

CHOLAMANDALAM SECURITIES LIMITED

**ANNUAL REPORT
2016 – 17**

Cholamandalam Securities Limited

Board of Directors

Nalin Mansukhlal Shah (DIN 00882723)

Sasikala Varadachari (DIN 07132398)

Rohit Phadke (DIN 07293524)

R.Chandrasekar (DIN 02687447)

Auditors

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

Company Secretary

Balaji H

Corporate Identity Number

U65993TN1994PLC028674

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

CONTENTS

Notice to Members	1
Board's Report.....	9
Independent Auditor's Report	21
Balance Sheet	29
Statement of Profit and Loss.....	30
Cash Flow Statement.....	31
Notes forming part of the Financial Statements	33

Cholamandalam Securities Limited

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

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

CIN - U65993TN1994PLC028674

Website: www.cholawealthdirect.com

Notice to Members

NOTICE is hereby given that the twenty third annual general meeting of the members of Cholamandalam Securities Limited will be held at 5.30 p.m. on Wednesday, the 26 July, 2017 at the Registered Office of the company at "Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai 600 001 to transact the following business:

ORDINARY BUSINESS:

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

RESOLVED THAT the board's report, the statement of profit and loss, the cash flow statement for the year ended 31 March, 2017 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. R Chandrasekar (holding DIN 02687447), 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. S.R.Batliboi & Associates LLP, Chartered Accountants, Chennai bearing registration no. 101049W be and are hereby appointed as the Statutory Auditors of the company for a period of five years commencing from the conclusion of the twenty third annual general meeting till the conclusion of the twenty eighth annual general meeting subject to the ratification of such appointment by members at every annual general meeting at a remuneration of Rs. 3.85 lacs per annum including the actual travelling and out of pocket expenses incurred in connection with the audit in addition to service tax / other taxes as applicable.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to provisions of Sections 197,198,203,Schedule V and other applicable provisions, if any, of the Companies Act,2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Mariam Mathew be and is hereby appointed as the Manager of the Company for a period of three years effective 27th April 2017 and be paid remuneration by way of salary, allowances, perquisites and commission subject to an overall limit of 5% of the net profits of the Company for each financial year computed in the manner prescribed under section 198 of the Act and in the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, amenities, facilities, incentive and retirement benefits to Ms. Mariam be paid in accordance with section II of part II of Schedule V of the Act.

a. Salary

Rs. 1,12,640/- per month. Increments to be decided by the Nomination and Remuneration Committee.

b. Allowances / Perquisites / Commission

As may be determined by the Nomination and Remuneration Committee as per the rules of the company in force from time to time.

c. Retirement benefits

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

d. General

- i. In the event of absence or inadequacy of profits in any financial year, the remuneration by way of salary, allowances, perquisites, amenities, facilities, incentive and retirement benefits to Ms. Mariam as may be determined by the Board or Nomination and Remuneration Committee, shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 2013 and rules made there under or any statutory modification or enactment thereof.
- ii. Perquisites shall be valued in terms of actual expenditure incurred by the company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided

for official and personal purposes and loans) the perquisites shall be valued as per income tax rules.

- iii. Incentive shall be determined by the Nomination and Remuneration Committee based on the company's scheme in force from time to time.
- iv. Ms. Mariam will be subject to all other service conditions as applicable to any other employee of the Company.

By Order of the Board

Place : Chennai
Date : 27 April, 2017

H Balaji
Company Secretary

NOTES:

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

By Order of the Board

Place : Chennai
Date : 27 April, 2017

H Balaji
Company Secretary

ANNEXURE TO THE NOTICE

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

Item no. 3 - Appointment of statutory auditors of the Company and fixing their remuneration:

As per the provisions of section 139 of the Companies Act, 2013 ("the Act") read with Companies (Audit and Auditors) Rules, 2014, an audit firm shall be appointed as the statutory auditors of the company for a period of two terms of 5 years each. Accordingly, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants were appointed as statutory auditors of the company for a period of 3 consecutive years till the conclusion of the 23rd AGM by the members in the 20th AGM held on 30 July 2014, considering the period of 2 years which was already served by them prior to commencement of the Act.

The Board of Directors at their meeting held on 27 April 2017 had recommended the re-appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountant as Statutory Auditors of the company for a period of five years subject to the approval of members.

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

Accordingly, the approval of the members is being sought by means of an ordinary resolution for re-appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, as the statutory auditors, for the period commencing from the conclusion of the 23rd AGM till the conclusion of the 28th AGM at a remuneration as specified in resolution no.3 of the notice.

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

Item No. 4: Appointment of Ms. Mariam Mathew as Manager of the Company and fixing her remuneration:

The Board of Directors at their meeting held on 27 April 2017 had appointed Ms. Mariam Mathew as Manager of the company for a period of three years effective 27 April 2017 subject to the approval of shareholders.

The board recommends the appointment of Ms. Mariam as Manager for such terms as specified in the resolution as set out in item no. 4 of the notice.

None of the directors and key managerial personnel other than the key managerial personnel whose appointment is considered under the resolution and her relatives are concerned or interested in the resolution set out in item no.4 of the notice.

Disclosure as per Part II, Schedule V of the Companies Act, 2013:

Sl. No.	Particulars	
I. General Information:		
1	Nature of industry	Financial Services - Broking
2	Date or expected date of commencement of commercial production	The Company is in business from 1984
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4	Financial performance based on given indicators	Profit Before Tax – Rs. 2.68 Crores Profit After Tax – Rs. 2.15 Crores
5	Foreign investments or collaborations, if any	NIL
II. Information about the appointee:		
1	Background details	<p>Ms. Mariam Mathew, Associate Vice President & Head has over 17 years of experience in the financial services industry having covered areas like Wealth Management, Product development, Multi product Sales team management, Strategy planning and Equity broking. Ms. Mathew has graduated in commerce and completed her MBA in Finance. She has diverse exposure of leading sales, products, research, customer, risk and operations teams. Her core strength is strong relationship management with clients and the sales and distribution teams.</p> <p>She was holding the office of Manager for a period of 3 years from April 1, 2014 to March 31, 2017.</p>
2	Past remuneration	Remuneration of Ms. Mariam as on March 31, 2017 was Rs.46.94 lakhs which comprised of salary, monetary value of perquisites, allowances and

		contribution to retiral funds.
3	Recognition or awards	NIL
4	Job profile and his/her suitability	Associate Vice President & Head
5	Remuneration proposed	The proposed remuneration would comprise of monthly basic salary, allowances and all perquisites as mentioned in the proposed Item no.4 of this Annual General Meeting Notice
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is comparable to that prevailing in the industry, keeping in view the profile and position of the appointee and the size of operations of the Company.
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Ms. Mariam is not related to any other director or managerial personnel of the Company. She does not have any pecuniary relationship directly or indirectly with the Company, other than drawing her remuneration in the capacity of Manager.
III. Other information:		
1	Reasons of loss or inadequate profits	The fixed cost of the company is currently high.
2	Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> - Increased the variable income avenues for the business - Team productivity has significantly increased - Increased the scale of operations
3	Expected increase in productivity and profits in measurable terms.	<ul style="list-style-type: none"> - Business has shown profitability in fourth quarter of FY 16 with increase in productivity despite lower market volumes - Increase in income from Non Equity linked products - Increase new client acquisition and client activation.

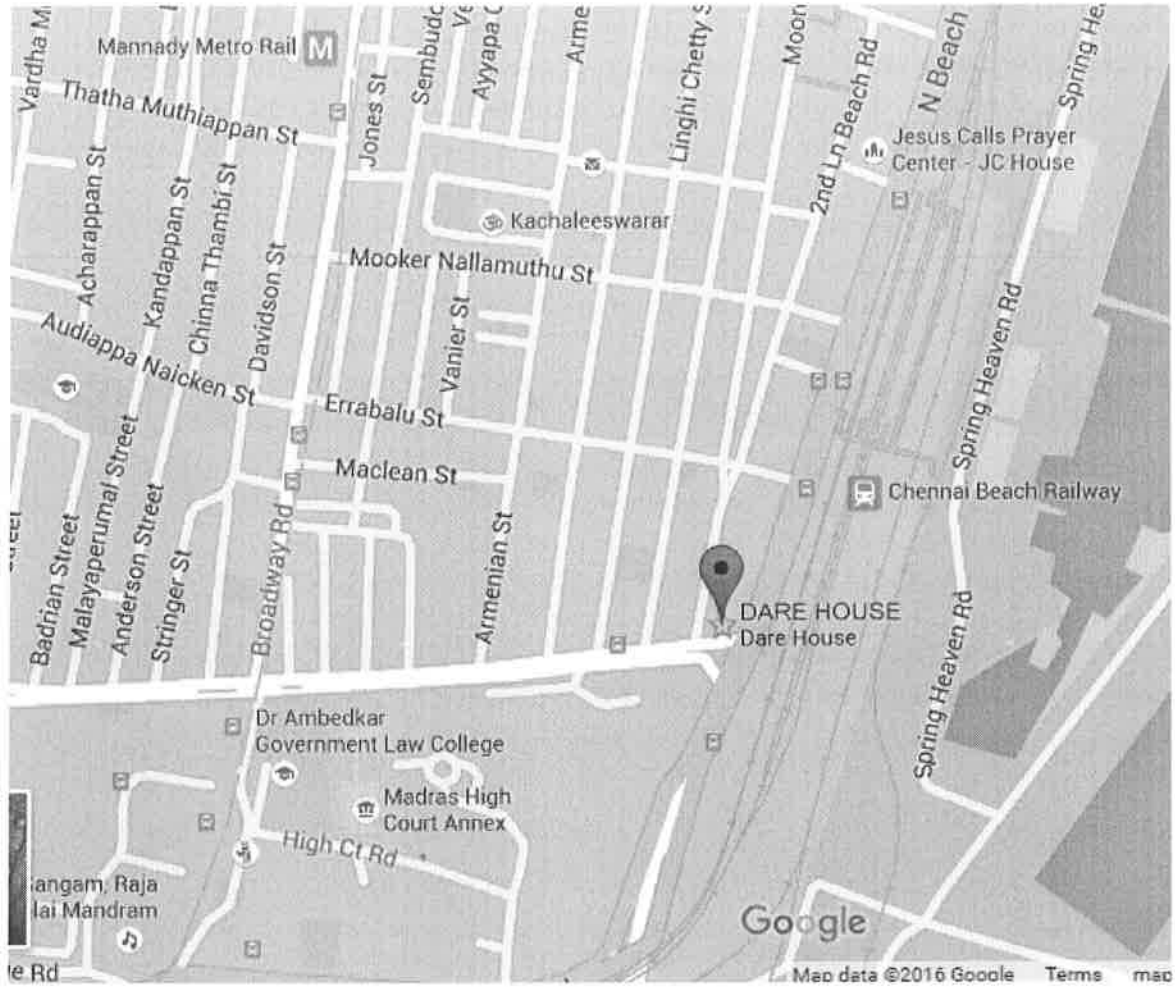
By Order of the Board

Place : Chennai
Date : 27 April, 2017

H Balaji
Company Secretary

Route Map to the venue of the AGM

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



BOARD'S REPORT

Your directors have pleasure in presenting the twenty-third annual report together with the audited accounts of the company for the year ended 31 March, 2017.

FINANCIAL RESULTS*(Rs. in lakhs)*

	2016-17	2015-16
Gross Income	1533.17	1282.51
Profit before tax	268.23	173.69
Profit after tax	215.45	155.39

DIVIDEND

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

OPERATIONS

Your Company had a reasonably good year with 28% increase in volumes and 24% in broking income over the previous year. Your company had closed the year at all time in equities under management and income. During the year, the company achieved an income of Rs. 1463.40 lakhs as against Rs. 1199.66 lakhs and PBT of Rs. 268.23 lakhs as against Rs. 173.69 lakhs over the previous year. Your company's strategic intent is to be a reasonably large player in South, by being a trusted partner in providing wealth solutions and growing relationships with clients.

OUTLOOK

In FY 18 the business will focus on (i) building scale by increasing low cost manpower count and sub broker network (ii) shifting clients servicing into the digital platform (iii) Increase income and assets under management from Non Equity products (iv) Fixed costs rationalization, for a reasonable scale of operations to ensure profitable growth despite market cycles (v) Mass customer acquisition will be the focus through Investor Awareness programmes.

DIRECTORS

During the year, Mr. R Chandrasekar and Mr. Rohit Phadke were appointed as directors liable to retire by rotation at the 22nd annual general meeting of the company.

Mr. R Chandrasekar, director, retires by rotation at the ensuing annual general meeting and being eligible, has offered himself for re-appointment.

DECLARATION FROM INDEPENDENT DIRECTORS

The independent directors (IDs), Mr. Nalin Manshuklal Shah and Ms. Sasikala Varadachari have submitted declarations of independence, as required pursuant to section 149(7) of the

Act, stating that they meet the criteria of independence as provided in section 149(6) of the Act. In the opinion of the Board, these IDs fulfill the conditions specified in the Act and the rules made there under for appointment as IDs and have confirmed that they are independent of the management.

KEY MANAGERIAL PERSONNEL

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

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

Mr. D Arulsevan was appointed as the chief financial officer effective 1 June, 2016 in the place of Ms. A Kavitha who had resigned from her position as the chief financial officer.

Ms. Mariam Mathew, Associate Vice President & Head who was appointed as the Manager of the company for a period of three years effective 1 April 2014 retired on 31 March 2017.

Your directors recommend the appointment of Ms. Mariam Mathew as Manager for a further period of 3 years effective 27 April 2017.

AUDITORS

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants who were appointed as statutory auditors in the 20th annual general meeting held on 30 July, 2014 for a period of 3 years are retiring at the forthcoming annual general meeting.

Pursuant to the provisions of section 139 of the Companies Act, 2013 (“the Act”) read with Companies (Audit and Auditors) Rules, 2014, your directors recommend the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants for a further period of 5 Years as the statutory auditors of the company commencing from twenty third annual general meeting till the conclusion of twenty eighth annual general meeting of the company.

EXTRACT OF ANNUAL RETURN

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

BOARD MEETINGS

The schedule of board meetings for the calendar year is prepared and circulated in advance to the directors. During the year, the board met five times on 28 April 2016, 28 July 2016, 26 October 2016, 24 January 2017 and 20 March 2017.

AUDIT COMMITTEE

As at 31 March, 2017, the audit committee of the board comprises Mr. Nalin Mansukhlal Shah, Ms. Sasikala Varadachari and Mr. Rohit Phadke. The committee on a quarterly basis reviews the internal audit reports, financial statements of the company and evaluates the efficacy of the audit function. During the year, the committee met five times on 28 April 2016, 28 July 2016, 26 October 2016, 24 January 2017 and 20 March 2017.

NOMINATION AND REMUNERATION COMMITTEE

As at 31 March, 2017, the nomination and remuneration committee comprises Mr. Nalin Mansukhlal Shah, Ms. Sasikala Varadachari and Mr. R Chandrasekar. During the year, the committee met two times on 28 April 2016 and 28 July 2016.

REMUNERATION POLICY, CRITERIA FOR BOARD NOMINATION & SENIOR MANAGEMENT APPOINTMENT

Pursuant to the provisions of section 178 of the Act, on recommendation by the nomination and remuneration committee, the Board of directors has framed a remuneration policy relating to the remuneration of the directors, key managerial personnel and other employees. The nomination and remuneration committee has further formulated the criteria for board nomination and senior management appointment including determining qualifications, positive attributes and independence of a director.

FORMAL ANNUAL EVALUATION

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant material orders passed by the regulators / courts / tribunals which would impact the going concern status of the company and its future operations. SEBI vide its impugned order dated 19 May 2015 had imposed a penalty of Rs. 7 lakhs on the Company for acting as a broker and counter party broker for its three clients who were allegedly involved in creation of artificial volume and price manipulation in the scrip of Richa Industries. During the year, the Hon'ble Tribunal stayed the aforesaid order and after hearing the parties to appeal, SAT had remanded the case to AO on 22 June 2016.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS

All the related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the company at large.

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

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

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal control framework including clear delegation of authority and standard operating procedures are established and laid out across all businesses and functions. These are reviewed periodically at all levels. These measures have helped in ensuring the adequacy of internal financial controls commensurate with the scale of operations of the company.

RISK MANAGEMENT POLICY

Risk Registers / Risk Monitoring:

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

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

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

The company has drawn up comprehensive risk registers, by identifying all types of risks, viz., strategic, financial, operational, compliance and reputation, with appropriate internal controls and the risk owner for each risk. Based on the existing internal controls, the residual risks are derived and top risks are identified based on the severity of residual risks.

The key risk indicators are identified for risks, wherever feasible, to track the movement of the risk profile. The company has institutionalised a formal risk reporting framework through the risk monitoring tool called risk index. The risk index highlights the movement of the key risks and this is reviewed on a monthly basis by the senior management.

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

Business Continuity Plan (BCP):

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

SEXUAL HARASSMENT POLICY

The company has in place a prevention of sexual harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An internal complaints committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the calendar year 31 December 2016, there were no referrals received by ICC.

DISCLOSURE PURSUANT TO SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT 2013

None of the Directors are paid remuneration other than by way of sitting fees. Details of remuneration to Ms. Mariam Mathew, Manager are given below:

Remuneration package	Basic Salary: Rs 1,12,640/- p.m. Allowances: House Rent Allowance Rs.67,585/- p.m. Special Allowance Rs.1,07,980/- p.m. Leave Travel allowance Rs. 1,75,720/- p.a.
Fixed component / Performance linked incentive along with performance criteria	Fixed component: Rs 40,29,140/- p.a. Target incentive: Rs.7,81,800/- p.a. Hiper Bonus: Rs. 3,00,000/- p.a.
Service contract/ notice period/ severance fee	As per the service contract of the Company, a notice of 3 months will have to be served or to pay a sum in lieu thereof.

PARTICULARS OF EMPLOYEES

During the year, there were no employees covered by the provisions of section 197(12) of the Act read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ACKNOWLEDGEMENT

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

On behalf of the Board

Place : Chennai
Date : 27 April, 2017

Nalin Mansukhlal Shah
Chairman

DIRECTORS' RESPONSIBILITY STATEMENT

(Annexure to the Board's Report)

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

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom;
- (ii) they have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March, 2017 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, 2017.

On behalf of the Board

Place : Chennai
Date : 27 April, 2017

Nalin Mansukhlal Shah
Chairman

ANNEXURE - FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

For the financial year ended on 31 March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

Corporate Identification Number (CIN)	U65993TN1994PLC028674
Registration Date	20 September, 1994
Name of the Company	Cholamandalam Securities Limited
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of the Registered office and contact details	"Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai - 600 001 Phone: 044 3000 7370 (bd.) Fax: 044 30007373 website: www.cholawealthdirect.com
Listed company (Yes / No)	No
Name, address and contact details of Registrar and transfer agent, if any	-

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and description of main products / services	NIC Code of the product/ Service*	% to total turnover of the company
1	Broking	Section K – Group 661 – Class 6612 - Security and commodity contracts brokerage	74.92%

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise Share Holding -

S.No.	Category of Shareholders	No. of Shares held at the beginning of the year (01-APR-2016)				No. of Shares held at the end of the year (31-MAR-2017)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
(A)	PROMOTERS AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individuals / HUF*	-	12	12	0.00	-	12	12	0.00	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	22,500,000	22,500,000	99.99	-	22,500,000	22,500,000	99.99	-
(d)	Banks / Financial Institutions									
(e)	Any Other :	-	-	-	-	-	-	-	-	-
	Sub-Total A(1):	-	22,500,012	22,500,012	99.99	-	22,500,012	22,500,012	99.99	-
(2)	FOREIGN									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-

S.No.	Category of Shareholders	No. of Shares held at the beginning of the year (01-APR-2016)				No. of Shares held at the end of the year (31-MAR-2017)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Other:	-	-	-	-	-	-	-	-	-
	Sub-Total A(2):	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group A = A(1)+A(2)	-	22,500,012	22,500,012	99.99	-	22,500,012	22,500,012	99.99	-
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
(b)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government (s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other:	-	-	-	-	-	-	-	-	-
	- Multilateral Financial Institution	-	-	-	-	-	-	-	-	-
	- Foreign Corporate Bodies	-	-	-	-	-	-	-	-	-
	Sub-Total B(1):	-	-	-	-	-	-	-	-	-
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
	(i) Indian	-	-	-	-	-	-	-	-	-
	(ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals	-	-	-	-	-	-	-	-	-
	(i) Individual shareholders holding nominal share capital upto Rs.1 lakh*	-	2	2	0.01	-	2	2	0.01	-
	(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
(c)	Any Other:	-	-	-	-	-	-	-	-	-
	NON RESIDENT INDIANS	-	-	-	-	-	-	-	-	-
	TRUST	-	-	-	-	-	-	-	-	-
	CLEARING MEMBERS	-	-	-	-	-	-	-	-	-
	Sub-Total B(2):	-	2	2	0.01	-	2	2	0.01	-
	Total Public shareholding B=B(1)+B(2):	-	2	2	0.01	-	2	2	0.01	-
	Total (A+B):	-	22,500,014	22,500,014	100.00	-	22,500,014	22,500,014	100.00	-
(C)	Shares held by custodians, for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Sub-Total (C):	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C):	-	22,500,014	22,500,014	100.00	-	22,500,014	22,500,014	100.00	-

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

(ii) Shareholding of Promoters -

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

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

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

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year – Promoter & Promoter Group	22,500,012	99.9999	22,500,012	99.9999
2.	Date wise increase / decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease	-	-	-	-
3.	At the end of the year – Promoter & Promoter Group	22,500,012	99.9999	22,500,012	99.9999

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

S.No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares at the beginning (01-04-2016) / end of the year (31-03-2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	D Arulseivan	1	-	-	-	-	1	-
2.	N Srinivasan	1	-	-	-	-	1	-

(v) Shareholding of Directors and Key Managerial Personnel:

SN.	Name of the Director/ KMP	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		End of the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Directors:								
1.	Mr. Nalin Mansukhlal Shah	At the beginning – 01.04.2016 & end of the year – 31.03.2017 (No change in the shareholding position during the year)	-	-	-	-	-	-
2.	Ms. Sasikala Varadachari		-	-	-	-	-	-
3.	Mr. R Chandrasekar		-	-	-	-	-	-
4.	Mr. Rohit Phadke		-	-	-	-	-	-
KMP:								
5.	Ms. Mariam Mathew	At the beginning – 01.04.2016 & end of the year – 31.03.2017 (No change in the shareholding position during the year)	-	-	-	-	-	-
6.	Mr. D Arul Selvan*		1	0.00	1	0.00	1	0.00
7.	Mr. Balaji H		-	-	-	-	-	-

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
8.	Ms. Kavitha A*		-	-	-	-	-	-

* Mr. D Arulselvan was appointed as the Chief Financial Officer effective 1 June 2016 in the place of Ms. A Kavitha who had resigned from her position as the Chief Financial Officer.

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

(Rs. in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	0.00	-	0.00
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	0.00	-	0.00
Change in Indebtedness during the financial year	-	-	-	-
• Addition	-	105.50	-	105.50
• Reduction	-	95.50	-	95.50
Net Change	-	0.00	-	0.00
Indebtedness at the end of the financial year	-	-	-	-
i. Principal Amount	-	10.00	-	10.00
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Manager:

Sl. no.	Particulars of Remuneration	Mariam Mathew - Manager (Amount in Rs.)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	46,70,334
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	23,850
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	- as % of profit	-
	- others, specify	-
5.	Others, please specify	-
	Total (A)	46,94,184
	Ceiling as per the Act	15,96,846

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

B. Remuneration to Directors:

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

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

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

(Amount in Rs.)

SN.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary	2,62,572	4,19,299*	6,81,871
2.	Stock Option a. Allotment of Shares(including premium) b. Share application money pending allotment			
3.	Sweat Equity	-	-	-
4.	Commission -as % of profit - others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	2,62,572	4,19,299	6,81,871

* Mr. D Arulselvan was appointed as the Chief Financial Officer effective 1st June 2016 in the place of A Kavitha who had resigned from her position as the Chief Financial Officer. The remuneration of Mr. D Arulselvan is being paid by the Holding Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31 March, 2017.

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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Tidel Park, (Module 601, 701 & 702)
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Chennai-600 113, India
Tel : +91 44 6654 8100
Fax : +91 44 2254 0120

INDEPENDENT AUDITOR'S REPORT

To the Members of Cholamandalam Securities Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Cholamandalam Securities Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in Note 32 to the financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained



S.R. BATLIBOI & ASSOCIATES LLP

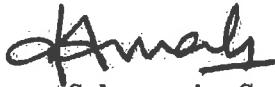
Chartered Accountants

by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Subramanian Suresh
Partner

Membership Number: 083673

Place of Signature: Chennai

Date: April 27, 2017



**Annexure 1 referred to in our report of even date
Re: Cholamandalam Securities Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The Company does not have any immovable property included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company..
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, cess and other statutory dues applicable to it. The provisions relating to sales-tax, wealth-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, cess and other material statutory dues applicable were outstanding, at the year end, for a period of more than six months from the date they became payable.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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

Name of the statute	Nature of the dues	Amount not deposited (Rs in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax(Including interest and penalty)	47.90	April 04 to December 08	CESTAT
Finance Act, 1994	Service tax (Including interest)	20.56	2006-2007 & 2007-2008	Commissioner of Central Excise – Appeals

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him/her.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Subramanian Suresh
Partner

Membership Number: 083673



Place of Signature: Chennai

Date: April 27, 2017

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

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

To the Members of Cholamandalam Securities Limited

We have audited the internal financial controls over financial reporting of Cholamandalam Securities Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Subramanian Suresh**
Partner

Membership Number: 083673



Place of Signature: Chennai

Date: April 27, 2017

CHOLAMANDALAM SECURITIES LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

(All amounts are in Indian rupees unless otherwise stated)

	Note No.	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	225,000,140	225,000,140
Reserves and surplus	4	(34,256,399)	(55,801,839)
		190,743,741	169,198,301
Current Liabilities			
Short-term borrowings	5	100,000,000	-
Trade payables	6	226,047,759	119,492,974
Other current liabilities	7	18,808,268	15,629,679
Short-term provisions	8	4,660,575	3,597,413
		349,516,602	138,720,066
Total		540,260,343	307,918,367
ASSETS			
Non-Current Assets			
Fixed assets			
Property, Plant and equipment	9	6,730,850	5,825,619
Intangible assets	10	3,540,583	2,314,540
		10,271,433	8,140,159
Non-current investments	11	13,818,854	13,818,854
Long-term loans and advances	12	24,491,253	26,748,302
Other non-current assets	13	82,734	81,092
		48,664,274	48,788,407
Current Assets			
Trade receivables	14	192,309,586	109,595,350
Cash and bank balances	15	211,169,649	99,649,530
Short-term loans and advances	16	87,534,932	49,491,326
Other current assets	17	581,902	393,754
		491,596,069	259,129,960
Total		540,260,343	307,918,367


Summary of Significant Accounting policies 2

The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of the Board of Directors

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004


per Subramanian Suresh
Partner
Membership No: 083673



Nalin Mansukhlal Shah
Chairman

Rohit Phadke
Director


Arulselvan D
Chief Financial Officer


Balaji H
Company Secretary

Place: Chennai
Date: April 27, 2017

Chennai
Date: April 27, 2017

CHOLAMANDALAM SECURITIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

	Note No.	Year Ended March 31, 2017	Year Ended March 31, 2016
Revenue			
Revenue from operations	18	146,339,971	119,966,595
Other income	19	6,977,682	8,284,090
Total Revenue		153,317,653	128,250,685
Expenses:			
Employee benefits expense	20	58,956,458	52,488,419
Other expenses	22	60,219,488	53,330,061
Finance costs	23	3,551,911	2,577,376
Depreciation and amortisation expense	24	3,766,356	2,485,726
Total Expenses		126,494,213	110,881,582
Profit before Tax		26,823,440	17,369,103
Tax Expenses:			
- Current tax		5,278,000	1,798,346
- Tax relating to earlier years		-	31,614
Profit for the year		21,545,440	15,539,143

Earnings per share information:

Basic earnings per share	0.96	0.69
Diluted earnings per share	0.96	0.69
Weighted average number of equity shares (Nos.)	22,500,014	22,500,014
Nominal Value per Share	10.00	10.00

Summary of significant accounting policies 2

The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of the Board of Directors

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Amesh

per Subramanian Suresh

Partner

Membership No: 083673



Nalin M. Shah

Nalin Mansukhlal Shah
Chairman

Rohit Phadke

Rohit Phadke
Director

Arulselvan D

Arulselvan D
Chief Financial Officer

Balaji H

Balaji H
Company Secretary

Place: Chennai
Date: April 27, 2017

Chennai
Date: April 27, 2017

CHOLAMANDALAM SECURITIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

	Year Ended March 31, 2017	Year Ended March 31, 2016
A. Cash Flow from Operating Activities		
Profit before tax	26,823,440	17,369,103
Adjustments for:		
Depreciation and amortisation expense	3,766,356	2,485,726
(Profit)/Loss on sale of Property, Plant and equipment	(22,366)	(32,033)
(Profit)/Loss on sale of investments (net)	(62,685)	(39,530)
Interest Income	(5,838,517)	(5,907,930)
Dividend Income	(1,045,592)	(1,106,136)
Finance costs	3,551,911	2,577,376
Provision no longer required written back	(34,258)	(7,212,459)
Provision for doubtful debts	-	147,913
Operating profit / (loss) before working capital changes	<u>27,138,289</u>	<u>8,282,030</u>
Changes in Working Capital:		
Increase / (Decrease) in current liabilities	109,733,374	(32,409,018)
Increase / (Decrease) in provisions	1,063,162	462,682
(Increase) / Decrease in trade receivables	(82,681,655)	10,950,449
(Increase) / Decrease in loans and advances	<u>(125,079,272)</u>	<u>20,403,211</u>
Cash generated / (used) in operations	(69,826,102)	7,689,354
Income taxes paid (net of refunds)	(3,195,109)	(2,917,542)
Net Cash flow from / (used) in operating activities (A)	<u>(73,021,211)</u>	<u>4,771,812</u>
Net cash generated from operating activities	(73,021,211)	4,771,812
B. Cash flow from Investing Activities		
Purchase of Property, Plant and equipment / Intangible assets / Capital work-in-progress	(5,935,669)	(7,744,059)
Sale of Property, Plant and equipment	60,405	148,337
Purchase of current investments	(20,000,000)	(30,000,000)
Sale of current investments	20,062,685	30,039,530
Interest received	5,369,354	5,905,112
Dividend received	1,045,592	1,106,136
Investments in bank deposits (having original maturities of more than 3 months / restricted funds)	(10,000,000)	(2,500,000)
Net Cash flow from / (used) in investing activities (B)	<u>(9,397,633)</u>	<u>(3,044,944)</u>
C. Cash flow from Financing Activities		
Infusion of Equity Share Capital	-	-
Interest paid	(3,551,911)	(2,577,376)
Interest received	281,015	-
Proceeds from short-term borrowings	1,055,000,000	1,020,000,000
Repayment of short-term borrowings	<u>(955,000,000)</u>	<u>(1,020,000,000)</u>
Net Cash flow from / (used) in financing activities (C)	<u>96,729,104</u>	<u>(2,577,376)</u>
Net Increase in cash and cash equivalents (A + B + C)	14,310,260	(850,508)
Cash and cash equivalents at the beginning of the year	<u>282,991</u>	<u>1,133,499</u>
Cash and cash equivalents at the end of the year	<u>14,593,251</u>	<u>282,991</u>



CHOLAMANDALAM SECURITIES LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017***(All amounts are in Indian rupees unless otherwise stated)*

	Year Ended March 31, 2017	Year Ended March 31, 2016
Components of cash and cash equivalents		
Balance as per Balance Sheet (note 14)	211,169,649	99,649,530
Less : Deposits under Lien	81,250,000	71,250,000
Less : Deposits with original maturity period of more than 3 months	-	-
Less : Client and exchange related cash balances	115,326,398	28,116,539
Total cash and cash equivalents	<u>14,593,251</u>	<u>282,991</u>

For S.R.BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**per Subramanian Suresh**

Partner

Membership No: 083673

Place: Chennai

Date: April 27, 2017

**For and on behalf of the Board of Directors****Nalin Mansukhlal Shah**
Chairman**Rohit Phadke**
Director**Arulselvan D**
Chief Financial Officer**Balaji H**
Company Secretary

CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

1. Corporate Information

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

2. Significant Accounting Policies:

a) Basis of Preparation of Financial Statements

The financial statements are prepared on accrual basis and under historical cost convention in accordance with the generally accepted accounting principles in India (Indian GAAP) except treatment in respect of accounting relating to the Bombay Stock Exchange membership card which is based on fair value in terms of the Expert Advisory Committee's opinion. The Company has prepared these financial statements to comply in all material aspects with the Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standard) Amendment Rules, 2016.

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

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

b) Use of Estimates

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

c) (i) Property, Plant and equipment

Property, Plant and equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct expenses such as Inward freight, duties, taxes and expenses incidental to acquisition and installation net of cenvat credit where applicable.

Property, Plant and Equipment retired from active use and held for sale are stated at lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet. Any write down is recognised in the Statement of Profit and Loss.

(ii) Intangible assets

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

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

d) Depreciation / Amortisation

Depreciation on PPE is calculated on the straight-line method using the rates arrived at based on the useful lives estimated by the Management. The Company has used the following rates to provide depreciation on its PPE.

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

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



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CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

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

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

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

e) Impairment of Property, Plant and Equipment and Intangible Assets

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

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

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

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

f) Investments

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

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

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

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

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

g) Revenue Recognition

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

Income from services

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

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

Interest

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

Commission on Mutual funds/Bonds

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

same
Dividend
Dividend

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



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

h) Leases

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

i) Foreign Currency Translation

(i) Initial recognition

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

(ii) Conversion

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

(iii) Exchange differences

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

j) Retirement and Other Employee Benefits

a) Defined Contribution Plans

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

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

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

b) Defined Benefit Plan & Compensated Absences

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

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

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

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

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



k) Income Taxes

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

Deferred income taxes reflect the impact of timing differences between the taxable income and the accounting income originating in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

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

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

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

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

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

l) Segment Reporting

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



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(All amounts are in Indian rupees unless otherwise stated)

m) Earnings per Share

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

n) Provisions

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

o) Contingencies

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

p) Cash and cash equivalents

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

q) Trade Receivables / Payables

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

r) Service Tax Input Credit

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



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

Note No	As at March 31, 2017	As at March 31, 2016
3. Share Capital		
Authorised		
35,000,000 (March 31, 2016 - 35,000,000) Equity Shares of Rs.10/- each	350,000,000	350,000,000
Issued, subscribed and fully paid-up shares		
22,500,014 (March 31, 2016 - 22,500,014) Equity Shares of Rs.10/- each	225,000,140	225,000,140
Subscribed and Paid up		
22,500,014 (March 31, 2016 - 22,500,014) Equity Shares of Rs.10/- each fully paid up	225,000,140	225,000,140

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

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

B. Rights, preferences and restrictions attached to shares

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

C. Shares held by the holding company

Equity Shares

22,500,014 Equity shares (March 31, 2016 - 22,500,014) held by M/s Cholamandalam Investment & Finance Company Limited and its nominees	225,000,140	225,000,140
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D. Shares held by shareholders holding more than 5% of the aggregate shares in the Company

Equity Shares

22,500,014 Equity shares (March 31, 2016 - 22,500,014) held by M/s Cholamandalam Investment & Finance Company Ltd, the holding company and its nominees	225,000,140	225,000,140
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Percentage of holding	100%	100%
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As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

Note No	As at March 31, 2017	As at March 31, 2016
4. Reserves and Surplus		
General Reserve		
Balance at the beginning of the year	800,000	800,000
Balance at the end of the year	<u>800,000</u>	<u>800,000</u>
Surplus/(deficit) in the Statement of Profit and Loss		
Balance at the beginning of the year	(56,601,839)	(72,140,982)
Profit for the year	21,545,440	15,539,143
Balance at the end of the year	<u>(35,056,399)</u>	<u>(56,601,839)</u>
Total Reserves and Surplus	<u>(34,256,399)</u>	<u>(55,801,839)</u>
5. Short-term borrowings		
Deposits (unsecured):		
9.75% Inter-corporate deposit from related party payable on demand	100,000,000	-
	<u>100,000,000</u>	<u>-</u>
6. Trade Payables		
Dues to clients and stock exchanges	213,265,720	106,582,820
Dues of creditors other than micro enterprises and small enterprises (refer note below)	6,451,576	7,590,014
Salaries, wages and other employee's benefits payable	6,330,463	5,320,140
	<u>226,047,759</u>	<u>119,492,974</u>
<p>Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. Based on the information available with the Company, there are no overdue amounts payable to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as at the Balance Sheet date. Further, the Company has not paid any interest to any Micro and Small Enterprises during the current and previous year.</p>		
7. Other Current Liabilities		
Deposits from sub-brokers & others	13,116,545	10,686,545
Advances received from customers	484,445	568,337
Statutory dues/Remittances	5,207,278	4,374,797
	<u>18,808,268</u>	<u>15,629,679</u>
8. Short-term Provisions		
Provision for Employee Benefits:		
Provision for compensated absences	3,235,094	3,060,655
Provision for gratuity	1,425,481	536,758
	<u>4,660,575</u>	<u>3,597,413</u>



Signature

Cholamandalam Securities Limited
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in millions of Indian Rupees, unless otherwise stated)

9. Property, Plant and Equipment

Particulars	Plant and Machinery - computer hardware	Office equipment	Furniture and fixtures	Air conditioners	Vehicles	Total
Cost or Valuation						
At April 1, 2015	19,360,686	1,313,322	2,868,369	320,919	686,500	24,549,796
Additions during the year	3,583,620	188,579	-	-	1,693,583	5,465,782
Disposal / Written off	6,281,806	20,355	120,305	-	686,500	7,108,966
As at March 31, 2016	16,662,500	1,481,546	2,748,064	320,919	1,693,583	22,906,612
Additions during the year	3,391,229	160,758	-	-	-	3,551,987
Disposal / Written off	2,525,208	60,316	105,404	-	-	2,690,928
As at March 31, 2017	17,528,520	1,581,988	2,642,660	320,919	1,693,583	23,767,671
Depreciation						
At April 1, 2015	18,519,194	1,136,952	1,648,662	294,962	525,940	22,125,710
Charge for the year#	975,378	84,664	623,953	7,492	256,458	1,947,944
Disposal / Written off	6,281,806	16,524	120,305	-	574,027	6,992,662
As at March 31, 2016	13,212,766	1,205,092	2,152,310	302,454	208,371	17,080,993
Charge for the year	1,614,343	100,072	548,299	7,472	338,531	2,608,717
Disposal / Written off	2,525,208	22,277	105,404	-	-	2,652,889
As at March 31, 2017	12,301,902	1,282,886	2,595,206	309,926	546,902	17,036,821
Net Block						
As at March 31, 2016	3,449,734	276,454	595,754	18,465	1,485,212	5,825,619
As at March 31, 2017	5,226,619	299,102	47,455	10,993	1,146,681	6,730,850

* Initially acquired in decust 2000 and Fair Valued as at July 31, 2005. Also refer note no.11

10. Intangible Assets (Acquired)

Computer software	Madras Stock Exchange (MSE) Membership Card	Bombay Stock Exchange (BSE) Membership Card*	Total
42,339,897	10,500,000	6,575,000	59,414,897
2,278,277	-	-	2,278,277
44,618,174	10,500,000	6,575,000	51,193,174
2,383,682	-	-	2,383,682
47,001,856	-	6,575,000	53,576,856
41,985,020	10,500,000	6,355,833	58,840,853
318,614	-	219,167	537,781
42,303,634	10,500,000	6,575,000	48,878,634
1,157,639	-	-	1,157,639
43,461,273	-	6,575,000	50,036,273
2,314,540	-	-	2,314,540
3,540,583	-	-	3,540,583



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CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

Note No	As at March 31, 2017	As at March 31, 2016
11. Non-current Investments		
Non-trade Investments (valued at cost unless stated otherwise)		
Investment in equity instruments		
65,000 (March 31, 2016 - 130,000 equity shares of Re. 1 each) equity shares (Quoted) of Rs. 2 each fully paid up In Bombay Stock Exchange Limited (Represents fair value as at July 31, 2005). Also refer notes (a) and (b) below	13,803,854	13,803,854
285,000 (March 31, 2016 - 285,000) equity shares (Unquoted) of Re.1 each fully paid up In Madras Stock Exchange Limited.	15,000	15,000
	13,818,854	13,818,854
Aggregate value of unquoted Investments	13,818,854	13,818,854

BSE Shares @ Fair Value

The BSE (Corporatisation and Demutualisation) Scheme 2005 converted BSE from an Association of Persons (AOP) to a corporate body "Bombay Stock Exchange Limited"(BSEL) to segregate ownership and management from trading rights of members. In line with this scheme:-

a) BSE allotted 10,000 fully paid up equity shares of face value of Rs. 1/- each for a consideration of Rs.10,000/- to all members (membership card holders) appearing in their Register as on July 31, 2005 (record date) and concurrently Members as on the record date were vested with trading rights in the stock exchange in lieu of the membership card earlier held by them.

The Company recorded the Investments at historical cost of Rs 10,000/- and continued amortisation of the membership card.

b) In the year ended March 31,2010, the Company decided to record the equity shares of BSEL at their fair value as at July 31, 2005.

12. Long-term Loans and Advances (Unsecured, Considered good)

Deposits with stock exchanges	13,770,000	13,770,000
Deposits with others	-	80,500
Advance Income-tax (net of provision for taxation)	8,178,761	10,261,652
MAT credit entitlement	1,070,386	1,070,386
Capital/Other advances*	1,136,016	1,177,353
Prepaid expenses	336,090	388,411
	24,491,253	26,748,302

* Including an amount of Rs. 700,000 paid under protest in respect of penalty imposed by SEBI. (Also refer note 28)

13. Other Non-Current Assets
Long-term Trade Receivables

Secured - Considered good	82,734	81,092
Unsecured - Considered good	-	-
Unsecured - Considered doubtful	9,450,977	9,452,619
Debts outstanding for a period exceeding six months	9,533,711	9,533,711
Less:Provision for doubtful trade receivables	9,450,977	9,452,619
	82,734	81,092



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CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

Note No	As at March 31, 2017	As at March 31, 2016
14. Trade Receivables		
Secured - Considered good		
Outstanding for a period exceeding six months from the date they are due for payment	2,535,426	2,381,318
Others	<u>189,774,160</u>	<u>107,214,032</u>
	192,309,586	109,595,350
Unsecured - Considered doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	3,514,675	3,550,181
Others	<u>31,322</u>	<u>28,398</u>
	<u>3,545,997</u>	<u>3,578,579</u>
Less: Provision for doubtful debts	<u>3,545,997</u>	<u>3,578,579</u>
	<u>-</u>	<u>-</u>
	192,309,586	109,595,350
 15. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	30,000	30,000
Bank Balances on current accounts	<u>14,563,251</u>	<u>252,991</u>
	14,593,251	282,991
Other Bank Balances		
On client and exchange related accounts	115,326,398	28,116,539
Deposits with original maturity for more than 3 months but less than 12 months*	<u>81,250,000</u>	<u>71,250,000</u>
	211,169,649	99,649,530
 16. Short-term Loans and Advances		
Unsecured considered good		
Advances with Exchanges and Stock Holding Corporation of India Limited	83,363,767	45,713,747
Prepaid expenses	2,997,274	2,807,241
Balance with government authorities	522,417	204,953
Staff advances	349,980	549,996
Other advances	<u>301,494</u>	<u>215,389</u>
	87,534,932	49,491,326
 17. Other Current Assets		
Interest accrued on bank deposits	<u>581,902</u>	<u>393,754</u>
	581,902	393,754

* Includes margin money deposit of Rs.81,250,000/- (March 31, 2016 - Rs 71,250,000/-) held as lien for Bank guarantees issued to stock exchanges for margin



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CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

Note No	Year Ended March 31, 2017	Year Ended March 31, 2016
18. Revenue from Operations		
Brokerage on stock broking	114,870,634	86,726,389
Depository services	5,767,531	5,581,010
Other operating revenues		
- Interest on client overdues	13,811,537	11,948,374
- Commission - Mutual Funds/Bonds	7,618,289	4,474,569
- Provision no longer required written back	34,258	7,100,000
- Processing Fees/Other operating service income	4,237,722	4,136,253
	146,339,971	119,966,595
19. Other Income		
Interest Income from:		
- Bank deposits	5,557,502	5,907,930
- Income tax refund	281,015	-
Profit on sale of current investments	62,685	39,530
Dividend Income		
- From long-term Investments	1,044,000	1,105,000
- From current Investments	1,592	1,136
Liabilities written back to the extent no longer required	8,522	288,826
Profit on sale of assets (net)	22,366	32,033
Miscellaneous Income	-	909,635
	6,977,682	8,284,090
20. Employee Benefits Expense		
Salaries (net of recovery of Rs. NIL (March 31, 2016 - Rs 1,057,239/-)	51,637,140	46,325,896
Contribution to provident and other funds	4,432,462	3,333,110
Staff welfare expenses	2,886,856	2,829,413
	58,956,458	52,488,419
Defined Benefit & Contribution Plans		
Amount recognised in the Statement of Profit and Loss		
(I) Provident Fund/ESI	1,146,781	1,169,135
(II) Pension Fund	783,008	666,390
(III) Superannuation Fund	650,596	670,515
	2,580,385	2,506,040
(iv) Gratuity Expense	1,852,077	827,070
	4,432,462	3,333,110

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

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

(i) Changes in present value of defined benefit obligation

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	4,048,880	3,200,454
Current service cost	458,410	624,205
Interest cost	323,680	123,412
Actuarial Losses / (Gains)	1,385,003	331,111
Benefits Paid	(247,933)	(230,302)
Balance at the end of the year	5,968,040	4,048,880



Signature

CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

(II) Changes in fair value of plan asset

Balance at the beginning of the year	3,512,122	3,030,985
Expected return on plan assets	280,770	130,862
Actuarial (losses) / gains	34,246	120,796
Contributions by the Company	963,354	459,781
Benefits paid	(247,933)	(230,302)
Balance at the end of the year	<u>4,542,559</u>	<u>3,512,122</u>

(III) Assets and Liabilities recognised in the Balance Sheet

Present value of defined benefit obligation	5,968,040	4,048,880
Less: Fair value of plan asset	4,542,559	3,512,122

Amount recognised in the Balance Sheet under Note 8 Short-term provisions	(1,425,481)	(536,758)
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(IV) Expense recognised in the Statement of Profit and Loss

Current service cost	458,410	624,205
Interest cost	323,680	123,412
Expected return on plan assets	(280,770)	(130,862)
Actuarial Losses / (Gains)	1,350,757	210,315
Total Expense	1,852,077	827,070

(Included in Contribution to provident and other funds in Note 20)

(v) Actuarial Assumptions

Discount rate	6.9%	8%
Expected return on plan assets	7.50%	8%
Salary growth rate	7.50%	5%
Attrition rate	17%	1% to 3%

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

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

(vi) Amounts recognised in current year and previous four years

	March 31, 2017	March 31, 2016
Gratuity		
Defined benefit obligation	5,968,040	4,048,880
Plan asset	4,542,559	3,512,122
Surplus/(Deficit)	(1,425,481)	(536,758)
Experience Adjustment on Plan Liabilities (Gain) / Loss	1,385,003	331,111
Experience Adjustment on Plan Assets Gain / (Loss)	34,246	120,796
	March 31, 2015	March 31, 2014
Gratuity		
Defined benefit obligation	3,200,454	2,597,242
Plan asset	3,030,985	2,698,393
Surplus/(Deficit)	(169,469)	101,151
Experience Adjustment on Plan Liabilities (Gain) / Loss	16,824	425,504
Experience Adjustment on Plan Assets Gain / (Loss)	121,520	116,018
	March 31, 2013	
Gratuity		
Defined benefit obligation	2,085,975	
Plan asset	2,332,247	
Surplus/(Deficit)	246,272	
Experience Adjustment on Plan Liabilities (Gain) / Loss	(126,541)	
Experience Adjustment on Plan Assets Gain / (Loss)	-	



Signature

CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

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

Estimated amount of contribution to the fund during the Year Ended March 31, 2018, as estimated by Management is Rs. 3,057,144/- (Previous year Rs. 500,000)

Notes

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

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

(c) The Composition of Plan assets which is funded with Life Insurance Corporation of India is as below:

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets	Mar 31, 2016*
Government securities	61.67%
Bonds, debentures and other fixed Income Instruments	31.35%
Equity shares	6.98%

* as per latest information available from LIC

21. Employee Stock Option Plan

Under the Employee Stock Option Scheme - 2007 of the Holding Company, M/s Cholamandalam Investment & Finance Company Limited, 32,483 options (net of cancelled / lapsed) of the Holding Company have been granted to some of the employees of the Company as at March 31, 2017. 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, 2017.



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

Note No	Year Ended March 31, 2017	Year ended March 31, 2016
22. Other Expenses		
Rent	4,465,277	5,553,738
Rates and taxes (net of recovery of Rs. 11,290,373/- March 31, 2016 - Rs 5,935,153/-)	2,759,192	1,936,044
Business development expenses	2,962,578	1,493,435
Sub-brokerage	17,618,475	12,644,229
Communication expenses	3,442,327	3,229,024
Travelling and conveyance	2,987,388	3,031,577
Printing and stationery	919,452	989,366
Electricity charges	1,302,598	1,298,474
Insurance	1,867,416	1,611,869
Repairs and maintenance	1,358,386	1,612,364
Subscription	952,804	855,912
Information technology expenses	4,768,589	4,432,882
Provision for bad and doubtful debts	-	260,372
Less : Provision written back	-	(112,459)
	-	147,913
Outsourcing expenses	11,169,797	11,057,929
Professional charges	2,420,624	2,482,766
Auditors' remuneration		
As auditor		
- Audit fee	360,000	360,000
- Tax audit fee	60,000	60,000
- other services	260,000	260,000
- reimbursement of expenses	25,000	25,000
- as other capacity	100,000	-
Loss on sale of shares	200,043	54,852
Miscellaneous expenses	219,542	192,687
	60,219,488	53,330,061
23. Finance Costs		
Interest on loan from the holding company	2,218,255	1,319,027
Other finance charges	1,333,656	1,258,349
	3,551,911	2,577,376
24. Depreciation and amortisation Expense		
Depreciation of Property, Plant and Equipment	2,608,717	1,947,945
Amortisation of intangible assets	1,157,639	537,781
	3,766,356	2,485,726
25. Segment Reporting		
The Company's operations predominantly relate only to Stock Broking, Depository Participant services and Portfolio Management Services and accordingly this is the only reportable segment.		
Further, the operations of the Company are limited within one geographical segment (India) and accordingly reporting under geographical segments does not arise.		



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CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

Note No	Year Ended March 31, 2017	Year Ended March 31, 2016
26. Related Party Disclosures		
A. Names of related parties and nature of relationship		
(i) Where control exists		
Entity having significant influence over the Holding Company	Tube Investments of India Limited (from September 2, 2015)	
Ultimate Holding Company	Tube Investments of India Limited (till September 1, 2015)	
Holding Company	Cholamandalam Investment and Finance Company Limited	
(ii) Other related parties with whom transactions have taken place during the year		
Fellow Subsidiary	(i) Cholamandalam Distribution Services Limited (ii) White Data Systems India Private Limited (from March 16, 2016)	
Associate of Holding Company	Tube Investments of India Limited (from September 2, 2015)	
Holding Company's Fellow Subsidiaries	Cholamandalam MS General Insurance Company Limited (till September 1, 2015)	
Joint Venture of Ultimate Holding Company	Chola MS Risk Services Limited (till September 1, 2015)	
Key Managerial Personnel	(i) Mariam Mathew, Manager (ii) Arulseivan . D, Chief Financial Officer (from June 1, 2016)* (iii) Kavitha A, Chief Financial Officer (till May 31, 2016) (iv) Balaji H, Company Secretary (from October 22, 2015) (v) Shakil Ahmed Choudhury, Company Secretary (till October 21, 2015)	
B. Details of related party transactions and balances		
Loans taken		
Cholamandalam Investment and Finance Company Limited	1,055,000,000	1,020,000,000
Loans Repaid		
Cholamandalam Investment and Finance Company Limited	955,000,000	1,020,000,000
Purchase of Fixed Assets		
Cholamandalam Investment and Finance Company Limited	-	333,054
Finance Costs		
Cholamandalam Investment and Finance Company Limited	2,218,255	1,319,027
Rent Expense		
Cholamandalam Investment and Finance Company Limited	4,329,997	5,360,310
Insurance Premium Paid		
Cholamandalam MS General Insurance Company Limited (till September 1, 2015)	-	41,160
Income from Services Rendered		
Cholamandalam Investment and Finance Company Limited	3,701,545	3,993,011
Cholamandalam MS General Insurance Company Limited (till September 1, 2015)		901,844
Cholamandalam Distribution Services Limited	1,000	-



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CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

Note No	Year Ended March 31, 2017	Year Ended March 31, 2016
Mariam Mathew		652
Other Income		
Cholamandalam Distribution Services Limited	-	643,386
Reimbursement of Administrative Expenses-Payments		
Cholamandalam Investment and Finance Company Limited	5,303,232	3,974,020
Cholamandalam Distribution Services Limited	-	3,452
Reimbursement of Administrative Expenses-Receipts		
Cholamandalam Investment and Finance Company Limited	831,017	1,313,447
Cholamandalam Distribution Services Limited	479,634	957,416
Remuneration Paid		
Key Managerial Personnel		
Mariam Mathew	4,694,184	4,898,404
Kavitha A	419,299	2,789,754
Shakil Ahmed Choudhury (till October 21, 2015)	-	271,824
Balaji H (from October 22, 2015)#	-	661,000
Trade (Payable)/Receivable		
Cholamandalam Investment and Finance Company Limited	13,952	(378,577)
Cholamandalam Distribution Services Limited	(716)	11,927
Cholamandalam MS General Insurance Company Limited (till September 1, 2015)	-	
Short-term borrowings		
Cholamandalam Investment and Finance Company Limited	100,000,000	-

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

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

27. Deferred Tax Asset

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

28. Contingent liabilities and commitments

(i) Claims against the Company not acknowledged as debts

Income tax matters		
appeal pertaining to disallowances on depreciation on certain assets and others.	-	6,371,210
Service tax matters		
appeal pertaining to service tax payable on turnover charges and ineligible Service tax Input credit.	6,845,779	6,845,779
Disputed claims against the Company lodged by various customers	2,000,000	2,000,000
Order in respect of alleged violations of the provisions of SEBI Act	700,000	700,000

(i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.



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CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
(All amounts are in Indian rupees unless otherwise stated)

Note No	Year Ended March 31, 2017	Year Ended March 31, 2016
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Information Technology related	197,925	99,968
29. Other Financial Information		
Outstanding bank guarantees given to stock exchanges/stock holding corporation of India limited to meet margin requirements	162,500,000	142,500,000
30. Expenditure In Foreign Currency		
Subscription	-	58,295
31. Value of imports Calculated on CIF Basis		
Software Purchase	-	104,752

32. Details of Specified Bank Notes (SBN)

The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08th November 2016	65,500	350	65,850
Add: Permitted receipts	-	80,000	80,000
Less: Permitted Payments	-	69,253	69,253
Less: Amount deposited in Banks	65,500	-	65,500
Closing cash in hand as on 30th December 2016	-	11,097	11,097

33. Previous year Comparatives

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

As per our report of even date

For and on behalf of the Board of Directors

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004


per Subramanian Suresh
Partner
Membership No: 083673



Place: Chennai
Date: April 27, 2017



Nalin Mansukhlal Shah
Chairman



Arulselvan D
Chief Financial Officer

Chennai
Date: April 27, 2017



Rohit Phadke
Director



Balaji H
Company Secretary

CHOLAMANDALAM SECURITIES LIMITED

Group Reporting Package for the year ended March 31, 2017 prepared in accordance with Tube Investments of India Limited (TI) Group Accounting Policies

All Amounts are presented in Lakhs of Rupees

Balance Sheet as at 31 March 2017

Particulars	As at 31-Mar-2017	As at 31-Mar-2016
Assets		
Non-Current Assets		
Property Plant and Equipment	67.31	58.26
Intangible Assets	37.60	25.34
Financial Assets		
(a) Investments	635.85	288.18
(b) Other financial assets	138.53	139.32
Deferred tax assets - MAT Credit	10.70	10.70
Other non-current assets	96.51	118.27
	986.50	640.07
Current Assets		
(a) Trade receivables	1,923.10	1,095.95
(b) Cash and Bank Balances	2,111.70	996.50
(c) Other financial assets	842.96	466.57
Other current assets	38.21	32.28
	4,915.96	2,591.30
Total Assets	5,902.46	3,231.36
EQUITY AND LIABILITIES		
Equity Share Capital	2,250.00	2,250.00
Other Equity	157.29	-405.84
Total Equity	2,407.29	1,844.16
Current Liabilities		
Financial Liabilities		
(a) Borrowings	1,000.00	-
(b) Trade Payables	2,256.12	1,178.70
(c) Other financial liabilities	140.37	128.77
Short Term Provisions	46.61	35.97
Other Current Liabilities	52.07	43.75
Total Liabilities	3,495.17	1,387.20
TOTAL EQUITY AND LIABILITIES	5,902.46	3,231.36

For Cholamandalam Securities Limited



Rohit Phadke
Director



Balaji H
Company Secretary



Arulselvan D
Chief Financial Officer

Place: Chennai
Date: April 27, 2017



CHOLAMANDALAM SECURITIES LIMITED

Group Reporting Package for the year ended March 31, 2017 prepared in accordance with TI Group Accounting Policies
All Amounts are presented in Lakhs of Rupees

Statement of Profit and Loss for the Year Ended 31st March, 2017

Particulars	Year Ended	
	31.03.2017	31.03.2016
1. Income from Operations		
a) Income from Operations	1206.38	923.07
b) Other Operating Income	257.01	276.59
Total Income from Operations	1463.39	1199.67
2. Expenses		
a) Employee Benefits Expense	580.03	525.90
b) Depreciation and Amortisation Expense	37.66	22.67
c) Other Expenses	602.19	533.30
Total	1219.89	1081.87
3. Profit from Operations and before	243.50	117.80
4. Other Income	69.78	82.84
5. Profit Before Finance Costs and	313.28	200.64
6. Finance Costs	35.52	25.77
7. Profit After Finance Costs but before	277.76	174.87
8. Exceptional Items	-	-
9. Profit Before Tax (7 + 8)	277.76	174.87
10. Tax Expense (including Deferred Tax)	55.30	18.09
11. Profit After Tax (9 - 10)	222.46	156.77
12. Share of profit from Associate and Joint Venture		
13. Net Profit	222.46	156.77
14. Other Comprehensive Income (Net of Tax):		
Items not to be reclassified to profit or loss in subsequent periods: (A)	337.78	0.81
Items to be reclassified to profit or loss in subsequent periods: (B)	-	-
Other Comprehensive Income for the year (A+B):	337.78	0.81
15. Total Comprehensive income (13 + 14)	560.24	157.58
16. Net Profit attributable to:		
Owners	222.46	156.77
Non-controlling interest	-	-
17. Total Comprehensive income attributable to:		
Owners	337.78	0.81
Non-controlling interest	-	-
18. Paid-up Equity Share Capital (Face Value of Re 1 Each)	2250.00	2250.00
19. Reserves and Surplus (i.e Other Equity)	157.29	(405.84)
20. Networth	2407.29	1844.16
21. Basic Earnings Per Share (in `) - Not Annualised	0.99	0.70
22. Diluted Earnings Per Share (in `) - Not Annualised	0.99	0.70

For Cholamandalam Securities Limited



Rohit Phadke
Director



Balaji H
Company Secretary



Arulseivan D
Chief Financial Officer

Place: Chennai
Date: April 27, 2017



CHOLAMANDALAM SECURITIES LIMITED

Group Reporting Package for the year ended March 31, 2017 prepared in accordance with TI Group Accounting Policies
All Amounts are presented in Lakhs of Rupees

Notes:

1. Reconciliation of profit and equity for the year ended March 31, 2016, from Indian GAAP to TI Group Accounting Policy

Profit Reconciliation

Particulars	Year Ended
	31.03.2016
Net Profit under Previous GAAP (IGAAP)	155.39
Actuarial Loss on Employee defined benefit funds recognised in Other Comprehensive Income	(1.02)
Intangible Asset - Carrying cost	2.19
Net Profit for the period	156.56
Other Comprehensive Income	0.81
Effect of current tax	0.21
Total Comprehensive Income under TI Group Accounting Policy	157.58

Equity reconciliation

Particulars	Year ended
	31.03.2016
Equity under Previous GAAP (IGAAP)	(558.02)
Effect of fair valuation of financial asset and recognising actuarial loss through Other Comprehensive Income	149.99
Intangible Asset - Carrying cost	2.19
Equity under TI Group Accounting Policy	(405.84)

2. The Group Reporting Package has been prepared in accordance with TII Group Accounting Policies to comply with the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 solely to enable Cholamandalam Investment and Finance Company Limited for reporting to TII to prepare its consolidated financial results under Indian Accounting Standards notified under Section 133 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016 ("Ind AS").

For Cholamandalam Securities Limited



Rohit Phadke
Director



Balaji H
Company Secretary



Arulselvan D
Chief Financial Officer

Place: Chennai
Date: April 27, 2017

