

During the year under review, the following changes took place in the constitution of Board:

Mr. Arun Alagappan was appointed as a non-executive director of the Company.

The term of office of Mr. Nalin Mansukhlal Shah, independent director expired at the conclusion of the 17<sup>th</sup> Annual General Meeting of the Company and accordingly ceased to be a director.

Mr. Vellayan Subbiah resigned from the directorship of the company on 18 August 2017.

The board places on record its deep appreciation for the contributions made by Mr. Shah and Mr. Vellayan as members of the board and its sub-committees during their tenure of office.

#### **DECLARATION FROM INDEPENDENT DIRECTOR**

Ms. Sasikala Varadachari, independent director has submitted the declaration of independence, as required pursuant to section 149(7) of the Act, stating that she meets the criteria of independence as provided in section 149(6). In the opinion of the board, Ms. Sasikala fulfills the conditions specified in the Act and the rules made there under for appointment as ID and confirm that she is independent of the management.

#### **KEY MANAGERIAL PERSONNEL**

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

1. Mr. B Govindarajan – Manager
2. Mr. D. Arul Selvan - Chief Financial Officer
3. Ms. P Sujatha - Company Secretary

#### **AUDITORS**

Pursuant to the provisions of section 139 of the Act, and the rules framed there under, M/s. RGN Price & Co., Chartered Accountants, were appointed as statutory auditors of the company in the fourteenth annual general meeting held on 30 July 2014 for a period of 5 years commencing from the closure of the fourteenth annual general meeting till the closure of the nineteenth annual general meeting subject to ratification by members at every AGM. Accordingly, your directors recommend the ratification of the appointment of M/s. RGN Price & Co. as statutory auditors of the company from the conclusion of the eighteenth annual general meeting till the conclusion of the nineteenth 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 to enable maximum attendance from director. During the year, the board met five times on 27 April 2017, 26 July 2017, 30 October 2017, 25 January 2018 and 28 March 2018.

## **AUDIT COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE**

Ministry of Corporate Affairs (MCA) vide its circular dated 13 July 2017 had amended the Companies (Meetings of Board and its Powers) Rules, 2014 and exempted an unlisted public company from constituting Audit Committee and Nomination & Remuneration Committee, if such company is a wholly owned subsidiary or joint venture or dormant company.

The Company being a wholly owned subsidiary of Cholamandalam Investment and Finance Company Limited is exempted from constituting Audit Committee and Nomination and Remuneration Committee. Accordingly, the Board at its meeting held on 30 October 2017 had dissolved the Audit Committee and Nomination & Remuneration Committee with immediate effect.

During the year, the audit committee met three times on 27 April 2017, 26 July 2017 and 30 October 2017 and nomination & remuneration committee met two times on 27 April 2017 and 26 July 2017.

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

As at 31 March 2018, the corporate social responsibility committee comprises Ms. Sasikala Varadachari, Mr. R Chandrasekar and Mr. Arun Alagappan. During the year, the committee met two times on 27 April 2017 and 25 January 2018.

## **REMUNERATION POLICY, CRITERIA FOR BOARD NOMINATION & SENIOR MANAGEMENT APPOINTMENTS**

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 of the board was carried out during the year under review.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

### **SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS**

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

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the company at large. There are no contracts or arrangements entered into with related parties during the year to be disclosed under sections 188(1) and 134(h) of the Act in form AOC-2

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

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

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

The company has no activity relating to consumption of energy or technology absorption. During the year, the company has not incurred any expenditure in foreign currency. The company does not have any foreign exchange earnings and no foreign currency remittance was made during the year.

### **DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Proper internal financial controls have been laid down to be followed by the company with reference to the financial statements and such internal financial controls are adequate and operating effectively.

### **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 reviewed and updated Business Continuity Plan during the year under review.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

#### **SEXUAL HARASSMENT POLICY**

The company has in place a prevention of sexual harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An internal complaints committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the calendar year 31 December 2017, there were no referrals received by ICC. The internal complaints committee members have been re-appointed for a period of 3 years effective 24 April 2017.

#### **PARTICULARS OF EMPLOYEES**

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

**COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETING**

The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

**ACKNOWLEDGEMENT**

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

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

On behalf of the board

Chennai  
20 April, 2018

**SASIKALA VARADACHARI**  
**CHAIRPERSON**



**DIRECTORS' RESPONSIBILITY STATEMENT**

*(Annexure to the Board's Report)*

The board of directors have instituted / put in place a framework of internal financial controls and compliance systems, which is reviewed by the management and 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 there from;
- (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, 2018 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, 2018.

On behalf of the board

Chennai  
20 April, 2018

**SASIKALA VARADACHARI**  
**CHAIRPERSON**

**ANNEXURE - FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN  
For the financial year ended on 31 March, 2018  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS**

Corporate Identification Number (CIN)	U67190TN2000PLC045617
Registration Date	23 August, 2000
Name of the Company	Cholamandalam Distribution Services Limited
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of the Registered office and contact details	"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai - 600 001 Phone: 044 3000 7370 (bd.) Fax: 044 30007373 website: www.cholawealthdirect.com
Listed company (Yes / No)	No
Name, address and contact details of Registrar and transfer agent, if any	-

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name and description of main products / services	NIC Code of the product/ Service*	% to total turnover of the company
1	Distribution of Financial Products	Section K – Group 661 Activities auxiliary to financial service activities	96.02

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

(i) Category-wise Share Holding -

S.N.	Category of Shareholders	No. of Shares held at the beginning of the year (01-APR-2017)				No. of Shares held at the end of the year (31-MAR-2018)				% 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)	<b>PROMOTERS AND PROMOTER GROUP</b>									
(1)	<b>INDIAN</b>									
(a)	Individuals / HUF*	-	5	5	0.00	-	5	5	0.00	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	42,399,993	42,399,993	99.99	-	42,399,993	42,399,993	99.99	-
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Other :	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(1):</b>	-	<b>42,399,998</b>	<b>42,399,998</b>	<b>99.99</b>	-	<b>42,399,998</b>	<b>42,399,998</b>	<b>99.99</b>	-
(2)	<b>FOREIGN</b>									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-

S.N.	Category of Shareholders	No. of Shares held at the beginning of the year (01-APR-2017)				No. of Shares held at the end of the year (31-MAR-2018)				% 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	
(e)	Any Other:	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(2):</b>	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group A = A(1)+A(2)</b>	-	42,399,998	42,399,998	99.99	-	42,399,998	42,399,998	99.99	-
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
(1)	<b>INSTITUTIONS</b>									
(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	-	-	-	-	-	-	-	-	-
	<b>Sub-Total B(1):</b>	-	-	-	-	-	-	-	-	-
(2)	<b>NON-INSTITUTIONS</b>									
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
	(i) Indian	-	-	-	-	-	-	-	-	-
	(ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals	-	-	-	-	-	-	-	-	-
	(i) Individual shareholders holding nominal share capital upto Rs.1 lakh *	-	2	2	0.00	-	2	2	0.00	-
	(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
(c)	Any Other:	-	-	-	-	-	-	-	-	-
	NON RESIDENT INDIANS	-	-	-	-	-	-	-	-	-
	TRUST	-	-	-	-	-	-	-	-	-
	CLEARING MEMBERS	-	-	-	-	-	-	-	-	-
	<b>Sub-Total B(2):</b>	-	2	2	0.00	-	2	2	0.00	-
	<b>Total Public shareholding=B(1)+B(2):</b>	-	2	2	0.00	-	2	2	0.00	-
	<b>Total (A+B):</b>	-	42,400,000	42,400,000	100.00	-	42,400,000	42,400,000	100.00	-
(C)	Shares held by custodians, for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (C):</b>	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A+B+C):</b>	-	42,400,000	42,400,000	100.00	-	42,400,000	42,400,000	100.00	-

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

(ii) Shareholding of Promoters -

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
	<b>PROMOTERS</b>							
1	Cholamandalam Investment and Finance Company Limited	42,399,993	99.99	-	42,399,993	99.99	-	-
2	M A Alagappan*	2	-	-	2	-	-	-
3	M M Venkatachalam*	1	-	-	1	-	-	-
4	A Vellayan*	1	-	-	1	-	-	-
5	M M Murugappan*	1	-	-	1	-	-	-
	<b>Total</b>	<b>42,399,998</b>	<b>99.99</b>	<b>-</b>	<b>42,399,998</b>	<b>99.99</b>	<b>-</b>	<b>-</b>

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

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year – Promoter & Promoter Group	42,399,998	99.99	42,399,998	99.99
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	42,399,998	99.99	42,399,998	99.99

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

S.No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	N Srinivasan*	1	-	-	-	-	1	-
2.	D Arulselvan*	1	-	-	-	-	1	-

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

(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
<b>Directors:</b>								
1.	Ms. Sasikala Varadachari	At the beginning – 01.04.2017 & end of the year – 31.03.2018 (No change in the shareholding position during the year)	-	-	-	-	-	-
2.	Mr. R Chandrasekar		-	-	-	-	-	-
3.	Mr. Arun Alagappan		-	-	-	-	-	-
4.	Mr. Nalin Mansukhlal Shah*		-	-	-	-	-	-
5.	Mr. Vellayan Subbiah**		-	-	-	-	-	-
<b>KMP:</b>								
6.	Mr. B Govindarajan	At the beginning – 01.04.2017 & end of the year – 31.03.2018 (No change in the shareholding position during the year)	-	-	-	-	-	-
7.	Mr. D Arul Selvan		1	0.00	1	0.00	-	-
8.	Ms. P Sujatha		-	-	-	-	-	-

\* The term of office of Mr. Nalin Mansukhlal Shah, independent director of the Company expired on the conclusion of the 17<sup>th</sup> AGM (i.e. 26-July-17)

\*\* Resigned as director w.e.f 18-August-17.

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

There was no indebtedness of the company during the year ended 31 March, 2018.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Manager:**

Sl. no.	Particulars of Remuneration	B. Govindarajan – Manager – for the period 01/04/2017 to 31/03/2018
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,35,205
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	132,000
	(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	640,688
	<b>Total (A)</b>	<b>2,907,893</b>
	Ceiling as per the Act	<b>3,297,599</b>

**B. Remuneration to Directors:**

SN	Particulars of Remuneration	Name of Directors		Total Amount (in Rs.)
<b>1. Independent Directors</b>				
	• Fee for attending board /committee meetings	Nalin Mansukhlal Shah <sup>§</sup>	Sasikala Varadachari	70,000.00
	• Commission	-	-	-
	• Others, please specify	-	-	-
	<b>Total (1)</b>	-	-	<b>70,000.00</b>
<b>2. Other Non-Executive Directors</b>				
	• Fee for attending board committee meetings	R Chandrasekar	Arun Alagappan	-

SN	Particulars of Remuneration	Name of Directors		Total Amount (in Rs.)
	• Commission	-	-	-
	• Others, please specify	-	-	-
	<b>Total (2)</b>	-	-	-
	<b>Total (B)=(1+2)</b>			
	Total Managerial Remuneration	<b>70,000.00</b>		
	Overall Ceiling as per the Act	<b>5,00,000.00**</b>		

\*\*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.

§ The term of office of Mr. Nalin Mansukhlal Shah, independent director of the Company expired on the conclusion of the 17<sup>th</sup> AGM (i.e. 26-July-17)

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

(Amount in Rs.)

SN.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary*	CFO*	Total
1.	Gross salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		-	
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	-	-	-
	<b>Total</b>	-	-	-

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

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended 31 March, 2018.

## CSR Report

### Annual Report on Corporate Social Responsibility (CSR) Activities

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

There is no Government hospital around Ambattur and this has created a large gap in the availability and access to health care. Sir Ivan Stedeford Hospital (SISH) has been working towards bridging this gap. The main objective is access to quality health care to a large number of people who are living either on the poverty line or below.

SISH in partnership with CDSL intends to upgrade the ENT and Eye department; one of the essentials towards this Upgradation is to add new equipments.

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

Ms. Sasikala Varadachari, Chairperson of the CSR Committee (Independent Director)  
 Mr. R Chandrasekar (Non-executive Director)  
 Mr. Arun Alagappan (Non-executive Director)

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

Rs.593.86 lakhs

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

Rs.11.88 lakhs

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

Nature of Activity	Partner Entity	Amount (Rs. in lakhs)
Health Care (Point I of Schedule VII) - Up gradation of ENT and Eye Department of Sir Ivan Stedeford	AMMF	12.36

**Cholamandalam Distribution Services Limited**

- a. Total amount to be spent for the financial year: Rs.11.88 lakhs  
 b. Amount unspent, if any: Nil  
 c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
				(Rs. in lakhs)			
1	Health Care (Point I of Schedule VII) –  Up gradation of ENT and Eye Department of Sir Ivan Stedeford	Ophthalmology	Tamil Nadu (Ambattur, Padi, Thirmullaivoyal, Orgadam Avadi)	12.36	12.36	-	AMMF
	<b>TOTAL</b>			12.36	12.36		

\* Represents the name of the implementing agency

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

Not applicable

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

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

On behalf of the board

Place: Chennai  
Date: 20 April, 2018

**Sasikala Varadachari**  
Chairperson - CSR Committee

**R Chandrasekar**  
Director



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

**Phone** : 28413633 & 28583494  
**Telefax** : 28544569  
**E-Mail** : price@vsnl.com  
**Offices at** : Mumbai, Bangalore, New Delhi, Cochin,  
Quilon & Calicut

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

**20th April 2018**

**Ref.** :

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Cholamandalam Distribution Services Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Cholamandalam Distribution Services Limited** ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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



### **Auditor's Responsibility**

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

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit and its cash flows for the year ended on that date.



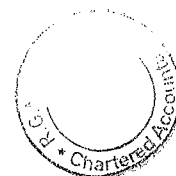
### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the 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.
  - (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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 B.
  - (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, as amended by the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

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

*Mahesh Krishnan*

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



**Annexure A referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Audit Report of even date to the members of Cholamandalam Distribution Services Limited on the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2018**

- I a. The Company has maintained proper records for its property plant and equipment showing full particulars including quantitative details and situation of those assets.
- b. As per the practice followed by the Company, property plant and equipment are physically being verified every year. During the year property plant and equipment were verified by the Company and no material discrepancies were noticed.
- c. The Company owns no immovable property. Hence Clause 3(i)(c) of the Order is not applicable.
- II Considering the nature of business of the Company, Clause 3(ii) of the Order relating to inventories is not applicable.
- III The Company has granted loans during the year to a party covered in the register maintained under Section 189 of the Companies Act. The outstanding amount as at 31<sup>st</sup> March 2018 was Nil.
- In respect of the above loans,
- a. The terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- b. The repayment of principal and payment of interest were stipulated and such repayments and payment of interest were regular.
- c. There were no overdue amounts remaining at the year end.
- IV According to the information and explanations given to us, and records of the Company examined by us, in our opinion, the Company has complied with the provisions of Section 185 and 186 of the Companies Act with respect to loans and investments within the ambit of these sections. The Company has not given any guarantees or security relating to section 185 and 186 of the Act.
- V The Company has not accepted any deposits during the year. Hence Clause 3(v) of the Order is not applicable.
- VI Having regard to the nature of business and activities, Clause 3(vi) of the Order relating to maintenance of cost records is not applicable.
- VII a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax, Cess and other statutory dues applicable to it. There are no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31<sup>st</sup> March 2018 for a period of more than six months from the date they became payable.



- b. There are no dues of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax or Goods and Service Tax which have not been deposited on account of any dispute as at 31<sup>st</sup> March 2018.
- VIII The Company has not borrowed from any financial institutions or banks or issued debentures. Accordingly Clause 3(viii) of the Order is not applicable.
- IX The Company has not made any public offer for subscription nor has taken any term loans during the period.
- X We have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- XI The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- XII The Company is not a Nidhi Company and hence Clause 3(xii) of the Order is not applicable.
- XIII All transactions with related parties are in compliance with Section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards. Section 177 of Companies Act, 2013 is not applicable to the Company.
- XIV The Company has not made any preferential allotment or private placement of shares or fully convertible or partly convertible debentures during the year under review.
- XV The Company has not entered into any non- cash transactions with the directors or persons connected with them contravening Section 192 of Companies Act, 2013.
- XVI The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.



**Annexure B referred to in Clause (e) of Paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date on the Financial Statements of M/s Cholamandalam Distribution Services Limited, for the year ended 31<sup>st</sup> March 2018.**

We have audited the internal financial controls over financial reporting of **Cholamandalam Distribution Services Limited** ('the Company') as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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



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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

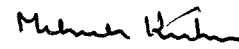
#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

According to the information and explanations given to us and based on our audit, the Company has, in all material respects, an adequate internal financial control over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



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



**CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED**

**Balance Sheet as at March 31, 2018**

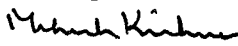
*(All amounts are in Indian rupees unless otherwise stated)*

Particulars	Note No	As at March 31, 2018	As at March 31, 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders Funds</b>			
Share Capital	4	424,000,000	424,000,000
Reserves and Surplus	5	145,183,266	94,713,995
		<b>569,183,266</b>	<b>518,713,995</b>
<b>Current Liabilities</b>			
Trade Payables	6	91,229	92,109
Other Current Liabilities	7	4,891,140	5,802,051
Short-Term Provisions	8	352,183	3,277,709
		<b>5,334,552</b>	<b>9,171,869</b>
<b>Total</b>		<b>574,517,818</b>	<b>527,885,864</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment			
(i) Tangible Assets	9	363,097	2,283,233
(ii) Intangible Assets	10	-	1,738,281
		363,097	4,021,514
Non-Current Investments	11	84,108,380	88,679,008
Deferred Tax Assets (Net)	12	1,037,919	1,377,267
Long-Term Loans and Advances	13	31,561,744	40,044,115
		<b>117,071,140</b>	<b>134,121,904</b>
<b>Current Assets</b>			
Current Investments	14	7,000,000	1,500,000
Trade Receivables	15	5,072,909	2,631,198
Cash and Cash Equivalents	16	441,911,339	2,507,998
Short-Term Loans and Advances	17	327,298	385,473,563
Other Current Assets	18	3,135,132	1,651,201
		<b>457,446,678</b>	<b>393,763,960</b>
<b>Total</b>		<b>574,517,818</b>	<b>527,885,864</b>

See accompanying Notes forming part of the Financial Statements

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


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


  
**Mahesh Krishnan**  
Partner  
Membership No: 206520



  
**Sasikala Varadachari**  
Chairperson

  
**Arun Alagappan**  
Director

  
**Arul Selvan. D**  
Chief Financial Officer

  
**P. Sujatha**  
Company Secretary

Place: Chennai  
Date : April 20, 2018



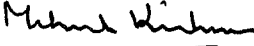
**CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED**

**Statement of Profit and Loss for the Year Ended March 31, 2018**

(All amounts are in Indian rupees unless otherwise stated)

Particulars	Note No	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
<b>Revenue</b>			
Revenue from Operations	19	66,805,656	65,730,339
Other Income	20	48,250,784	68,263,170
<b>Total Revenue</b>		<b>115,056,440</b>	<b>133,993,509</b>
<b>Expenses</b>			
Employee Benefits Expense	21	29,240,965	23,526,680
Depreciation and Amortisation Expense	22	1,833,479	1,490,752
Other Expenses	23	16,196,535	25,495,774
<b>Total Expenses</b>		<b>47,270,979</b>	<b>50,513,206</b>
<b>Profit Before Tax</b>		<b>67,785,461</b>	<b>83,480,303</b>
Current Tax Expense			
- Current Year		13,820,677	12,671,997
- Prior Years		174,858	29,220
Deferred Tax	12	339,348	7,825,453
MAT Credit Entitlement			
- Current Year		3,119,481	1,808,929
- Prior Years		(138,174)	131,421
<b>Net Tax Expense</b>		<b>17,316,190</b>	<b>22,467,020</b>
<b>Profit After Tax</b>		<b>50,469,271</b>	<b>61,013,283</b>
Earnings Per Share (of Rs.10/- each)			
(i) Basic	25	1.19	1.44
(ii) Diluted	25	1.19	1.44
See accompanying Notes forming part of the Financial Statements			

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

  
**Mahesh Krishnan**  
Partner  
Membership No: 206520



Place: Chennai  
Date : April 20, 2018

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

  
**Sasikala Varadachari**  
Chairperson

  
**Arun Alagappan**  
Director

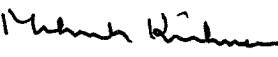
  
**Arul Selvan. D**  
Chief Financial Officer

  
**P. Sujatha**  
Company Secretary

**CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED**  
**Cash Flow Statement for the Year Ended March 31, 2018**  
*(All amounts are in Indian rupees unless otherwise stated)*

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	67,785,461	83,480,303
<b>Adjustments for:</b>		
Depreciation and Amortization Expense	1,833,479	1,490,752
Provision for Doubtful Debts and Advances	-	(22,496,782)
Provision for Claw back	704,385	262,237
Interest Income	(28,604,786)	(28,404,878)
Profit on Sale of Current Investments	(550,322)	(1,671,004)
Profit on Sale of Non-current Investment	(8,260,706)	(15,683,006)
(Profit)/Loss on Sale /write off of Tangible Assets (Net)	(455,840)	(7,500)
Operating Profit before Working Capital changes	32,451,671	16,970,122
<b>Changes in Working Capital:</b>		
<b>Adjustments for Increase / (Decrease) in Operating Liabilities:</b>		
Trade Payables	(880)	(1,136,350)
Short - Term Provisions	(2,297,828)	240,605
Other Current Liabilities	(910,911)	(125,971)
<b>Adjustment for (Increase) / Decrease in Operating Assets:</b>		
Trade Receivables	(2,441,712)	3,114,369
Short - Term Loans and Advances	146,265	560,433
Long - Term Loans and Advances	5,501,064	5,150,414
Other Current Assets	(1,249,613)	(828,213)
Cash Generated from / (Used in) Operations	31,198,056	23,945,409
Tax (Paid)/ Refunds	(15,327,618)	(4,737,898)
<b>Net Cash Flow from Operating Activities</b>	<b>15,870,438</b>	<b>19,207,511</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Tangible/Intangible Assets (including Capital Advance)	(889,465)	(2,710,961)
Proceeds from Sale of Tangible Assets	3,170,243	7,500
Purchase of Current / Non-Current Investments	(86,084,236)	(123,813,932)
Proceeds from Sale of Current / Non - Current Investments	93,965,893	164,671,004
Intercompany Deposits (Net)	385,000,000	(85,000,000)
Interest Received	28,370,468	28,404,878
<b>Net Cash Flow Used in Investing Activities</b>	<b>423,532,903</b>	<b>(18,441,511)</b>
<b>C. Cash Flow from Financing Activities</b>		
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>439,403,341</b>	<b>766,000</b>
Cash and Cash Equivalents at the Beginning of the Year	2,507,998	1,741,998
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>441,911,339</b>	<b>2,507,998</b>
<b>Net Cash and Cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 16</b>	<b>441,911,339</b>	<b>2,507,998</b>

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

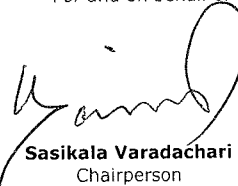


**Mahesh Krishnan**  
Partner  
Membership No: 206520



Place: Chennai  
Date : April 20, 2018

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

  
**Sasikala Varadachari**  
Chairperson

  
**Arun Alagappan**  
Director

  
**Arul Selvan. D**  
Chief Financial Officer

  
**P.Sujatha**  
Company Secretary

## CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

### Notes Forming Part of the Financial Statements for the Year Ended March 31, 2018

(All amounts are in Indian rupees unless otherwise stated)

#### 1. Corporate Information

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

#### 2. Significant Accounting Policies

##### (i) Basis of Accounting and Preparation of Financial Statements

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

##### (ii) Use of estimates

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

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

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

##### (iv) Cash Flow Statement

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

##### (v) Depreciation and Amortisation

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

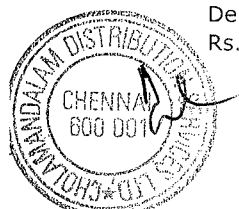
Block of Assets	Useful Life (in Years)
Computers	3
Server *	3
Office equipment	5
Vehicles *	5
Computer software	3

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

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

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

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



## CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

### Notes Forming Part of the Financial Statements for the Year Ended March 31, 2018

(All amounts are in Indian rupees unless otherwise stated)

#### (vi) Revenue Recognition

Revenue is recognised on accrual basis based on contractual obligations and when there is no uncertainty in receiving the same.

#### (vii) Other Income

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

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

#### (viii) Property, Plant and Equipment

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

#### (ix) Intangible Assets

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

#### (x) Investments

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

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

#### (xi) Employee Benefits

##### a) Defined Contribution Plan

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

##### b) Defined Benefit Plans

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



## CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

### Notes Forming Part of the Financial Statements for the Year Ended March 31, 2018

(All amounts are in Indian rupees unless otherwise stated)

#### c) Long-Term Employee Benefits

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

#### d) Other - Short Term Employee Benefits

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

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

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences: and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### (xii) Segment Reporting

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

#### (xiii) Earnings Per Share

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

#### (xiv) Taxation

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

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

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

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



## CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED

### Notes Forming Part of the Financial Statements for the Year Ended March 31, 2018

(All amounts are in Indian rupees unless otherwise stated)

#### (xv) Impairment of Assets

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

#### (xvi) Provisions and Contingencies

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

Contingent liability is disclosed for -

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

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

#### (xvii) Provision for Claw Back of Commission Income

The estimated liability for claw back of commission income is recorded in the period in which the underlying revenue is recognised. These estimates are established using historical information on the nature, frequency and expected average cost of claw back and management estimates regarding possible future incidence. The estimates used for accounting of claw back claims are reviewed periodically and revisions are made as required.

#### (xviii) Operating Cycle

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

#### (xix) Goods and Service Tax ( GST) Input Credit

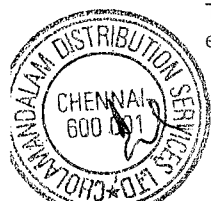
Goods and Service Tax Input Credit is accounted for in the books in the period when the underlying service received is accounted. Provision for Goods and Service Tax Input Credit is created when there is uncertainty in utilizing the Goods and Service Tax Input Credit.

### 3. Transfer of Assets/ Liabilities:

During the year ended March 31, 2018, pursuant to a resolution passed in the meeting of the board of directors on January 25, 2018, the Company has transferred AUM under ARN license together with assets and liabilities including transfer of employees relating to Wealth Management Business excluding business related to Insurance Corporate Agency to fellow subsidiary, Cholamandalam Securities Limited(CSEC) vide a business transfer agreement (BTA) dated March 31, 2018 for consideration agreed. The details of the assets and liabilities acquired from Cholamandalam Distribution Services Limited, pursuant to the BTA is as follows :

Transfer breakup Particulars	Rs. Amount
- Employee Related Other Payable	3,927,897
- Provision for Compensated Absences	880,686
- Provision for Clawback	1,378,050
Total Liabilities (A)	<b>6,186,633</b>
- Fixed Assets ( Including Intangible Assets)	3,093,651
- AUM under ARN	10,379,000
- Loans and Advances	85,850
Total Assets (B)	<b>13,558,501</b>
<b>Net Assets (B-A)</b>	<b>7,371,868</b>

The Company has retained the Insurance Corporate agency and also evaluating other business lines which is expected to be operational in FY 2019.



**CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED**

**Notes Forming Part of the Financial Statements for the Year Ended March 31,2018**

(All amounts are in Indian rupees unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
<b>4 Share Capital</b>		
<b><u>Equity Share Capital</u></b>		
<b>Authorised</b>		
42,500,000 Equity Shares of Rs.10/- each	425,000,000	425,000,000
<b>Issued, Subscribed and fully Paid up</b>		
42,400,000 Equity Shares of Rs.10/- each	<b>424,000,000</b>	<b>424,000,000</b>

**a. Reconciliation of shares outstanding at the Beginning and at the end of the period**

	As at March 31,2018		As at March 31, 2017	
	Nos	Amount	Nos	Amount
At the beginning of the period	42,400,000	424,000,000	42,400,000	424,000,000
Issued / Cancelled during the period	-	-	-	-
Outstanding as at end of period	<u>42,400,000</u>	<u>424,000,000</u>	<u>42,400,000</u>	<u>424,000,000</u>

**b. Rights, Preferences and restrictions attached to Equity shares**

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

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

	As at March 31,2018	As at March 31, 2017
	Nos.	Nos.
Cholamandalam Investment and Finance Company Limited (including Shares held by its Nominees)	42,400,000	42,400,000

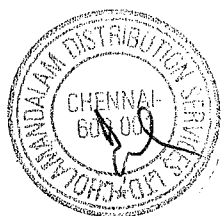
**d. Shares held by the shareholders holding more than 5% of the aggregate shares in the Company**

	As at March 31, 2018	As at March 31, 2017
	Nos.	Nos.
Equity Shares with voting rights (including Shares held by its Nominees)	42,400,000	42,400,000
	% holding in that Class of Shares	% holding in that Class of Shares
Cholamandalam Investment and Finance Company Limited and its nominees - (As at March 31, 2018 and March 31, 2017)	100%	100%



**CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED****Notes Forming Part of the Financial Statements for the Year Ended March 31, 2018***(All amounts are in Indian rupees unless otherwise stated)*

	As at March 31, 2018	As at March 31, 2017
<b>5 Reserves and Surplus</b>		
<b>Surplus / (Deficit) in the Statement of Profit and Loss</b>		
Balance at the Beginning of the Year	94,713,995	33,700,712
Profit for the Year	50,469,271	61,013,283
Balance at the End of the Period	<u><b>145,183,266</b></u>	<u><b>94,713,995</b></u>
<b>6 Trade Payables</b>		
Dues to Micro and Small Enterprises ( Refer Note 33)	-	-
Others	91,229	92,109
	<u><b>91,229</b></u>	<u><b>92,109</b></u>
<b>7 Other Current Liabilities</b>		
Statutory Dues	1,047,904	425,394
Others	1,624,332	3,157,753
Others - Advance received from part sale in Faering Capital	2,218,904	2,218,904
	<u><b>4,891,140</b></u>	<u><b>5,802,051</b></u>
<b>8 Short-Term Provisions</b>		
Provision for Compensated Absences (Refer Note 3)	270,961	1,077,230
Provision for Gratuity ( Refer Note 28)	-	113,509
Provision for tax (Net of TDS / Advance tax)	81,222	1,413,305
Provision for Claw back of Commission Income ( Refer Note 3 and 34 )	-	673,665
	<u><b>352,183</b></u>	<u><b>3,277,709</b></u>





**CHOLAMDALAM DISTRIBUTION SERVICES LIMITED**

**Notes Forming Part of the Financial Statements for the Year Ended March 31, 2018**

(All amounts are in Indian rupees unless otherwise stated)

**Note: 9 & 10 - Property, Plant and Equipment**

Current Year

Description	Gross Block			Accumulated Depreciation and Amortization			Net Block		
	Balance as at April 1, 2017	Additions	Deletions/Transfers (Refer Note 3)	Cost as at March 31, 2018	Balance as at April 1, 2017	For the Period	Withdrawn	Balance as at March 31, 2018	Balance as at March 31, 2017
<b>9. Tangible Assets</b>									
Computers	5,127,555	213,585	4,542,240	798,900	3,508,340	697,572	3,432,685	773,227	1,619,215
Office Equipment	435,404	-	61,144	374,260	395,358	18,201	48,911	364,648	40,046
Furniture and Fixtures	95,500	-	65,045	30,455	95,500	-	65,045	30,455	-
Vehicles	1,219,700	675,880	1,227,877	667,703	595,728	254,376	510,213	339,891	623,972
<b>Total</b>	<b>6,878,159</b>	<b>889,465</b>	<b>5,896,306</b>	<b>1,871,318</b>	<b>4,594,926</b>	<b>970,149</b>	<b>4,056,854</b>	<b>1,508,221</b>	<b>2,283,233</b>
<b>10. Intangible Assets</b>									
Computer Software	8,403,112	-	8,403,112	-	6,664,831	863,330	7,528,161	-	1,738,281
<b>Total</b>	<b>8,403,112</b>	<b>-</b>	<b>8,403,112</b>	<b>-</b>	<b>6,664,831</b>	<b>863,330</b>	<b>7,528,161</b>	<b>-</b>	<b>1,738,281</b>

Previous Year

Description	Gross Block			Accumulated Depreciation and Amortization			Net Block		
	Balance as at April 1, 2016	Additions	Deletions	Cost as at March 31, 2017	Balance as at April 1, 2016	For the Period	Withdrawn	Balance as at March 31, 2017	Balance as at March 31, 2016
<b>9. Tangible Assets</b>									
Computers	3,091,784	2,035,771	-	5,127,555	3,091,784	416,556	-	3,508,340	-
Office Equipment	398,500	36,904	-	435,404	382,626	12,732	-	395,358	15,874
Furniture and Fixtures	95,500	-	-	95,500	95,500	-	-	95,500	-
Vehicles	1,259,800	-	40,100	1,219,700	390,082	245,746	40,100	595,728	869,718
<b>Total</b>	<b>4,845,584</b>	<b>2,072,675</b>	<b>40,100</b>	<b>6,878,159</b>	<b>3,959,992</b>	<b>675,034</b>	<b>40,100</b>	<b>4,594,926</b>	<b>885,592</b>
<b>10. Intangible Assets</b>									
Computer Software	7,427,342	975,770	-	8,403,112	5,849,113	815,718	-	6,664,831	1,578,229
<b>Total</b>	<b>7,427,342</b>	<b>975,770</b>	<b>-</b>	<b>8,403,112</b>	<b>5,849,113</b>	<b>815,718</b>	<b>-</b>	<b>6,664,831</b>	<b>1,578,229</b>

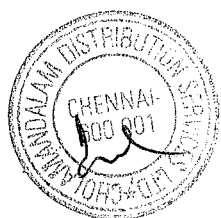


**CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED**

**Notes Forming Part of the Financial Statements for the Year Ended March 31, 2018**

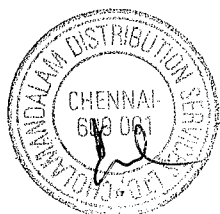
(All amounts are in Indian rupees unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
<b>11 Non-Current Investments (At cost)- Non-trade</b>		
<b>Investments in Venture Capital Fund - Unquoted</b>		
Faering Capital India Evolving Fund (34,083 Units of Rs.1000 each) (As at March 31, 2017 - 38,654 Units of Rs.1000 each)	34,083,380	38,654,008
<b>Investment in Shares -Quoted</b>		
Investment in Coromandel Engineering Co. Ltd. (2,500,100 Equity shares of Rs.10 each fully paid up) (As at March 31, 2017 - 2,500,100 Equity Shares of Rs.10 each fully paid up)	50,025,000	50,025,000
	<b>84,108,380</b>	<b>88,679,008</b>
Market Value of Quoted Investments	119,004,760	97,128,885
<b>12 Deferred Tax Assets (Net)</b>		
- Difference between depreciation as per Books of Account and the Income Tax Act, 1961	962,538	760,840
- Provision for Compensated Absences	75,381	356,164
- Provision for Gratuity	-	37,529
- Provision for Clawback	-	222,734
	<b>1,037,919</b>	<b>1,377,267</b>
<b>13 Long-Term Loans and Advances</b>		
<b>Unsecured and Considered Good unless otherwise stated</b>		
MAT Credit Entitlement	19,532,109	22,513,416
GST Input Credit	12,029,635	17,530,699
	<b>31,561,744</b>	<b>40,044,115</b>
<b>14 Current Investments ( Unquoted)</b>		
<b>Investments in Mutual Funds</b>		
Birla Sun Life Floating Rate Fund Short Term Plan Growth Option 30,346 Units (As at 31st March 17 Nil)	7,000,000	-
Prudential ICICI Liquid Fund Growth Option - Nil (As at March 31, 2017 -6248 units)	-	1,500,000
	<b>7,000,000</b>	<b>1,500,000</b>



**CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED****Notes Forming Part of the Financial Statements for the Year Ended March 31, 2018***(All amounts are in Indian rupees unless otherwise stated)*

	As at March 31, 2018	As at March 31, 2017
<b>15 Trade Receivables</b>		
<b>Unsecured - Considered Good</b>		
Outstanding for a period exceeding six months from the date they were due for payment	-	-
Amount receivable from Related Party	83,736	-
Others	4,989,173	2,631,198
	<b>5,072,909</b>	<b>2,631,198</b>
<b>16 Cash and Cash Equivalents</b>		
Cash on Hand	15,000	15,000
Balances with Banks:		
On Current Accounts	6,896,339	2,492,998
On Deposit Account *	435,000,000	-
	<b>441,911,339</b>	<b>2,507,998</b>
* Above deposits are with original maturity of less than 3 months		
<b>17 Short-Term Loans and Advances</b>		
<b>Unsecured considered good</b>		
Prepaid Expenses ( Includes Gratuity of Rs.25173 as on 31 March 18) ( Refer Note 28 and Refer Note 3)	327,298	473,563
Intercompany Deposits to related party	-	385,000,000
	<b>327,298</b>	<b>385,473,563</b>
<b>18 Other Current Assets</b>		
Accrued Revenue - Commission Income	2,900,814	1,651,201
Interest Accrued on Bank Deposits	234,318	-
	<b>3,135,132</b>	<b>1,651,201</b>

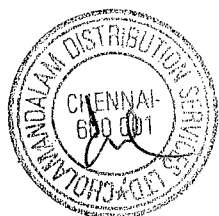


**CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED**

**Notes Forming Part of the Financial Statements for the Year Ended March 31, 2018**

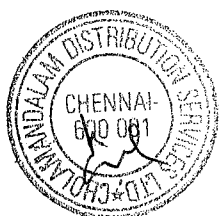
*(All amounts are in Indian rupees unless otherwise stated)*

	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
<b>19 Revenue from operations</b>		
Commission Income	66,498,675	65,345,339
Advisory Fees	306,981	385,000
	<b>66,805,656</b>	<b>65,730,339</b>
<b>20 Other Income</b>		
Interest Income on		
- Intercompany Deposits	28,344,794	26,539,253
- Income Tax Refund	-	1,865,625
- Fixed Deposits	259,992	-
Profit on Sale of Investments		
- Current	550,322	1,671,004
- Non current	8,260,706	15,683,006
Provision for Doubtful Advances written back	-	22,496,782
Transfer of AUM under ARN ( Refer Note 3)	10,379,000	-
Profit on Sale of PPE (Net)	455,840	7,500
Miscellaneous Income	130	-
	<b>48,250,784</b>	<b>68,263,170</b>
<b>21 Employee Benefits Expense</b>		
Salary	27,016,435	21,149,914
Contribution to Provident and Other Funds	1,121,819	1,431,827
Staff Welfare Expenses	1,102,711	944,939
	<b>29,240,965</b>	<b>23,526,680</b>
<b>Amount recognised in the Statement of Profit and Loss</b>		
(i) Provident fund	877,116	727,351
(ii) Superannuation Fund	112,086	101,994
(iii) Gratuity Expense ( Refer Note 28)	132,617	602,482
	<b>1,121,819</b>	<b>1,431,827</b>



**CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED****Notes Forming Part of the Financial Statements for the Year Ended March 31, 2018***(All amounts are in Indian rupees unless otherwise stated)*

	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
<b>22 Depreciation and amortisation expense</b>		
Depreciation of Tangible Assets (Refer Note 9)	970,149	675,034
Amortisation of Intangible Assets (Refer Note 10)	863,330	815,718
	<b>1,833,479</b>	<b>1,490,752</b>
<b>23 Other Expenses</b>		
Rent	1,340,676	1,724,624
Rates and Taxes	291,757	172,108
Business Development Expenses	231,829	137,112
Communication Expenses	584,192	370,738
Travelling and Conveyance	1,221,287	1,032,752
Printing and Stationery	135,975	183,890
Electricity Charges	788,496	745,821
Insurance	745,802	1,151,453
Repairs and Maintenance	494,482	340,836
Information Technology Expenses	2,462,822	2,648,167
Outsourcing expenses	4,499,992	4,518,367
Professional Charges	696,690	10,598,140
Corporate Social Responsibility Expenditure	1,236,000	1,151,000
Payments to Auditors :		
Statutory audit	400,000	400,000
Taxation matters	50,000	50,000
Other Services	200,000	200,000
Out of Pocket Expense	20,000	20,000
Other Certification	25,000	100,000
Provision for Claw back of Commission Income(Net) (Refer Note 34)	704,385	262,236
Miscellaneous Expenses	67,150	68,030
	<b>16,196,535</b>	<b>25,875,274</b>
Less: Expenses Recovered	-	379,500
	<b>16,196,535</b>	<b>25,495,774</b>



**CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED**

**Notes Forming Part of the Financial Statements for the Year Ended March 31, 2018**

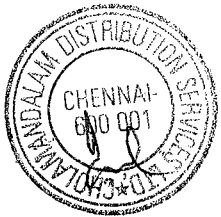
*(All amounts are in Indian rupees unless otherwise stated)*

**24 Capital commitments** (to the extent not provided for)

	<b>As at March 31 ,2018</b>	<b>As at March 31 ,2017</b>
<b>Estimated amount of contracts remaining to be executed on capital account and not provided for:</b>		
Investment Commitment on Faering Capital India Evolving Fund	1,584,236	3,168,472

**25 Earnings per share**

Profit After Tax	50,469,271	61,013,283
Weighted Average Number of Equity Shares (Nos.)	42,400,000	42,400,000
Earnings Per Share – Basic	1.19	1.44
– Diluted	1.19	1.44
Face Value Per Share	10	10



**CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED**

**Notes Forming Part of the Financial Statements for the Year Ended March 31, 2018**

(All amounts are in Indian rupees unless otherwise stated)

**26 Long -Term Compensated Absences**

Details of the key Actuarial Assumptions used in the determination of the long-term compensated absences are as follows:

Particulars	March 31, 2018	March 31, 2017
<b>Assumptions :</b>		
Discount Rate	7.00%	6.60%
Future Salary Increase (%)	7.50%	7.50%
Expected Rate of Return on Plan Assets		
Method		
Retirement	58 yrs	58 yrs
Attrition Rate	33.00%	33.00%

**27 Defined Contribution Plans**

The Company makes Provident Fund, Pension Fund and Superannuation Fund Contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs.877,116 (March 2017 - Rs.727,351) for Provident Fund contributions and Rs.112,086 (March 2017- Rs.101,994) for Superannuation Fund contribution in the Statement of Profit and Loss. The Contribution payable to these plans by the Company are at rates specified in the rules of the Schemes.

**28 Defined Benefit Plan - Gratuity**

Details of Actuarial Valuation:

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
<b>Present Value of Defined Benefit Obligation</b>		
Balance at the beginning of the year	2,033,321	1,296,913
Current Service Cost	37,089	166,908
Interest Cost	134,104	103,679
Actuarial Losses / (Gains)	105,307	465,821
Adjustments -Transfer of Employees*	(1,429,418)	-
<b>Balance at the end of the year</b>	<b>880,403</b>	<b>2,033,321</b>
<b>Fair Value of Defined Benefit Obligation</b>		
Balance at the beginning of the year	1,919,812	1,782,818
Expected return on Plan Assets	143,883	142,524
Actuarial (Losses) / Gains	-	(8,598)
Contributions by the Company	322,625	3,068
Adjustments -Transfer of Employees*	(1,480,744)	-
<b>Balance at the end of the year</b>	<b>905,576</b>	<b>1,919,812</b>
<b>(Assets) and Liabilities recognized in the Balance Sheet</b>		
Liability at the End of the year	880,403	2,033,321
Fair Value of Plan Assets as at the End of the year	905,576	1,919,812
<b>Present Value of Defined Benefit Obligation</b>		
<b>Amount Recognized in the Balance Sheet under (Note 17 - Short term loans and advances) / ( Note - 8 Short term Provisions )</b>	<b>25,173</b>	<b>(113,509)</b>
<b>Expense Recognized in the Statement of Profit and Loss</b>		
Current Service Cost	37,089	166,908
Interest Cost	134,104	103,679
Expected Return on Plan Assets	(143,883)	(142,524)
Actuarial Losses / (Gains)	105,307	474,419
<b>Total Expense ( Refer Note 21)</b>	<b>132,617</b>	<b>602,482</b>
<b>Experience Adjustments</b>		
Experience Adjustment on Plan Liabilities (Gain) / Loss	115,040	(154,768)
Experience Adjustment on Plan Assets Gain / (Loss)	-	(8,598)
<b>Actuarial Assumptions</b>		
Discount Rate	7.00%	6.60%
Expected Return on Plan Assets	7.50%	7.50%
Salary Growth Rate	7.50%	7.50%
Attrition Rate	33.00%	33.00%

\* The Company has valued Present Value of Obligation and funded assets with regard to employee transfer based on actuarial valuation report. Funded Assets are in the process of getting transferred. (Refer Note 3)



**CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED****Notes Forming Part of the Financial Statements for the Year Ended March 31, 2018***(All amounts are in Indian rupees unless otherwise stated)***Other disclosure:****Amount in Rs.**

Year	Projected Benefit Obligation at the End of the year	Fair Value of Plan Assets at the End of the Year	Surplus/ (Deficit)
2017-18	880,403	905,576	25,173
2016-17	2,033,321	1,919,812	(113,509)
2015-16	1,296,913	1,782,818	485,905
2014-15	1,368,496	1,284,239	(84,257)
2013-14	717,311	1,171,169	453,858

**Experience Adjustments****Amount in Rs.**

Year	Actuarial (Gain)/ Loss on Obligations	Actuarial Gain/(Loss) on Plan Asset
2017-18	115,040	-
2016-17	(154,768)	(8,598)
2015-16	(266,862)	56,623
2014-15	369,036	2,353
2013-14	(448,676)	7,429

**Notes:**

1. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

2. 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	March 31, 2017*
Government securities	66%
Bonds, debentures and other fixed income instruments	28%
Equity shares	2%

\* as per latest information available from LIC

3. Estimated amount of contribution to the fund during the Year Ended March 31, 2019, as estimated by the management is Rs. 1122/- (Previous Year Rs.322,625/-)

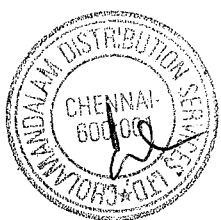
4. The discount rate is based on the prevailing market yields or Government of India Securities as at Balance Sheet date for the estimated

**29 Sharing of costs**

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

**30 Segment Reporting**

The Company's main business is to distribute financial products and services. All other activities of the Company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS-17 "Segment Reporting".





**CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED**

**Notes Forming Part of the Financial Statements for the Year Ended March 31, 2018**

*(All amounts are in Indian rupees unless otherwise stated)*

**31 Related Party Disclosures**

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

Holding Company	Cholamandalam Investment and Finance Company Limited
Entity having significant influence over the Holding Company	TI Financial Holding Limited (Formerly known as Tube Investment of India Limited)
Fellow Subsidiaries	(i) Cholamandalam Securities Limited (ii) White Data System India Private Limited

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

<b>Key Managerial Personnel</b>	Mr. Arulselvan . D - Chief Financial Officer Ms. Sujatha . P - Company Secretary ( From 1st August 2016) Ms. Meenakshi - Company Secretary ( Till 31st July 2016) Mr. Govindarajan . B - Manager (From 28th April 2016)
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**Details of Related Party Transactions**

Transaction	Name of the Party	For the Year Ended March 31 , 2018	For the Year Ended March 31 , 2017
<b>Income</b>			
Sharing of costs & service Charges	Cholamandalam Investment and Finance Company Limited	-	756,046
Interest Income	Cholamandalam Investment and Finance Company Limited	28,344,794	26,539,253
Transfer of AUM under ARN ( Refer Note 3)	Cholamandalam Securities Limited	10,379,000	-
<b>Expenses</b>			
Rent	Cholamandalam Investment and Finance Company Limited	1,459,161	1,391,150
Reimbursement of Expenses	Cholamandalam Investment and Finance Company Limited Cholamandalam Securities Limited	4,102,250 763,592	12,510,300 551,579
<b>Others</b>			
Transfer of Assets ( Refer Note 3)	Cholamandalam Securities Limited	3,179,501	-
Transfer of Liabilities ( Refer Note 3)	Cholamandalam Securities Limited	6,186,633	-
Advances / Deposits Given	Cholamandalam Investment and Finance Company Limited	435,000,000	625,000,000
Advances / Deposits Recovered	Cholamandalam Investment and Finance Company Limited	820,000,000	540,000,000
<b>Key Managerial Personnel Remuneration</b>	Mr. Arulselvan D* Ms. Sujatha P * Ms. Meenakshi Mr. Govindarajan B	- - - 2,907,893	- - 603,945 2,725,293
<b>Assets</b>			
Intercompany Deposit	Cholamandalam Investment and Finance Company Limited	-	385,000,000
Receivable	Cholamandalam Securities Limited	83,736	-
<b>Liabilities</b>			
Payable	Cholamandalam Investment and Finance Company Limited	-	12,312

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



**CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED**

**Notes forming part of the financial Statements for the Year Ended March 31, 2018**

(All amounts are in Indian rupees unless otherwise stated)

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

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

Particulars	Date of Deposit	Date of Maturity	As on 31 March 2018	As on 31 March 2017
To CIFCL @ 7.15% for 11 Months	24-Oct-16	22-Sep-17	-	275,000,000
To CIFCL @ 7.40% for 11 Months	11-Nov-16	11-Oct-17	-	20,000,000
To CIFCL @ 6.90% for 11 Months	25-Nov-16	24-Oct-17	-	30,000,000
To CIFCL @ 7.10% for 11 Months	20-Feb-17	19-Jan-18	-	40,000,000
To CIFCL @ 6.95% for 11 Months	17-Mar-17	16-Feb-18	-	5,000,000
To CIFCL @ 6.95% for 11 Months	20-Mar-17	22-Feb-18	-	15,000,000
<b>Total</b>			-	<b>385,000,000</b>

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

**33 Micro, Small and Medium Enterprises (MSME)**

Dues to Micro Small and Medium 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 MSME as defined under the Micro, Small and Medium Enterprises Development Act, 2006 at the Balance Sheet date.

Particulars	As on 31st March 2018	As on 31st March 2017
Principal amount due to suppliers under MSMED Act, as at the year end	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day,during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under the MSMED Act	-	-

**34 Changes in Provisions**

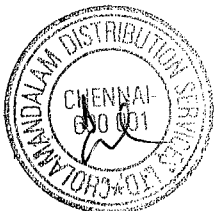
Current Year :

Particulars	As at April 1, 2017	Additional Provision	Utilisation/ Reversals and Transfer ( Refer Note 3)	As at March 31, 2018
Provision for Claw back - Refer Note 8 & 23	673,665	1,340,400	2,014,065	-

Previous Year:

Particulars	As at April 1, 2016	Additional Provision	Utilisation/ Reversals	As at March 31, 2017
Provision for Claw back - Refer Note 8 & 23	411,428	672,675	410,438	673,665

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



**CHOLAMANDALAM DISTRIBUTION SERVICES LIMITED**

**Notes forming part of the financial Statements for the Year Ended March 31, 2018**

(All amounts are in Indian rupees unless otherwise stated)

**35 Stock Options**

Under the Employee Stock Option Scheme - 2007 of the Holding Company, Cholamandalam Investment & Finance Company Limited, Nil options (net of cancelled/lapsed) of the Holding Company have been granted and exercised by an employee of the Company as at March 31, 2018. 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, 2018.

**36 Details of Corporate Social Responsibility (CSR)**

(a) Gross amount required to be spent by the Company during the year

**1,236,000**

(b) Amount spent during the year on:

**FY 2017-18**

Particulars	Amount Spent	Amount to be Spent	Total
(i) Construction / acquisition of any assets	-	-	-
(ii) On purpose other than (i) above	1,236,000	-	1,236,000

( Amount spent includes - Rs. 25000/- of previous year to be spent in CSR)

**FY 2016-17**

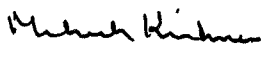
Particulars	Amount Spent	Amount to be Spent	Total
(i) Construction / acquisition of any assets	-	-	-
(ii) On purpose other than (i) above	1,151,000	25,000	1,176,000

**37 Previous year figures**

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

For **R.G.N. Price & Co.**  
Chartered Accountants  
Firm's Registration No: 002785S

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

  
Mahesh Krishnan  
Partner  
Membership No: 206520



  
Sasikala Varadachari  
Chairperson

  
Arun Magappan  
Director

Place : Chennai  
Date : April 20, 2018

  
Arul Selvan. D  
Chief Financial Officer

  
P. Sujatha  
Company Secretary