

**CHOLAMANDALAM
SECURITIES
LIMITED**

**ANNUAL REPORT
2017 – 18**

Cholamandalam Securities Limited

Board of Directors

Sasikala Varadachari (DIN 07132398)

Rohit Phadke (DIN 07293524)

R.Chandrasekar (DIN 02687447)

Auditors

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

Company Secretary

Balaji H

Corporate Identity Number

U65993TN1994PLC028674

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

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Cholamandalam Securities Limited

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

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

CIN - U65993TN1994PLC028674

Website: www.cholawealthdirect.com

Notice to Members

NOTICE is hereby given that the twenty fourth annual general meeting of the members of Cholamandalam Securities Limited will be held at shorter notice 5.30 p.m. on Wednesday, the 25 July, 2018 at the Registered Office of the company at "Dare House", No.2, N.S.C. Bose Road, Parrys, Chennai 600 001 to transact the following 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, 2018 and the balance sheet as at that date together with the independent auditors' report thereon be and are hereby considered, approved and adopted.

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

RESOLVED THAT Mr. Rohit Phadke(holding DIN 07293524), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the company liable to retire by rotation.

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

RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s. S.R.Batliboi & Associates LLP, Chartered Accountants, Chennai bearing registration no. 101049W as the Statutory Auditors of the company from the conclusion of the twenty fourth annual general meeting till the conclusion of the twenty eighth annual general meeting at a remuneration of Rs. 4.28 lakhs for FY 18-19 including the actual travelling and out of pocket expenses incurred in connection with the audit in addition to the taxes as applicable be and is hereby ratified.

RESOLVED FURTHER THAT the board of directors of the company (including any committee thereof) be and is hereby authorised to fix the remuneration payable to the statutory auditors of the company, from time to time including the actual travelling and out of pocket expenses incurred in connection with the audit, in addition to taxes as applicable, during the appointed period till the conclusion of twenty eighth annual general meeting.

SPECIAL BUSINESS:

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

RESOLVED THAT in supersession of the resolutions passed earlier and pursuant to the provisions of section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and

the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the board of directors of the company (hereinafter referred to as "the board" which term shall be deemed to include any committee thereof), to borrow from time to time such sum or sums of money as they may deem fit notwithstanding however, that the total borrowings exceed the aggregate of paid-up capital and free reserves of the company, provided however that the aggregate of amounts so borrowed and outstanding at any one time (apart from temporary loans obtained from the company's bankers in the ordinary course of business) shall not exceed an amount of Rs.70 crores.

RESOLVED FURTHER THAT the board be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.

By Order of the Board

Place : Chennai
Date : 25 July, 2018

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. Proxy form for the AGM is enclosed.**
- 2. 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 : 25 July, 2018

H Balaji
Company Secretary

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

Item No. 4: Approval of borrowing powers of the Company:

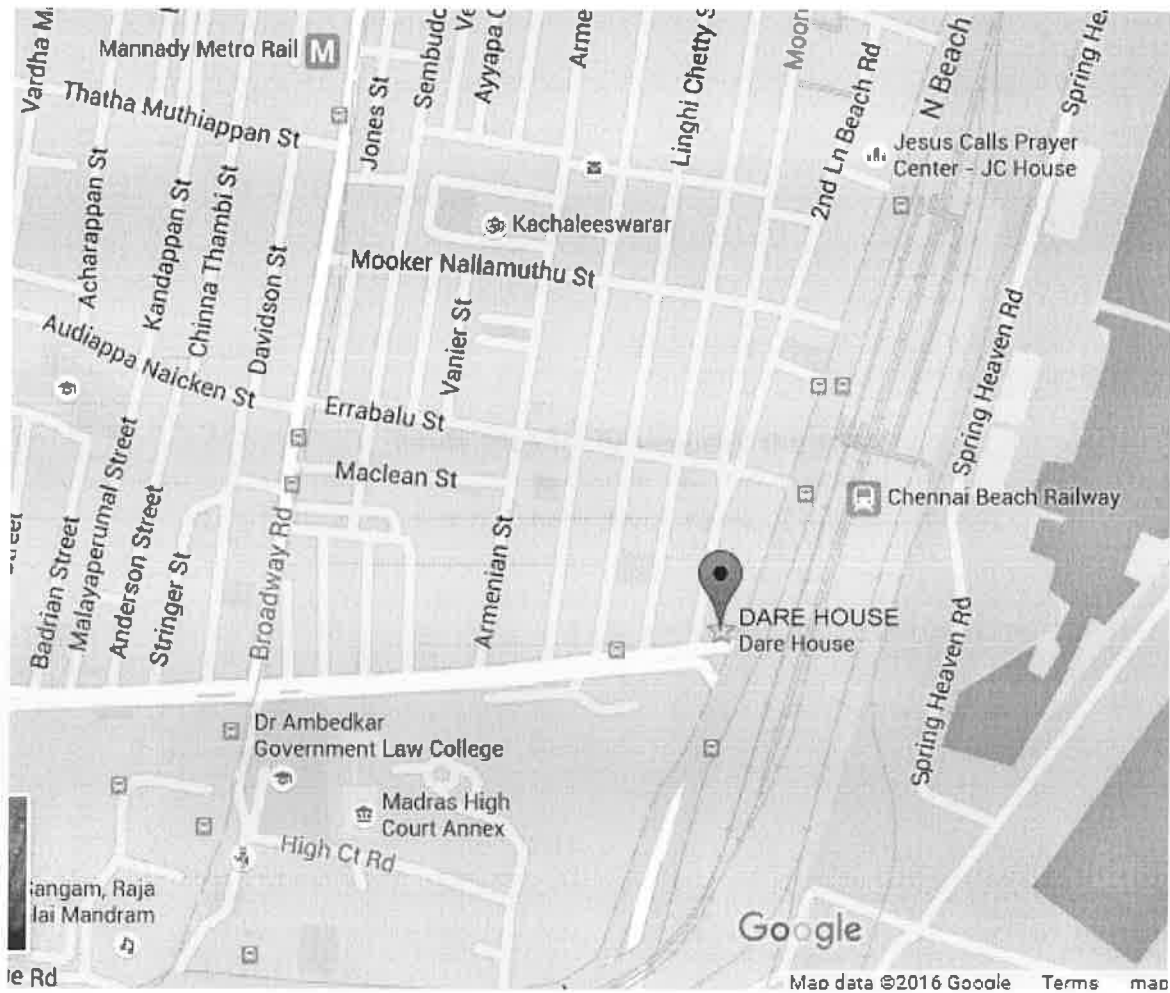
Under section 180(1)(c) of the Act, sanction of the company is required for enabling the board of directors to borrow money in excess of paid-up share capital and free reserves of the company by way of a special resolution. At the annual general meeting held on 30 July, 2015, sanction was accorded by the members by way of a special resolution to the board of directors to borrow money over and above the aggregate of the paid-up share capital and free reserves of the company upto a limit of Rs.40 crores. In view of the increased volume of operations of the company it is considered necessary to increase the borrowing limits of the company to Rs.70 crores. Hence, the resolution as set out in item no.4 is being sought, by way of a special resolution, pursuant to section 180(1)(c) of the Act seeking approval of the members to authorize the directors to borrow in excess of the aggregate of the paid-up capital and free reserves up to a sum not exceeding Rs.70 crores.

The board recommends the resolution as set out in item no.4 for approval of the members.

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

Route Map to the venue of the AGM

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



CHOLAMANDALAM SECURITIES LIMITED

CIN: U65993TN1994PLC028674

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

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

Website:www.cholawealthdirect.com

ATTENDANCE SLIP

Folio No.:

Name & Address of Member:

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

I/we hereby record my / our presence at the 23rd AGM held at No.2, N.S.C. Bose Road, Parrys, Chennai 600 001.

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

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

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

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PROXY FORM

Name of the member:

Registered Address:

E-mail ID:

Folio No.:

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

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

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

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

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

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

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

behalf at the twenty third Annual General Meeting of the Company, to held at 5.30 p.m. on Wednesday, 26 July,

2017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (Optional) [#]		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Financial Statements and Board's Report for the year ended 31 March 2017			
2.	Re- appointment of Mr. R Chandrasekar as a Director			
3.	Appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants as auditors and fixing their remuneration			
Special Business				
4.	Appointment of Ms. Mariam Mathew as a Manager of the company			

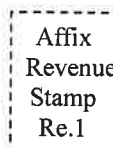
Signed this day of, 2017.

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

Note:

1. The Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. The Proxy need not be a Member of the Company.

*2. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



BOARD'S REPORT

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

FINANCIAL RESULTS

(Rs. in lakhs)

	2017-18	2016-17
Gross Income	1968.38	1533.17
Profit before tax	354.11	268.23
Profit after tax	453.89	215.45

DIVIDEND

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

OPERATIONS

FY 18 has been a good year for your company by 28% increase in income. During the year, the company achieved an income of Rs.1968 lakhs as against Rs. 1463.40, lakhs during the previous year and PBT of Rs.354 lakhs as against Rs.268.23 lakhs during the previous year. Mutual fund AUM has crossed 150 crores and the income from distribution of other financial products has grown by 120% over the last financial year. Our income from APs and Sub-brokers has grown upto 179 lakhs, which is 92% growth in FY 18. Systematic Investment Plan (SIP) drive has given us 4567 live SIPs as on March 31, 2018. The business continued to focus on productivity and making great strides to achieve the overall goal of profitable growth by diversifying across asset classes and reaching desired scale of operations.

OUTLOOK

In FY 19, the Company will focus to build relationships with Retail and emerging HNI clients and be a trusted partner in providing wealth solutions and growing relationships. The wealth management operations would have 50140 clients across 16 locations. The Assets Under Management (AUM) in Mutual funds would be Rs.1219 crores and Depository AUM is at Rs. 38099 crores. The business will continue to focus to gain market share in South through its reach, higher productivity and leveraging on digital interfaces to connect with clients.

DIRECTORS

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

The term of office of Mr. Nalin Manshuklal Shah, independent director expired at the 23rd AGM held on 26th July 2017 and accordingly ceased to be a director. The board places on record its deep appreciation for the contributions made by Mr. Shah to the Company as the Chairman of the Board and member of its sub-committees during his tenure in office.

DECLARATION FROM INDEPENDENT DIRECTOR

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

KEY MANAGERIAL PERSONNEL

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

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

AUDITORS

Pursuant to the provisions of section 139 of the Companies Act, 2013 (“the Act”) read with Companies (Audit and Auditors) Rules, 2014, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants were appointed as the statutory auditors of the company in the 23rd AGM held on 26 July, 2017 for a period of 5 years commencing from the conclusion of twenty third AGM till the conclusion of twenty eighth AGM subject to ratification by members at every AGM. Accordingly, your directors recommend the ratification of the appointment of M/s. S.R. Batliboi & Associates LLP, as statutory auditors of the company from the the conclusion of twenty fourth AGM till the conclusion of twenty eighth AGM of the company. The statutory auditors have confirmed their eligibility for appointment.

EXTRACT OF ANNUAL RETURN

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

BOARD MEETINGS

The schedule of board meetings for the calendar year is prepared and circulated in advance to the directors. During the year, the board met five times on 27 April 2017, 26 July 2017, 30 October 2017, 25 January 2018 and 28 March 2018.

AUDIT COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE

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

The Company being the wholly owned subsidiary of Cholamandalam Investment and Finance Company Limited is exempted from constituting Audit Committee and Nomination & Remuneration Committee.

Accordingly, the Board at its meeting held on 30th October 2017 had dissolved the Audit Committee and Nomination & Remuneration Committee with immediate effect.

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

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.

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. There are no contracts or arrangements entered into with related parties during the year to be disclosed under sections 188(1) and 134(h) of the Act in form AOC-2

All proposed related party transactions 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 / Board for their 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.

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

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

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

RISK MANAGEMENT POLICY

Risk Registers / Risk Monitoring:

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

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

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

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

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

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

Business Continuity Plan (BCP):

The company has reviewed and updated Business Continuity Plan during the year under review.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The company has established 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 2017, there were no referrals received by ICC. The internal complaints committee members have been re-appointed for a period of 3 years effective 24 April, 2017.

PARTICULARS OF EMPLOYEES

During the year, there 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.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

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

ACKNOWLEDGEMENT

Your directors wish to thank the customers, 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 : 20 April, 2018

Sasikala Varadachari
Chairperson

DIRECTORS' RESPONSIBILITY STATEMENT

(Annexure to the Board's Report)

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

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures 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, 2018 and of the profit of the company for the year ended on that date;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis; and
- (v) proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended 31 March, 2018.

On behalf of the Board

Place : Chennai
Date : 20 April, 2018

Sasikala Varadachari
Chairperson

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

I. REGISTRATION AND OTHER DETAILS

Corporate Identification Number (CIN)	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	73.09%

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise Share Holding -

S.No.	Category of Shareholders	No. of Shares held at the beginning of the year (01-APR-2017)				No. of Shares held at the end of the year (31-MAR-2018)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
(A)	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-2017)				No. of Shares held at the end of the year (31-MAR-2018)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
(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 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 (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	D Arulselvan	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.	Ms. Sasikala Varadachari	At the beginning – 01.04.2017 & end of the year – 31.03.2018	-	-	-	-	-	-
2.	Mr. R Chandrasekar		-	-	-	-	-	-
3.	Mr. Rohit Phadke	(No change in the shareholding position during the year)						
4.	Mr. Nalin Mansukhlal Shah*							
	KMP:							
5.	Ms. Mariam Mathew	At the beginning – 01.04.2017 & end of the year – 31.03.2018	-	-	-	-	-	-
6.	Mr. D Arul Selvan		1	0.00	1	0.00	1	0.00
7.	Mr. Balaji H	(No change in the shareholding position during the year)	-	-	-	-	-	-

* The term of office of Mr. Nalin Mansukhlal Shah, Independent Director of the Company expired on the conclusion of the 23rd AGM (i.e. 26-July-17)

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	-	10.00	-	10.00
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	10.00	-	10.00
Change in Indebtedness during the financial year	-	-	-	-
• Addition	-	155.50	-	155.50
• Reduction	-	165.50	-	165.50
Net Change	-	0.00	-	0.00
Indebtedness at the end 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)	-	-	-	-

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	56,46,568.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	21,600.00
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	- as % of profit	-
	- others, specify	
5.	Others, please specify	-
	Total (A)	56,68,168.00
	Ceiling as per the Act	20,53,962.00

*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 26 July, 2017 for payment of remuneration under Part II of Section II of Schedule V of the Act.

B. Remuneration to Directors:

S.No	Particulars of Remuneration	Name of Directors		Total Amount (in Rs.)
1.	Independent Directors	Nalin Mansukhlal Shah*	Sasikala Varadachari	
	• Fee for attending board /committee meetings	20,000	50,000	70,000
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	-	-	70,000
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)			70,000
	Total Managerial Remuneration			70,000
	Overall Ceiling as per the Act			7,00,000**

*The term of office of Mr. Nalin Mansukhlal Shah, Independent Director of the Company expired on the conclusion of the 23rd AGM (i.e. 26-July-17)

**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	0	0	0
2.	Stock Option	-	-	-
	a. Allotment of Shares(including premium)	-	-	-
	b. Share application money pending allotment	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission -as % of profit - others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	0	0	0

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

6th & 7th Floor- "A" Block
Tidel Park, (Module 601, 701 & 702)
No. 4, Rajiv Gandhi Salai, Taramani
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, 2018, 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 Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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 Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 30 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Subramanian Suresh

Partner

Membership Number: 083673

Place of Signature: Chennai

Date: April 20, 2018



Annexure 1 referred to in our report of even date

Re: Cholamandalam Securities Limited ("the Company")

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (c) According to the records of the Company, the dues outstanding of income tax and service tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount not deposited (Rs. In Lacs.)	Period to which the amounts relate	Forum where the dispute is pending
Finance Act, 1994	Service Tax (including interest and penalty)	47.90	April 2004 to December 2008	CESTAT
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 borrowings dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instrument and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him / her.



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 20, 2018



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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 20, 2018



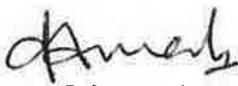
CHOLAMANDALAM SECURITIES LIMITED
BALANCE SHEET AS AT MARCH 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

	Note No.	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	225,000,140	225,000,140
Reserves and surplus	4	11,132,982	(34,256,399)
		236,133,122	190,743,741
Current Liabilities			
Short-term borrowings	5	-	100,000,000
Trade payables	6	285,066,559	213,265,720
Other current liabilities	7	44,950,354	33,015,788
Short-term provisions	8	4,058,043	3,235,094
		334,074,956	349,516,602
Total		570,208,078	540,260,343
ASSETS			
Non-Current Assets			
Fixed assets			
Property, Plant and Equipment	9	7,985,572	6,730,850
Intangible assets	10	13,664,933	3,540,583
		21,650,505	10,271,433
Non-current investments	11	13,818,854	13,818,854
Deferred tax assets (net)	12	1,503,785	-
Long-term loans and advances	13	38,339,306	24,491,253
Other non-current assets	14	81,332,012	81,332,734
		156,644,462	129,914,274
Current Assets			
Trade receivables	15	160,802,004	192,309,586
Cash and bank balances	16	102,319,723	129,919,649
Short-term loans and advances	17	149,585,377	87,534,932
Other current assets	18	856,512	581,902
		413,563,616	410,346,069
Total		570,208,078	540,260,343

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


per Subramanian Suresh
Partner
Membership No: 083673



For and on behalf of the Board of Directors


Sasikala Varadachari
Chairperson


Rohit Phadke
Director


Arul Selvan D
Chief Financial Officer


Balaji H
Company Secretary

Place: Chennai
Date: April 20, 2018

Chennai
Date: April 20, 2018

CHOLAMANDALAM SECURITIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenue			
Revenue from operations	19	188,989,746	146,339,971
Other income	20	7,846,835	6,977,682
Total Revenue		196,836,581	153,317,653
Expenses:			
Employee benefits expense	21	76,401,791	58,956,458
Other expenses	23	76,751,536	60,219,488
Finance costs	24	3,809,338	3,551,911
Depreciation and amortisation expense	25	4,462,842	3,766,356
Total Expenses		161,425,507	126,494,213
Profit before Tax		35,411,074	26,823,440
Tax Expenses:			
Current tax (Minimum Alternate Tax 'MAT' payable)		7,255,000	5,278,000
Less: MAT credit entitlement		(6,753,376)	-
Net current tax expense		501,624	5,278,000
Tax relating to earlier years - MAT credit entitlement		(8,976,146)	-
Deferred tax		(1,503,785)	-
Net Tax Expense		(9,978,307)	5,278,000
Profit for the year		45,389,381	21,545,440

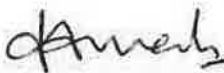
Earnings per share information:

Basic earnings per share	2.02	0.96
Diluted earnings per share	2.02	0.96
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 S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004


per Subramanian Suresh
Partner
Membership No: 083673



For and on behalf of the Board of Directors


Sasikala Varadachari
Chairperson


Rohit Phadke
Director


Arul Selvan D
Chief Financial Officer


Balaji H
Company Secretary

Place: Chennai
Date: April 20, 2018

Chennai
Date: April 20, 2018

CHOLAMANDALAM SECURITIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

	Year Ended March 31, 2018	Year Ended March 31, 2017
A. Cash Flow from Operating Activities		
Profit before tax	35,411,074	26,823,440
Adjustments for:		
Depreciation and amortisation expense	4,462,842	3,766,356
(Profit)/Loss on sale of Plant, Property and Equipment	74,800	(22,366)
(Profit)/Loss on sale of investments (net)	-	(62,685)
Interest Income	(5,874,158)	(5,838,517)
Dividend Income	(1,820,212)	(1,045,592)
Finance cost	3,809,338	3,551,911
Provision no longer required written back	-	(34,258)
Provision for doubtful debts	173,579	-
Operating profit / (loss) before working capital changes	<u>36,237,263</u>	<u>27,138,289</u>
Changes in Working Capital:		
Increase / (Decrease) in current liabilities	83,735,405	111,158,855
Increase / (Decrease) in provisions	822,949	(362,319)
(Increase) / Decrease in trade receivables	31,334,718	(82,681,655)
(Increase) / Decrease in loans and advances	(45,047,626)	(125,079,272)
Cash generated / (used) in operations	<u>107,082,709</u>	<u>(69,826,102)</u>
Income taxes paid (net of refunds)	(5,102,956)	(3,195,109)
Net Cash flow from / (used) in operating activities (A)	<u>101,979,753</u>	<u>(73,021,211)</u>
Net cash generated from operating activities	<u>101,979,753</u>	<u>(73,021,211)</u>
B. Cash flow from Investing Activities		
Purchase of Plant, Property and Equipment / intangible assets / Capital work-in-progress	(15,841,915)	(5,935,669)
Sale of Plant, Property and Equipment	(74,800)	60,405
Purchase of current investments	-	(20,000,000)
Sale of current Investments	-	20,062,685
Interest received	5,417,121	5,369,354
Dividend received	1,820,212	1,045,592
Investments in bank deposits (having original maturities of more than 3 months / restricted funds)	-	(10,000,000)
Net Cash flow from / (used) in Investing activities (B)	<u>(8,679,382)</u>	<u>(9,397,633)</u>
C. Cash flow from Financing Activities		
Infusion of Equity Share Capital	-	-
Interest paid	(3,809,338)	(3,551,911)
Interest received on Income tax refund	182,427	281,015
Proceeds from short-term borrowings	1,555,000,000	1,055,000,000
Repayment of short-term borrowings	(1,655,000,000)	(955,000,000)
Net Cash flow from / (used) in financing activities (C)	<u>(103,626,911)</u>	<u>96,729,104</u>
Net increase in cash and cash equivalents (A + B + C)	<u>(10,326,540)</u>	<u>14,310,260</u>
Cash and cash equivalents at the beginning of the year	<u>14,593,251</u>	<u>282,991</u>
Cash and cash equivalents at the end of the year	<u>4,266,711</u>	<u>14,593,251</u>



CHOLAMANDALAM SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

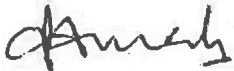
(All amounts are in Indian rupees unless otherwise stated)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Components of cash and cash equivalents		
Balance as per Balance Sheet (note 16)	102,319,723	129,919,649
Less : Client and exchange related cash balances	98,053,012	115,326,398
Total cash and cash equivalents	<u>4,266,711</u>	<u>14,593,251</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 20, 2018



For and on behalf of the Board of Directors



Sasikala Varadachari
Chairperson



Rohit Phadke
Director



Arun Selvan D
Chief Financial Officer



Balaji H
Company Secretary

CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

1. Corporate Information

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

Pursuant to a resolution passed in the meeting of the board of directors on January 25, 2018, the Company has acquired AUM under ARN License together with assets and liabilities including transfer of employees relating to wealth management business excluding business related to insurance corporate agency from fellow subsidiary, Cholamandalam Distribution Services Limited vide a business transfer agreement dated March 31, 2018 which has been detailed further in Note 29 to these financial statements. This transfer of assets and liabilities will help the Company have a single platform of all wealth management products and to service the customers seamlessly.

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 financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those 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 judgements, 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) Plant, Property and Equipment

Plant, Property 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.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Plant, Property 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 a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its 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
AUM acquired under ARN License	5

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



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(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 lower than those indicated in Schedule II to the Companies Act, 2013.

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

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

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

e) Impairment of Plant, Property 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 BSE 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 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, 2018
(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 Company contributes to Employees State Insurance Scheme and recognises such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

Superannuation Fund: The Company contributes a sum equivalent to 15% of eligible employees salary to a Superannuation Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The Company has no liability for future Superannuation Fund benefits other than its 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 as at the Balance Sheet date determined by an independent actuary using the Projected Unit Credit method.

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

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

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



CHOLAMANDALAM SECURITIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian rupees unless otherwise stated)

k) Income Taxes

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

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

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

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

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

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

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

l) Segment Reporting

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

m) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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) Provision for Claw Back of Commission Income

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



CHOLAMANDALAM SECURITIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are in Indian rupees unless otherwise stated)

p) Contingent Liabilities

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

q) Cash and cash equivalents

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

r) 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.

s) Goods and Service Tax (GST) Input Credit

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



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

Note No	As at March 31, 2018	As at March 31, 2017
3. Share Capital		
Authorised		
35,000,000 (March 31, 2017 - 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 31,2017 - 22,500,014) Equity Shares of Rs.10/- each	225,000,140	225,000,140
Subscribed and Paid up		
22,500,014 (March 31,2017 - 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 period		
- 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 31,2017- 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 31,2017 - 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.



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

Note No	As at March 31, 2018	As at March 31, 2017
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	(35,056,399)	(56,601,839)
Profit for the year	45,389,381	21,545,440
Balance at the end of the year	<u>10,332,982</u>	<u>(35,056,399)</u>
Total Reserves and Surplus	<u>11,132,982</u>	<u>(34,256,399)</u>
5. Short-term borrowings		
Deposits (unsecured):		
6.60% Inter Corporate Deposit from related party payable on demand	-	100,000,000
	<u>-</u>	<u>100,000,000</u>
6. Trade Payables		
Dues to clients and stock exchanges	285,066,559	213,265,720
	<u>285,066,559</u>	<u>213,265,720</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	16,427,600	13,116,545
Advances received from customers	562,024	484,445
Statutory dues/Remittances	5,813,203	5,207,278
Salaries, wages and other employee's benefits payable	9,016,156	6,330,463
Dues of creditors other than micro enterprises and small enterprises	12,902,380	6,451,576
Gratuity Payable (Refer Note 21)	228,991	1,425,481
	<u>44,950,354</u>	<u>33,015,788</u>
8. Short-term Provisions		
Provision for Employee Benefits:		
Provision for compensated absences	4,058,043	3,235,094
	<u>4,058,043</u>	<u>3,235,094</u>



Cholamandalam Securities Limited
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are in millions of Indian Rupees, unless otherwise stated)

9. Property, Plant and Equipment

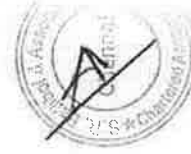
Particulars	Plant and Machinery - computer hardware	Office equipment	Furniture and fixtures	Air conditioners	Vehicles	Total
Cost or Valuation						
At April 1, 2016	16,662,500	1,481,546	2,748,064	320,919	1,693,583	22,906,612
Additions during the year	3,391,229	160,758	-	-	-	3,551,987
Disposal / Written off	2,525,208	60,316	105,404	-	-	2,690,928
As at March 31, 2017	17,528,521	1,581,988	2,642,660	320,919	1,693,583	23,767,671
Additions during the year	3,094,652	305,560	-	152,675	606,996	4,159,883
Disposal / Written off	2,559,452	723,736	35,890	140,000	-	3,459,078
As at March 31, 2018	18,063,721	1,163,812	2,606,770	333,594	2,300,579	24,468,476
Depreciation						
At April 1, 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	12,301,901	1,282,887	2,595,205	309,926	546,902	17,036,821
Charge for the year	2,403,896	124,058	16,070	22,606	338,531	2,905,161
Disposal / Written off	2,559,452	723,736	35,890	140,000	-	3,459,078
As at March 31, 2018	12,146,345	683,209	2,575,385	192,532	885,433	16,482,904
Net Block						
As at March 31, 2017	5,226,620	299,101	47,455	10,993	1,146,681	6,730,850
As at March 31, 2018	5,917,376	480,603	31,385	141,062	1,415,146	7,985,572

10. Intangible Assets

Computer software	AUM acquired under ARN License *	Bombay Stock Exchange (BSE) Membership Card**	Total
44,618,174	-	6,575,000	51,193,174
2,383,682	-	-	2,383,682
47,001,856	-	6,575,000	53,576,856
1,303,032	10,379,000	-	11,682,032
48,304,888	10,379,000	6,575,000	65,258,888
42,303,634	-	6,575,000	48,878,634
1,157,639	-	-	1,157,639
43,461,273	-	6,575,000	50,036,273
1,557,682	-	-	1,557,682
45,018,955	-	6,575,000	51,593,955
3,540,583	-	-	3,540,583
3,285,933	10,379,000	-	13,664,933

* Represents sum paid towards AUM acquired under ARN License from Cholamandalam Distribution services Limited at value of Rs.10379000/- vide agreement dated March 31, 2018 entered between Cholamandalam securities Limited and Cholamandalam Distribution services limited (Refer Note 29)

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



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

Note No	As at March 31, 2018	As at March 31, 2017
11. Non-current Investments		
Non-trade Investments (valued at cost unless stated otherwise)		
Investment in equity Instruments		
<i>Quoted Equity Instruments</i>		
65,000 (March 31, 2017 - 65,000 equity shares of Rs. 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 note (a) and (b) below	13,803,854	13,803,854
<i>Unquoted Equity Instruments</i>		
285,000 (March 31, 2017 - 285,000) equity shares (Unquoted) of Re.1 each fully paid up in Madras Enterprises Limited.	15,000	15,000
	<u>13,818,854</u>	<u>13,818,854</u>
Market Value of quoted Investments	49,153,000	63,262,250

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. Deferred Tax Asset (Net)

Deferred tax liability		
Fixed assets: Impact of difference between tax	3,352,916	-
Gross deferred tax liability	<u>3,352,916</u>	-
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	1,192,653	-
Provision for Doubtful Debts and Advances	3,664,048	-
Gross deferred tax asset	<u>4,856,701</u>	-
Net Deferred Tax Asset	<u>1,503,785</u>	-

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

Deposits with stock exchanges	13,770,000	13,770,000
Advance Income-tax (net of provision for taxation)	6,026,717	8,178,761
MAT Credit entitlement	16,799,908	1,070,386
Capital/Other Advances*	1,531,266	1,136,016
Prepaid expenses	211,415	336,090
	<u>38,339,306</u>	<u>24,491,253</u>

* Including an amount of Rs. 700,000 paid under protest in respect of penalty imposed by SEBI. (Also refer note 30)



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

Note No	As at March 31, 2018	As at March 31, 2017
14. Other Non-Current Assets		
Non-current bank balances (note 16)		
Long-term Trade Receivables	81,250,000	81,250,000
Secured - Considered good		
Unsecured - Considered good	82,012	82,734
Unsecured - Considered doubtful		
	<u>9,451,699</u>	<u>9,450,977</u>
Debts outstanding for a period exceeding six months	9,533,711	9,533,711
Less: Provision for doubtful trade receivables	<u>9,451,699</u>	<u>9,450,977</u>
	<u>81,332,012</u>	<u>81,332,734</u>
15. Trade Receivables		
Secured - Considered good		
Outstanding for a period exceeding six months from the date they are due for payment	2,542,760	2,535,426
Others		
	<u>158,259,244</u>	<u>189,774,160</u>
Unsecured - Considered doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	3,641,706	3,514,675
Others		
	<u>77,148</u>	<u>31,322</u>
Less: Provision for doubtful debts	<u>3,718,854</u>	<u>3,545,997</u>
	<u>3,718,854</u>	<u>3,545,997</u>
	<u>-</u>	<u>-</u>
	<u>160,802,004</u>	<u>192,309,586</u>
16. Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on hand	30,000	30,000
Bank Balances on current accounts		
	<u>4,236,711</u>	<u>14,563,251</u>
Other Bank Balances	<u>4,266,711</u>	<u>14,593,251</u>
On client and exchange related accounts		
Deposits with original maturity for more than 3 months but less than 12 months*	98,053,012	115,326,398
	81,250,000	81,250,000
	<u>183,569,723</u>	<u>211,169,649</u>
Amount disclosed under non-current assets (note 14)*	<u>(81,250,000)</u>	<u>(81,250,000)</u>
	<u>102,319,723</u>	<u>129,919,649</u>
17. Short-term Loans and Advances		
Unsecured considered good		
Advances with Exchanges and Stock Holding Corporation of India Limited	144,561,574	83,363,767
Prepaid expenses	3,731,571	2,997,274
Balance with government authorities	1,042,810	522,417
Staff advances	149,964	349,980
Other advances	99,458	301,494
	<u>149,585,377</u>	<u>87,534,932</u>
18. Other Current Assets		
Interest accrued on bank deposits	856,512	581,902
	<u>856,512</u>	<u>581,902</u>

* Represents margin money deposit of Rs.81,250,000/- (March 31, 2017 - Rs 81,250,000/-) held as lien for Bank guarantees issued to stock exchanges for margin



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

Note No	Year Ended March 31, 2018	Year Ended March 31, 2017
19. Revenue from Operations		
Brokerage on stock broking	143,864,901	114,870,634
Depository services	8,153,931	5,767,531
Other operating revenues		
- Interest on client overdues	19,143,958	13,811,537
- Commission - Mutual Funds/Bonds	17,129,272	7,618,289
- Provision no longer required written back	-	34,258
- Processing Fees/Other operating service Income	697,684	4,237,722
	188,989,746	146,339,971

20. Other Income

Interest Income from:		
- Bank deposits	5,691,731	5,557,502
- Income tax refund	182,427	281,015
Profit on sale of current investments	-	62,685
Dividend Income		
- From Long term investments	1,820,212	1,044,000
- From current investments	-	1,592
Liabilities written back to the extent no longer required	-	8,522
Profit on sale of assets (net)	74,800	22,366
Miscellaneous Income	77,665	
	7,846,835	6,977,682

21. Employee Benefits Expense

Salaries	67,952,320	51,637,140
Contribution to provident and other funds	3,578,027	2,580,385
Staff welfare expenses	3,785,822	2,886,856
Gratuity Expense	1,085,622	1,852,077
	76,401,791	58,956,458

Defined Benefit & Contribution Plans

Amount recognised in the Statement of Profit and Loss

(I) Provident/ESI fund	1,962,496	1,146,781
(II) Pension fund	888,266	783,008
(III) Superannuation Fund	727,265	650,596
	3,578,027	2,580,385

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

Superannuation: 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.

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 subject to maximum of Rs.25 Lakhs in line with the company policy. 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, 2018	As at March 31, 2017
Balance at the beginning of the year	5,968,040	4,048,880
Current service cost	807,329	458,410
Interest cost	411,503	323,680
Contribution by Plan Participants		
Actuarial Losses / (Gains)	268,598	1,385,003
Benefits Paid		(247,933)
Balance at the end of the year	7,455,470	5,968,040



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

(ii) Changes in fair value of plan asset

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	4,542,559	3,512,122
Expected return on plan assets	340,450	280,770
Actuarial (losses) / gains	61,358	34,246
Contributions by the Company	2,282,112	963,354
Benefits paid	-	(247,933)
Balance at the end of the year	<u>7,226,479</u>	<u>4,542,559</u>

(iii) Assets and Liabilities recognised in the Balance Sheet

Present value of defined benefit obligation	7,455,470	5,968,040
Less: Fair value of plan asset	7,226,479	4,542,559

Amount recognised in the Balance Sheet (under Note 7) Gratuity Payable **(228,991)** **(1,425,481)**

(iv) Expense recognised in the Statement of Profit and Loss

Current service cost	807,329	458,410
Interest cost	411,503	323,680
Expected return on plan assets	(340,450)	(280,770)
Actuarial Losses / (Gains)	207,240	1,350,757
Total Expense	<u>1,085,622</u>	<u>1,852,077</u>

(Included in Contribution to provident and other funds in Note 21)

The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(v) Experience Adjustments

Experience Adjustment on Plan Liabilities (Gain) / Loss	268,598	1,385,003
Experience Adjustment on Plan Assets Gain / (Loss)	61,358	34,246

(v) Actuarial Assumptions

Discount rate	7.4%	6.9%
Expected return on plan assets	8.00%	7.50%
Salary growth rate	7.50%	7.50%
Attrition rate	17%	17%

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, 2018	March 31, 2017
Gratuity		
Defined benefit obligation	7,455,470	5,968,040
Plan asset	7,226,479	4,542,559
Surplus/(Deficit)	(228,991)	(1,425,481)
Experience Adjustment on Plan Liabilities (Gain) / Loss	268,598	1,385,003
Experience Adjustment on Plan Assets Gain / (Loss)	61,358	34,246
	March 31, 2016	March 31, 2015
Gratuity		
Defined benefit obligation	4,048,880	3,200,454
Plan asset	3,512,122	3,030,985
Surplus/(Deficit)	(536,758)	(169,469)
Experience Adjustment on Plan Liabilities (Gain) / Loss	331,111	16,824
Experience Adjustment on Plan Assets Gain / (Loss)	120,796	121,520
	March 31, 2014	
Gratuity		
Defined benefit obligation	2,597,242	
Plan asset	2,698,393	
Surplus/(Deficit)	101,151	
Experience Adjustment on Plan Liabilities (Gain) / Loss	425,504	
Experience Adjustment on Plan Assets Gain / (Loss)	116,018	



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(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, 2019, as estimated by management is Rs.1,113,202 /- (Previous year Rs. 2,282,112)

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, 2017*
Government securities	66.18%
Bonds, debentures and other fixed income instruments	27.50%
Equity shares	2.01%

* as per latest information available from LIC

22. Employee Stock Option Plan

Under the Employee Stock Option Scheme - 2007 of the Holding Company, M/s Cholamandalam Investment & Finance Company Limited, 10,576 options (net of cancelled / lapsed) of the Holding Company have been granted to some of the employees of the Company as at March 31, 2018. As the administrator of the Employee Stock Option Scheme, the Holding Company has informed the Company that there are no costs to be transferred to the Company with respect to the options granted and outstanding as at March 31, 2018.

Note No	Year Ended March 31, 2018	Year ended March 31, 2017
23. Other Expenses		
Rent	4,831,268	4,465,277
Rates and taxes (net of recovery of Rs. 18,91,021/- March 31, 2017 - Rs 11,290,373/-)	3,389,846	2,759,192
Business development expenses	4,072,760	2,962,578
Sub-brokerage	29,615,530	17,618,475
Communication expenses	4,063,064	3,442,327
Travelling and conveyance	3,999,591	2,987,388
Printing and stationery	1,007,042	919,452
Electricity charges	1,484,801	1,302,598
Insurance	2,896,812	1,867,416
Repairs and maintenance	1,441,901	1,358,386
Subscription	1,014,755	952,804
Information technology expenses	5,944,068	4,768,589
Provision for bad and doubtful debts	173,579	-
Outsourcing expenses	9,032,540	11,169,797
Professional charges	2,471,527	2,420,624
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
In other capacity	-	100,000
Loss on sale of shares	113,220	200,043
Miscellaneous expenses	494,232	219,542
	76,751,536	60,219,488
24. Finance Costs		
Interest on loan from holding company	2,305,105	2,218,255
Other finance charges	1,504,233	1,333,656
	3,809,338	3,551,911
25. Depreciation and amortisation Expense		
Depreciation of Plant, Property and Equipment	2,905,160	2,608,717
Amortisation of Intangible assets	1,557,682	1,157,639
	4,462,842	3,766,356
26. Segment Reporting		

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

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



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

Note No	Year Ended March 31, 2018	Year Ended March 31, 2017
27. Related Party Disclosures		
A. Names of related parties and nature of relationship		
(i) Where control exists		
Entity having significant influence over the Holding Company		TI Financial Holding Limited (Formerly Known as Tube Investments of India Limited)
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
Key Managerial Personnel		(ii) White Data Systems India Private Limited
		(i) Marlam Mathew, Manager
		(ii) Arulsevan . D, Chief Financial Officer *
		(iii) Balaji H, Company Secretary
B. Details of related party transactions and balances		
Loans taken		
Cholamandalam Investment and Finance Company Limited	1,555,000,000	1,055,000,000
Loans Repaid		
Cholamandalam Investment and Finance Company Limited	1,655,000,000	955,000,000
Finance Costs		
Cholamandalam Investment and Finance Company Limited	2,305,105	2,218,255
Rent Expense		
Cholamandalam Investment and Finance Company Limited	4,721,595	4,329,997
Income from Services Rendered		
Cholamandalam Investment and Finance Company Limited	211,549	3,701,545
Cholamandalam Distribution Services Limited	-	1,000
Reimbursement of Administrative Expenses-Payments		
Cholamandalam Investment and Finance Company Limited	5,256,318	5,303,232
Reimbursement of Administrative Expenses-Receipts		
Cholamandalam Investment and Finance Company Limited	836,227	831,017
Cholamandalam Distribution Services Limited	650,324	479,634
Transfer of Assets and Liabilities		
Cholamandalam Distribution Services Limited (Refer note 29)		
Assets	3,179,501	-
Liabilities	6,186,633	-
Other Intangibles	10,379,000	-
Remuneration Paid		
Key Managerial Personnel		
Marlam Mathew	5,668,168	4,694,184
Kavitha A (till May 31, 2016)	-	419,299
Balaji H #	-	-
Trade (Payable)/Receivable		
Cholamandalam Investment and Finance Company Limited	74,890	13,952
Cholamandalam Distribution Services Limited	(83,736)	(716)
TI Financial Holding Limited	1,498	-
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.		
28. Deferred Tax Asset		
The Company has re-assessed the previously unrecognised deferred tax assets and unrecognised MAT credit entitlement thereby recognising Rs.15.03 lakhs of deferred tax asset and Rs.157.29 lakhs (including amount pertaining to unrecognised MAT credit entitlement of Rs.89.76 lakhs pertaining to earlier years) and has recognised the same in the statement of profit and loss account for the year ended March 31, 2018.		



CHOLAMANDALAM SECURITIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are in Indian rupees unless otherwise stated)

Note No	Year Ended	Year Ended
	March 31, 2018	March 31, 2017

29. **Acquisition of assets and liabilities from Cholamandalam Distribution Services Limited pursuant to Business transfer agreement dated March 31, 2018 ("BTA"):**
 The Company has acquired AUM under ARN License from Cholamandalam Distribution Services Limited together with assets and the liabilities including transfer of employees relating to Wealth management business for consideration agreed with Cholamandalam Distribution Services Limited as per the BTA. The Assets and liabilities acquired under such BTA has been accounted at relevant fair valuation. The details of the assets and liabilities acquired from Cholamandalam Distribution Services Limited, pursuant to the BTA is as follows :

Particulars	Amount
Current Liabilities	
Employee Related Other Payable	4,808,583
Other Creditors - Clawback provision	1,378,050
Liabilities (A)	6,186,633
Tangible Assets	
AUM acquired under ARN License	3,093,651
Fixed Assets (B)	10,379,000
	13,472,651
Loans and Advances	
Prepaid Expenses	73,353
Employee Advances	12,497
Other Assets (C)	85,850
Net Amount / Consideration on the assets and liabilities purchased (B)+(C)-(A)	7,371,868

30. **Contingent liabilities and commitments**

(i) **Claims against the Company not acknowledged as debts**

Service tax matters appeal pertaining to service tax payable on turnover charges and ineligible Service tax Input credit.	6,845,779	6,845,779
Disputed claims against the company lodged by various customers	2,000,000	2,000,000
Order in respect of alleged violations of the provisions of SEBI Act	700,000	700,000

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

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

(ii) **Estimated amount of contracts remaining to be executed on capital account and not provided for:**

Information Technology related	3,320,000	197,925
31. Other Financial Information		
Outstanding bank guarantees given to stock exchanges/stock holding corporation of India limited to meet margin requirements	162,500,000	162,500,000

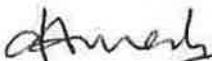
32. **Previous year Comparatives**

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



Subramanian Suresh
 Partner
 Membership No: 083673



Place: Chennai
 Date: April 20, 2018


Sasikala Varadachari
 Chairperson


Arul Selvan D
 Chief Financial Officer
 Chennai
 Date: April 20, 2018


Rohit Phadke
 Director


Balaji H
 Company Secretary