

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty Second Annual General Meeting (AGM) of shareholders of Cholamandalam MS Risk Services Limited will be held at a shorter notice on Tuesday, the 25th day of July 2017, at 4.55 PM, at the Registered Office of the Company - "Dare House" No.2, N.S.C Bose Road, Chennai - 600 001 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of financial statements:

To consider and if deemed fit, to pass with or without modification(s) the following as an **Ordinary Resolution**:

RESOLVED THAT the Report of Directors, the Report of Auditors and the Audited Statement of Profit and Loss for the year ended March 31, 2017, and the Balance Sheet as at that date, as circulated to the members, be and are hereby considered, approved and adopted.

2. Declaration of dividend:

To consider and if deemed fit, to pass with or without modification(s) the following as an **Ordinary Resolution**:

RESOLVED THAT a dividend of Rs. 2/- per equity share of Rs.10/- each (20%) as recommended by the board of directors be and is hereby declared for the year ended March 31, 2017 and be paid to those members whose names appear in the register of members as on 25 July, 2017.

3. Appointment of directors:

(i) To consider and if deemed fit, to pass with or without modification(s) the following as an **Ordinary Resolution**:

RESOLVED THAT Mr. N Srinivasan (DIN: 00123338), who retires by rotation, being eligible, be and is hereby re-appointed as a Director of the Company.

(ii) To consider and if deemed fit, to pass with or without modification(s) the following as an **Ordinary Resolution**:

RESOLVED THAT Mr. Takahiko Shibakawa (DIN: 07099972), who retires by rotation, being eligible, be and is hereby re-appointed as a Director of the Company.



Cholamandalam MS Risk Services Limited

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Offices : Mumbai, Delhi, Gurgaon, Bangalore, Vadodara,
Ahmedabad & Kuwait

PAN No. AABCC6610Q

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www.cholarisk.com

CIN: U74140TN1994PLC029257
GSTIN: 33AABCC6610Q1ZL

4. Appointment of auditors:

To ratify the appointment of statutory auditors and fix their remuneration and in this regard, 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 framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s Brahmayya & Co., Chartered Accountants, bearing Registration No. 000511S, as statutory auditors of the Company from the conclusion of this meeting till the conclusion of twenty third annual general meeting of the Company be and is hereby ratified at a remuneration of Rs 2,65,000/- per annum (statutory audit fees: Rs 2,50,000/- & out of pocket expenses (incurred by them in connection with the aforesaid audit) : Rs 15,000/-) plus applicable taxes, as recommended by the Board of Directors of the Company.

SPECIAL BUSINESS:

5. Amendment of Articles of Association:

To consider and if deemed fit, to pass with or without modification(s) the following as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules made thereunder, the new set of Articles of Association, as circulated, be and are hereby approved and adopted in substitution and to the entire exclusion of the existing Articles of Association of the Company."

By Order of the Board



M.Sundar
Company Secretary

Date: July 25, 2017
Place: Chennai

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED IN THE FORMAT SENT HERewith, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.



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A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of businesses set out in item no.5 is annexed hereto.
4. Members are requested to intimate immediately any change in their address, if any, to the Registered Office of the Company.
5. Relevant documents referred to in the notice are available for inspection at the registered office of the Company during normal business hours on working days up to the date of the annual general meeting.

Date: July 25, 2017
Place: Chennai

By Order of the Board



M.Sundar
Company Secretary



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ANNEXURE TO THE NOTICE

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

Item No. 5:

In view of the enactment of the Companies Act, 2013, the Articles of Association of the Company is amended in line with the provisions of the Companies Act, 2013.

Documents for inspection:

Copy of the draft resolution and the Articles of Association (as altered) would be made available for inspection at the Registered office of the Company.

Memorandum of Interest:

None of the key managerial personnel and directors of the company is concerned or interested financially or otherwise in the resolutions set forth in item no. 5 of the notice.

Date: July 25, 2017

Place: Chennai

By Order of the Board



M.Sundar
Company Secretary

ATTENDANCE SLIP

Name & Address of the Shareholder:

I/ We hereby certify that I /We am / are registered Member / Proxy for the registered Member of the Company and hereby record my / our presence at the 22nd Annual General Meeting of the Company being held on Tuesday, July 25, 2017. at 4.55 PM at the registered office of the Company or at any adjournment thereof I respect of such resolutions as mentioned in the notice.

_____	_____	_____
Member folio / Client ID No.*	Member's / Proxy's name Block letters	Signature of Member / in Proxy

*Applicable for members holding shares in electronic form

NOTE: Members / Proxies to Members are requested to sign and handover this slip at the entrance of the venue of the meeting.



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FORM NO. MGT - 11

PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered Address :

E-mail ID

Folio No./ Client ID:

DP ID:

I/We being the Member(s) of _____ equity shares of Rs. 10 each of the above Company, hereby appoint:

1. _____ of _____ having e-mail id _____ or failing him / her
2. _____ of _____ having e-mail id _____ or failing him / her
3. _____ of _____ having e-mail id _____ or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Tuesday, July 25, 2017 at 4.55 PM at 'the registered office of the Company and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

1. Adoption of the audited Balance Sheet as at March 31, 2017, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and auditors thereon.
2. To declare a dividend of Rs.2/- per share at the rate of 20% on the equity share capital of the Company for the year ended March 31, 2017.
3. (i) To appoint a Director in the place of Mr. N Srinivasan (DIN: 00123338), who retires by rotation and being eligible, offers himself for re-appointment.
(ii) To appoint a Director in the place of Mr. Takahiko Shibakawa (DIN: 07099972), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify appointment of M/s. Brahmayya & Co., Chartered Accountants, bearing Registration No. 000511S as statutory auditors of the Company from the conclusion of this annual general meeting till the conclusion of the next annual general meeting.
5. To approve the amendment of Articles of Association of the Company.

Signed: this _____ day of _____ 2017

Signature of Member(s): _____

Signature of the Proxy holder(s): _____

Note: This form of 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.



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CHOLAMANDALAM MS RISK SERVICES LIMITED

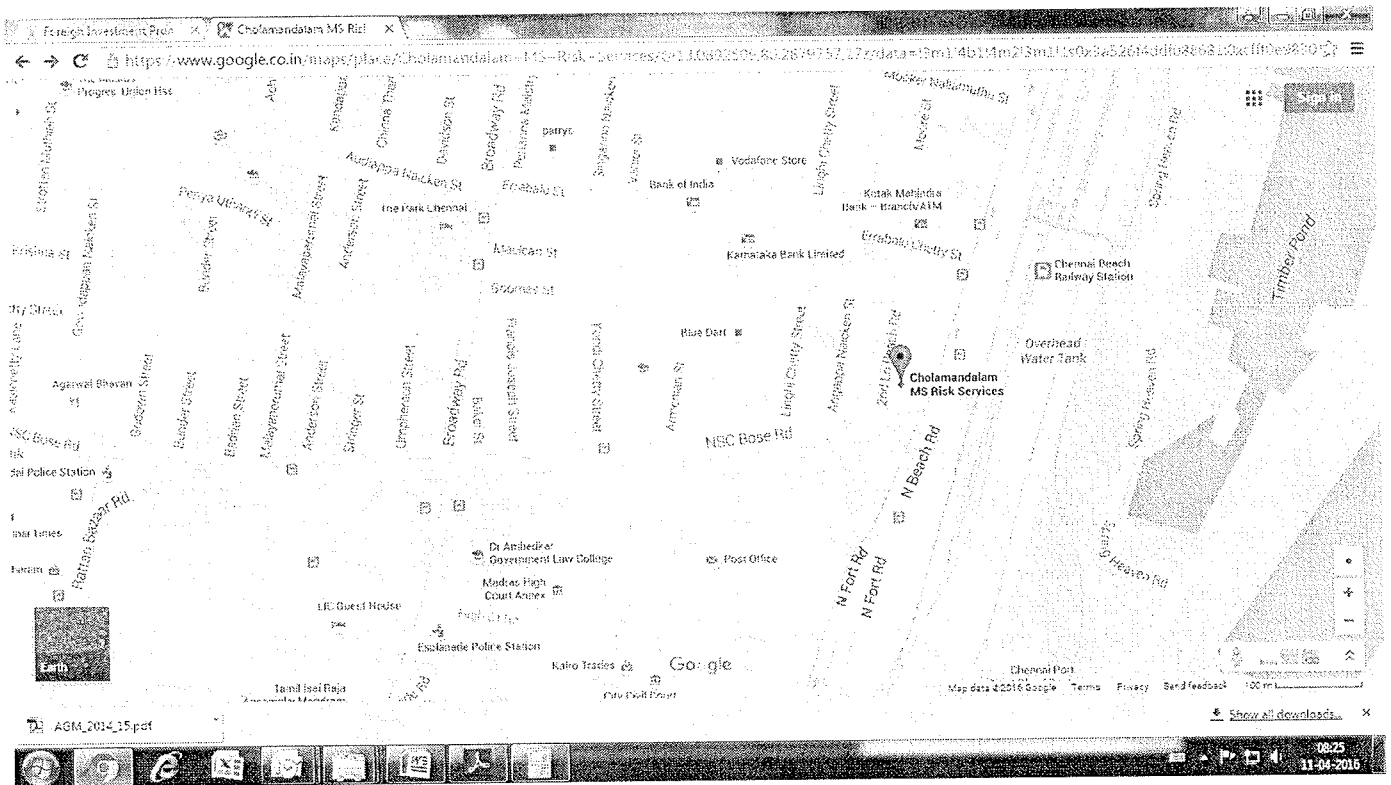
ROUTE MAP ALONGWITH PROMINENT LANDMARK

Day: Tuesday

Date: 25.07.2017

Time: 4.55 PM

Venue: "Dare House" No.2, N.S.C Bose Road, Chennai – 600001.



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DIRECTORS' REPORT TO MEMBERS

Your Directors have pleasure in presenting the twenty second annual report together with the audited financial statements of the Company for the year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

(Rs.in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Income	391.85	324.20
Expenses	365.77	295.91
Profit Before Tax	26.08	28.29
Profit After Tax	16.00	19.89
Add: Balance b/f from Previous Year	19.61	14.53
Total	35.61	34.42
Dividend-Equity	4.00	4.00
Tax on Dividend	0.81	0.81
Depreciation on transition to Schedule II of the Companies Act, 2013	-	-
Transfer to General Reserve	-	10.00
Profit carried to Balance Sheet	30.8	19.61

OPERATIONS

During the year, the Company registered revenue of Rs. 365.26 million and profit before tax at Rs 26.08 million (Rs 28.29 million in the previous year).

The Company has strengthened its consultancy portfolio with the launch of new services viz., Fire & Gas Detector Mapping Study, QRA 3D Explosion Modeling acquired capabilities to conduct Technical feasibility study of air pollution control systems for stone crushing facilities and for New Power plant emission regulations. The Company has started offering Health Safety & Environment (HSE) e-Courses to engineering colleges, e-learning courses CD as product, and HSE Safety Expert talk service through Chola Academy. During the year under review, the Company amplified its clientele with 96 new clients across the country and overseas.

The Company continues to support Cholamandalam MS General Insurance Company Limited and its clients through value added services like Thermography, Safety Audits, and Cargo Loss Minimizations Studies. During the year, the projects bagged by Company crossed over 436 and serviced clients from both India & Middle East.

The Company is backed by a strong technical team of multidisciplinary & certified professionals having exposure to domestic and international markets. The Company



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increased its employee strength to 185 as at March 31, 2017 comprising 115 engineers and 70 contract employees.

The association with Strategic Alliance Partners i.e ARCADIS and Inogen Global Alliance strengthened during the year. BP Consultancy Co. WLL was engaged as local agent in Kuwait to support the Kuwait operations. The Joint venture Partner, Mitsui Sumitomo Insurance Company Limited, Japan, continues to support the Company by introducing Japanese companies entering into Indian market for risk management services.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 2/- per equity share of Rs.10/- each (previous year - Rs.2/-).

OUTLOOK 2017-18

The Company has recorded Order book of Rs. 220 million during the year and carry forward of Rs. 359 million for FY'17-18. In view of this Order book, hands on long term contract, and technical association with two global players along with planned expansion in Saudi Arabia and in Kuwait, the Company is looking for further growth opportunities in terms of income and profitability along with increasing the customer base in other parts of Globe and India.

DIRECTORS

During the year under review, Mr. Tamaki Kawate was appointed as director at the twenty first annual general meeting.

Mr. N Srinivasan and Mr. Takahiko Shibakawa retire by rotation at the forthcoming annual general meeting and being eligible offer themselves for re-appointment.

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of the Company are Mr. N V Subba Rao, Chief Executive and Mr. M.Sundar, Company Secretary.

Ms. E Krithika has resigned from the office of Company secretary w.e.f 30.04.2017 and Mr. M Sundar has been appointed as Company Secretary w.e.f 01.05.2017.

BOARD MEETINGS

The Board of Directors meet at regular intervals with an annual calendar of meetings circulated at the beginning of the year. The dates of the Board meetings are fixed in advance for the full calendar year to enable maximum attendance from Directors. The notice of Board meeting is given well in advance to all the Directors.

During the year, four Board meetings were convened and held on the following dates, April 26, 2016, July 26, 2016, October 24, 2016 and January 28, 2017. The intervening gap between meetings did not exceed 120 days.



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STATUTORY AUDITORS

The shareholders at the 21st Annual General Meeting held on July 26, 2016, had appointed M/s Brahmayya & Co., Chartered Accountants, (Regn No. 000511S) as the statutory auditors of the Company to hold office for a period of five years commencing from the conclusion of the twenty first annual general meeting till the conclusion of twenty sixth annual general meeting subject to ratification of the appointment by members every year. M/s Brahmayya & Co. have confirmed on satisfaction of the eligibility criteria prescribed under the Companies Act, 2013.

Your directors recommend the ratification of appointment of M/s Brahmayya & Co., Chartered Accountants, as statutory auditors to the shareholders.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Details of related party transactions are dealt with in note 25 in notes to accounts.

SIGNIFICANT AND 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 and the future business operations of the Company.

LOANS, GUARANTEES AND INVESTMENTS

The Company has not extended any loans, guarantees nor made investments covered under the provisions of section 186 of the Companies Act, 2013.

RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board while considering the Business plan every year takes into account the business risks associated with it. No risk has been identified which would threaten the existence of the Company. To check the internal financial controls of the Company, internal audit is conducted every quarter and the observations are presented to the Board at its quarterly meetings.

POLICY ON PREVENTION OF SEXUAL HARRASSEMENT AT WORK PLACE:

The Company has put in place a policy on prevention of sexual harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

During the calendar year ended December 31, 2016, the Company has not received any complaints under the policy.



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MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT 9 as on March 31, 2017 is attached to this report.

PARTICULARS OF EMPLOYEES

Particulars in terms of the provisions of Rules 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended herewith.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors accept the responsibility for the integrity and objectivity of the Statement of Profit & Loss for the year ended March 31, 2017 and the Balance Sheet as at that date ("financial statements") and confirm that:

- in the preparation of the Statement of Profit & Loss and the cash flow statement for the financial year ended March 31, 2017 and the Balance Sheet as at that date ("financial statements") applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and such judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- proper and sufficient care has been taken 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. To ensure this, the Company has established internal control systems, consistent with the size and nature of operations, subject to the inherent limitations that should be recognized in weighing the assurance provided by any such system of internal controls.
- the financial statements have been prepared on a going concern basis.
- proper systems are in place to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Conservation of Energy and Technology Absorption and Foreign Exchange Earnings and Outgo

Particulars required to be furnished in this report under Section 134(3) of the Companies Act, 2013 and the rules made thereunder, relating to conservation of energy and technology absorption are not applicable for the year under review, and



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hence not furnished. The foreign exchange earnings and outgo during the year was at Rs. 127.26 million and Rs. 57.66 million respectively.

Acknowledgments

Your Directors wish to thank the joint venture partners – Murugappa Group and Mitsui Sumitomo Insurance Company Limited, Japan, the clients, agents and other Government Agencies for their continued support. Your Directors also place on record their appreciation for the unstinted support rendered by the staff of the Company as well as for their hard work, dedication and commitment.

On behalf of the Board

Date: July 25, 2017
Place: Chennai


S S Gopalarathnam
Director


N Srinivasan
Director

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2017**

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

-I. REGISTRATION AND OTHER DETAILS:

1	CIN	U74140TN1994PLC029257
2	Registration Date	November 17, 1994
3	Name of the Company	CHOLAMANDALAM MS RISK SERVICES LIMITED
4	Address of the Registered office and contact details	Dare House, No.2, NSC Bose Road, Chennai – 600 001
5	Category / Sub-Category of the Company	Company having share capital
6	Whether listed company	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Risk Management / Management Consultancy	7020	100%

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
NIL					

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corporate	-	1000000	1000000	50	-	1000000	1000000	50	-
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1):-	-	1000000	1000000	50	-	1000000	1000000	50	-
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corporate	-	1000000	1000000	50	-	1000000	1000000	50	-
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-	-	1000000	1000000	50	-	1000000	1000000	50	-
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	-	2000000	2000000	100	-	2000000	2000000	100	-

B. Public Shareholding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B) = (B) (1) + (B) (2)									
C. Shares held by Custodian for GDRs ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	-	2000000	2000000	100		2000000	2000000	100	-

(ii) Shareholding of Promoters

S I N o.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the compan y	% of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the compan y	% of Shares Pledged / encumber ed to total shares	
1	Tube Investments of India Limited	989979	49.49	-	989979	49.49	-	-
2	Chola Insurance Services Pvt Limited	2	-	-	2	-	-	-
3	Ambadi Investment Pvt Limited	2	-	-	2	-	-	-
4	Ambadi Enterprises Limited	1	-	-	1	-	-	-
5	Kartik Investments Trust Limited	10015	0.50	-	10015	0.50	-	-
6	Chola Business services Limited	1	-	-	1	-	-	-
7	Mitsui Sumitomo Insurance Co. Ltd.	1000000	50.00	-	1000000	50.00	-	-

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

	Shareholding at the beginning of		Cumulative Shareholding during	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	No Change during the year			
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change during the year			
At the End of the year	No Change during the year			

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

Sl. No.	For Each of the Top 10 Shareholders	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
No other shareholders other than Promoters of the Company					

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
At the beginning of the year	None of the Directors and key managerial personnel hold shares in the Company			
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	None of the Directors and key managerial personnel hold shares in the Company			
At the End of the year	None of the Directors and key managerial personnel hold shares in the Company			

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,00,00,000	-	-	5,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,00,00,000	-	-	5,00,00,000

Rs. in lakhs

Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	5,00,00,000	-	-	5,00,00,000
Net Change	-5,00,00,000	-	-	-5,00,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(Rs. in lakhs)

S. No	Particulars of Remuneration	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites under section 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission - as % of profit - Others, specify...	NIL
5.	Others, please specify (retiral benefits)	NIL
	Total (A)	NIL
	Ceiling as per the Act	Not Applicable

B. Remuneration to other directors:

1. Other Non-Executive Directors

(Rs. in lakhs)

S. n.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. N Srinivasan	Mr. S S Gopalarathnam	Mr. Tamaki Kawate	Mr. Junichi Nakamura	Mr. L Ramkumar	Mr. Takahiko Shibakawa	
1	Sitting Fees paid for attending Board meetings	0.60	-	0.45	0.60	-	0.60	2.25
	Total							2.25

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

(Rs. in lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Subba Rao (Chief Executive)	Ms. E Krithika (Company Secretary)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	95.58	-	95.58
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	0.24	-	0.24
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify (retiral benefits)	11.84	-	11.84
	Total	107.66	-	107.66

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CHOLAMANDALAM MS RISK SERVICES LIMITED**

1. Report on the Financial Statements

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

2. Management's Responsibility for the Financial Statements

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

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are

appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. **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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. **Report on Other Legal and Regulatory Requirements**

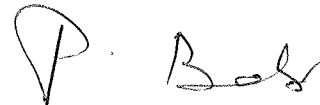
- (i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.
- (ii) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the Operating Effectiveness of such controls, refer to our separate report in “Annexure B”
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company did not have any pending litigations;
 - ii. the Company did not have any material foreseeable losses on long term contracts and the company did not have any derivative contracts;
 - iii. there was no amount to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the Company has disclosed the details of Specified Bank Notes(SBN) and other denomination notes for the period 8th November 2016 to 30th December 2016 as mentioned in Note .27 to the financial statements and the details are in accordance with the books of account maintained by the company.

Place: Chennai

Date: 25-07-2017

For BRAHMAYYA & Co.
Chartered Accountants
Firm Regn. No.000511S



P. Babu
Partner
Membership No. 203358

CHOLAMANDALAM MS RISK SERVICES LIMITED
“ANNEXURE A” TO THE AUDITORS’ REPORT REFERRED TO IN PARAGRAPH 5
OF OUR REPORT OF EVEN DATE

1. a) The Company is maintaining 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, in accordance with an annual plan of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
c) The Company does not own any immovable property.
2. In our opinion and 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 Act. Therefore, clauses (iii)(a), (b) and (c) of paragraph 3 of the Order are not applicable to the Company for the year.
3. In our opinion and according to the information and explanations given to us, the Company has not granted any loan to its Director(s) and has not made any investment, provided any guarantee or security as envisaged in Section 185 and Section 186 of the Companies Act, 2013, respectively
4. The Company has not accepted any deposits from the public.
5. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
6. i) In our opinion and according to the information and explanations given to us, undisputed statutory dues, including Provident Fund, Employees State Insurance, Income tax, Service tax, cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 2017 for a period of more than six months from the date they became payable.
ii) In our opinion and according to the information and explanations given to us, there are no dues of Income tax and Service tax which have not been deposited on account of any dispute.
7. The Company has not defaulted in the repayment of dues to banks. The Company does not have any borrowings from financial institutions, Government or by issue of debentures.

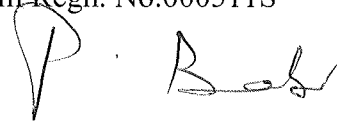


8. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purposes for which the loans were obtained.
9. To the best of our knowledge and belief and according to the information and explanations given to us, during the year, no fraud by the Company and no fraud on the Company by its officers or employees were noticed or reported during the year.
10. The provisions Section 197 read with Schedule V to the Companies Act, 2013 is not applicable to the company for the financial year ended 31st March 2017.
11. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards
12. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
13. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
14. In our opinion and according to the information and explanations given to us, the nature of the Company's business/ activities during the year has been such that clause (ii), clause (xii) and clause (xvi) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company for the year.

Place: Chennai

Date: 25-07-2017

For BRAHMAYYA & Co.
Chartered Accountants
Firm Regn. No.000511S



P. Babu
Partner
Membership No. 203358

CHOLAMANDALAM MS RISK SERVICES LIMITED
“ANNEXURE B” TO THE AUDITORS’ REPORT REFERRED TO IN PARAGRAPH 5
OF OUR REPORT OF EVEN DATE

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 MS Risk Services Limited (“the Company”) as of 31 March 2017 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

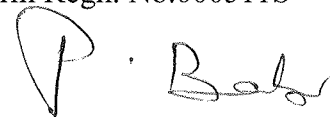
Opinion

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 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai

Date: 25-07-2017

For BRAHMAYYA & Co.
Chartered Accountants
Firm Regn. No.000511S



P. Babu
Partner
Membership No. 203358

Cholamandalam MS Risk Services Limited
Balance Sheet as at March 31, 2017

	Particulars	Note No.	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
I.	EQUITY AND LIABILITIES			
	Shareholders' funds			
	Share capital	1	20,000,000	20,000,000
	Reserves and surplus	2	135,613,375	119,609,634
			155,613,375	139,609,634
	Non-current liabilities			
	Long-term provisions	3	5,893,540	5,634,202
			5,893,540	5,634,202
	Current liabilities			
	Short-term borrowings	4	-	50,000,000
	Trade payables			
	(A) Total outstanding dues of Micro enterprises and small enterprises		-	-
	(B) Total dues of Creditors other than Micro enterprises and small enterprises	5	58,745,357	39,735,997
	Other current liabilities	6	11,527,666	13,801,798
	Short-term provisions	7	17,634,739	29,195,855
			87,907,762	132,733,650
	TOTAL		249,414,677	277,977,486
II.	ASSETS			
	Non-current assets			
	Fixed assets			
	Tangible assets	8	4,672,078	6,530,411
	Intangible assets	8	3,446,033	3,532,519
	Deferred tax assets (net)	9	7,574,000	12,353,452
	Long-term loans and advances	10	4,360,046	1,060,890
	Other non-current assets	11	10,400,000	21,429,729
			30,452,157	44,907,001
	Current assets			
	Trade receivables	12	139,419,660	115,932,180
	Cash and Bank Balances	13	19,238,796	19,992,647
	Short-term loans and advances	14	60,304,064	97,145,658
			218,962,520	233,070,485
	TOTAL		249,414,677	277,977,486

Summary of Significant accounting Policies

29

The notes referred to above form an integral part of the Financial statements
This is the Balance Sheet referred to in our report of even date

For Brahmaya & Co.
Chartered Accountants
Firm Registration No.000511S



P. Babu
Partner
Membership No.203358

Babu

N. Srinivasan
N. Srinivasan
Director

S S Gopalarathnam
S S Gopalarathnam
Director

M. Sundar
M. Sundar
Company Secretary

Takahiko Shibakawa
Takahiko Shibakawa
Director

Place: Chennai
Date: July 25, 2017

Cholamandalam MS Risk Services Limited
Statement of Profit and loss for the year ended March 31, 2017

	Particulars	Note No.	For the Year Ended	For the Year Ended
			March 31, 2017	March 31, 2016
			Rs.	Rs.
I.	Revenue from operations	15	365,261,098	313,436,045
II.	Other income	16	26,590,529	10,766,383
III.	Total Revenue (I + II)		391,851,627	324,202,428
IV.	Expenses:			
	Employee benefits expense	17	118,715,880	94,461,857
	Finance costs	18	2,513,304	3,602,975
	Depreciation and amortization expense	8	4,899,644	4,723,018
	Other expenses	19	239,639,648	193,128,079
	Total expenses		365,768,476	295,915,929
V.	Profit before exceptional and extraordinary items and tax (III-IV)		26,083,150	28,286,499
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		26,083,150	28,286,499
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		26,083,150	28,286,499
X	Tax expense:			
	(1) Current tax		5,300,000	14,392,550
	(2) Tax - Earlier years		-	(1,084,128)
	(3) Deferred tax (Net)	9	4,779,409	(4,911,000)
XI	Profit for the period from continuing operations (IX-X)		16,003,741	19,889,077
XII	Profit from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit from Discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit for the period (XI + XIV)		16,003,741	19,889,077
XVI	Earnings per equity share: (in Rs.)			
	(1) Basic & Diluted	20	8.00	9.94

Summary of Significant accounting Policies

29

The notes referred to above form an integral part of the Financial statements
This is the Statement of Profit & Loss referred to in our report of even date

For Brahmaya&Co.
Chartered Accountants
Firm Registration No.000511S



P. Babu
Partner
Membership No.203358

Babu

N. Srinivasan
N. Srinivasan
Director

S S Gopalathnam
S S Gopalathnam
Director

M. Sundar
M. Sundar
Company Secretary

Takahiko Shibakawa
Takahiko Shibakawa
Director

Place: Chennai
Date: July 25, 2017

Cholamandalam MS Risk Services Limited
Statement of Cash Flow for the period ended March 31, 2017

Particulars	For the period Ended March 31, 2017 Rs.	For the Year Ended March 31, 2016 Rs.
A. Cash Flow from Operating Activities		
Profit before Taxation	26,083,150	28,286,499
Non- cash adjustments and Non-Operating Items :		
Income reversal	14,857,704	4,000,000
Provision for Bad & Doubtful debts	10,764,728	19,581,029
Depreciation and Amortisation	4,899,644	4,723,018
Provision no longer required written back	(23,702,004)	(6,706,182)
Income from Investments	(2,742,298)	(3,230,610)
Profit on Sale of Investment	(144,898)	(34,865)
Miscellaneous Income	(1,329)	-
Finance Cost - Interest Paid	2,513,304	3,602,975
Operating Profit before working capital changes	32,528,001	50,221,864
Changes in Working Capital :		
Increase/(Decrease) in Long term Provisions	259,338	1,277,181
Increase/(Decrease) in Short term Provisions	(12,046,810)	(11,281,288)
Increase/(Decrease) in Trade Payables	19,009,360	26,281,805
Increase/(Decrease) in Other Current Liabilities	(2,274,131)	6,678,874
(Increase)/Decrease in Trade Receivables	(25,406,536)	(44,736,753)
(Increase)/Decrease in Short term Loans & Advances	36,841,594	(12,254,134)
(Increase)/Decrease in Long term Loans & Advances	(3,299,156)	(306,791)
Total Changes in Working Capital	13,083,658	(34,341,106)
Cash Generated from Operations	45,611,659	15,880,757
Less : Taxes Paid	-	-
Net cash generated from operating activities	45,611,659	15,880,757
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(2,954,825)	(4,540,091)
Purchase of Current Investment	(9,000,000)	(2,000,000)
Proceeds from sale of Current Investment	9,144,898	2,034,865
Fixed Deposit		
Placed	(300,000)	(21,429,665)
Maturity	11,329,729	13,800,000
Income from Interest on Fixed Deposits	2,742,298	3,230,610
Net Cash flow from Investing Activities	10,962,100	(8,904,281)
C. Cash flow from Financing Activities		
Dividends Paid	(4,000,000)	(3,000,000)
Dividend Distribution Tax	(814,306)	(614,240)
Proceeds from Short term borrowings	-	60,000,000
Repayment of Short term borrowings	(50,000,000)	(69,270,002)
Finance Cost - Interest paid during the year	(2,513,304)	(3,602,975)
Net Cash flow (used)/ from Financing Activities	(57,327,610)	(16,487,217)
Net Increase/Decrease in Cash and Cash equivalents	(753,851)	(9,510,741)
Cash and Cash equivalents at the beginning of the year	19,992,647	29,503,388
Cash and Cash equivalents at the end of the year	19,238,796	19,992,647
Components of Cash & Cash equivalents		
Cash on hand	-	-
with bank - On Current account	1,438,067	1,721,647
- On Deposits account	17,800,729	18,271,000
Total Cash & Cash equivalents	19,238,796	19,992,647

This is the Statement of Cash Flow referred to in our report of even date

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No.0005115


P. Babu
Partner
Membership No.203358

Place : Chennai
Date : July 25, 2017


N. Srinivasan
Director


M. Sundar
Company Secretary


S S Gopalarathnam
Director


Takahiko Shibakawa
Director

	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Note 1		
Share capital		
Authorised share capital		
2,000,000 equity shares of Rs.10 each (Previous year 2,000,000 Equity shares of Rs.10 each)	20,000,000	20,000,000
Issued, subscribed and paid-up		
2,000,000 equity shares of Rs.10 each (Previous year 2,000,000 equity shares of Rs.10 each)	20,000,000	20,000,000
	No of Shares	
Reconciliation of number of shares outstanding		
Equity shares		
No of shares outstanding at the beginning of the year	2,000,000	2,000,000
Less : Shares bought back during the year	-	-
No of shares outstanding at the end of the year	2,000,000	2,000,000
Terms/rights attached to equity shares		
<p>The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends . The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.</p> <p>During the year ended 31st March 2017, the dividend per share recognised as distributions to equity shareholders is Rs.Nil per equity share (Previous year : Rs.2/- per equity share)</p> <p>In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after discharging all liabilities. The distribution of net surplus available, if any, will be in proportion to the number of equity shares held by the shareholders.</p>		
Details of shareholders holding more than 5 % shares in the company	As at March 31, 2017	As at March 31, 2016
	No of shares % of holding	No of shares % of holding
Tube Investments of India Ltd	989,979 49.5%	989,979 49.5%
Mitsui Sumitomo Insurance Company Limited	1,000,000 50.0%	1,000,000 50.0%
<p>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 ownership of shares as at respective years.</p>		



	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Note 2		
Reserves and surplus		
General Reserve		
Balance as per last financial statements	100,000,000	90,000,000
Add: Transfer from Statement of Profit and Loss	-	10,000,000
Closing balance	100,000,000	100,000,000
Surplus in the Statement of Profit and Loss Account		
Balance as per last financial statements	19,609,634	14,534,957
Add: Profit for the year	16,003,741	19,889,077
Less : Proposed dividend @Rs.Nil per share (Previous year @ Rs.2.0 per share) (incl. dividend distribution tax)	-	4,814,400
Less: Transferred to General reserve	-	10,000,000
Net Surplus in the Statement of Profit and Loss	35,613,375	19,609,634
Total Reserves and surplus	135,613,375	119,609,634



	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Note 3		
Long-term provisions		
Provision for employee benefits		
Provision for gratuity	-	1,050,000
Provision for Leave encashment	5,893,540	4,584,202
	5,893,540	5,634,202
Provision for long term compensated absence has been broken into current & non-current based on the information provided by the		
Note 4		
Short-term Borrowings - Secured		
(a) Loans repayable on demand		
From Banks	-	50,000,000
	-	50,000,000
Notes : The above loans are secured by way of hypothecation of current assets of the company, both present and future .		
Note 5		
Trade Payables		
Sundry Creditors	58,745,357	39,735,997
	58,745,357	39,735,997
Dues to Micro, Small and Medium enterprises	-	-
Note 6		
Other current liabilities		
Advance from customers	216,210	238,912
Expenses payable	6,824,459	10,609,295
Employee related payables	1,576,791	791,986
Statutory related payables	2,910,206	2,161,605
	11,527,666	13,801,798
Dues to Micro, Small and Medium enterprises (Refer note no.28)	-	-
Note 7		
Short-term provisions		
Provision for employee benefits		
Provision for Incentive	6,750,000	6,676,299
Provision for gratuity	1,456,314	-
Provision for Leave encashment	4,128,425	3,312,606
Provision for proposed dividend (incl dividend tax)	-	4,814,400
Provision for Taxation	5,300,000	14,392,550
	17,634,739	29,195,855
Provision for long term compensated absence has been broken into current & non-current based on the information provided by the actuary.		



Cholamandam MS Risk Services Limited
Notes forming part of accounts for the year ended March 31, 2017

Note 8 - Fixed Assets
Tangible assets

Figures in Rs.

DESCRIPTION	GROSS BLOCK					DEPRECIATION			NET BLOCK	
	As at	Additions	Deletions/ Adjustments	As at	As at	Provided for the year ended March 2017	Deletions/ Adjustments	Up to	As at	As at
	April 1, 2016			March 31, 2017	April 1, 2016	March 2017		March 31, 2017	March 31, 2017	March 31, 2016
1 Plant and Machinery	10,539,496	74,537	-	10,614,033	9,077,630	749,694	-	9,827,324	786,709	1,461,866
2 Furniture and Fixtures	1,267,133	246,290	-	1,513,423	594,995	568,735	-	1,163,730	349,693	672,138
3 Vehicles	3,240,568	-	-	3,240,568	1,733,463	517,984	-	2,251,447	989,121	1,507,105
4 Office Equipment	4,367,884	5,220	-	4,373,104	2,850,664	659,906	-	3,510,570	862,534	1,517,220
5 Electrical & Fittings	56,016	174,710	-	230,726	42,595	39,256	-	81,851	148,875	13,421
6 Computers	10,938,494	1,186,225	-	12,124,719	9,579,833	1,009,740	-	10,589,573	1,535,146	1,358,661
TOTAL	30,409,591	1,686,982	-	32,096,573	23,879,180	3,545,315	-	27,424,495	4,672,078	6,530,411

(B) Intangible assets

Figures in Rs.

DESCRIPTION	GROSS BLOCK					AMORTIZATION			NET BLOCK	
	As at	Additions	Deletions/ Adjustments	As at	As at	Provided for the year ended March 2017	Deletions/ Adjustments	Up to	As at	As at
	April 1, 2016			March 31, 2017	April 1, 2016	March 2017		March 31, 2017	March 31, 2017	March 31, 2016
1 Software	12,683,001	1,267,843	-	13,950,844	9,150,482	1,354,329	-	10,504,811	3,446,033	3,532,519
TOTAL	12,683,001	1,267,843	-	13,950,844	9,150,482	1,354,329	-	10,504,811	3,446,033	3,532,519
Grand Total	43,092,592	2,954,825	-	46,047,417	33,029,662	4,899,644	-	37,929,306	8,118,111	10,062,930
Prev Yr Ending Mar-16	38,552,501	4,540,091	-	43,092,592	28,306,644	4,723,018	-	33,029,662	10,062,930	10,245,857



	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Note 9		
Deferred Tax Asset		
Deferred tax resulting from timing difference between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only if there is a virtual certainty that there will be sufficient future taxable income available to realise the assets .		
Net amount debited to Profit and loss on account of deferred tax	4,779,409	4,911,000
<u>Components of deferred tax:</u>		
Asset		
Provisions for employee benefits	2,761,051	2,610,922
Provisions for Doubtful Debts	4,560,590	9,828,757
On account of timing differences relating to WDV of fixed assets	252,359	
	7,574,000	12,439,679
Liability		
On account of timing differences relating to WDV of fixed assets	-	(86,227)
Others	-	(86,227)
Deferred tax Asset (net)	7,574,000	12,353,452
Note 10		
Long-term loans and advances		
Unsecured & considered good		
Security deposits	4,225,447	961,961
Rent deposits	134,599	98,929
Unsecured & considered doubtful		
Security Deposit - Doubtful	400,000	400,000
Less : Provision for Security Deposit	400,000	400,000
	4,360,046	1,060,890
Note 11		
Other non-current assets		
Investment in Fixed Deposits		
Fixed Deposits with original maturity for more than 12 months *	10,400,000	21,429,729
* Fixed Deposits of Rs.104.00 Lakhs has been placed on lien with Banks	10,400,000	21,429,729



	As at March 31, 2017 Rs.	As at March 31, 2016 Rs.
Note 12		
Trade receivables		
Trade Receivables Outstanding for a Period Exceeding		
Six Months		
Unsecured, considered good	12,353,811	13,874,990
Doubtful	16,064,380	29,237,874
Less: Provision for doubtful debts	16,064,380	29,237,874
Other Trade Receivables		
Unsecured, considered good	127,065,849	102,057,190
Doubtful	-	-
Less: Provision for doubtful debts	-	-
	139,419,660	115,932,180
Note 13		
Cash and bank balances		
Balance with banks		
On current accounts	1,438,067	1,721,647
Fixed Deposits with original maturity for less than 12 months *	17,800,729	18,271,000
* Out of the Fixed Deposits, Rs.128.39 Lakhs has been placed on lien with Banks		
	19,238,796	19,992,647
Note 14		
Short-term loans and advances		
Unsecured and considered good		
Employee related advances	503,754	205,401
Other advances	703,419	2,315,996
Earnest Money Deposit	1,797,437	1,684,791
Interest accrued on Investments	285,734	392,103
Prepaid expenses	6,796,340	43,877,155
Advance tax / TDS	50,217,380	47,009,708
Service tax credit	-	1,660,504
Unsecured and considered Doubtful		
Earnest Money Deposit - Doubtful	89,486	89,486
Less : Provision for doubtful loans and advances	89,486	89,486
	60,304,064	97,145,658



	For the Year Ended March 31, 2017 Rs.	For the Year Ended March 31, 2016 Rs.
Note 15		
Revenue from operations		
Fee Income from Services		
Overseas	126,963,298	76,109,425
Domestic	236,066,999	236,036,423
Other Operating Income - Training Services	2,230,801	1,290,197
	365,261,098	313,436,045
Note 16		
Other income		
Foreign Exchange Gain	-	794,726
Interest income :		
Bank fixed deposits	2,742,298	3,230,610
Investment income:		
Profit on Redemption of Mutual Fund	144,898	34,865
Provision no longer required written back	23,702,004	6,706,182
Miscellaneous Income	1,329	-
	26,590,529	10,766,383
Note 17		
Employee benefits expense		
Operating expenses		
Salaries	103,041,887	81,956,699
Contribution to provident fund	4,244,339	3,824,315
Gratuity & long term compensated absence	3,697,344	2,420,134
Staff welfare	7,732,310	6,260,709
Total employee benefits expense	118,715,880	94,461,857
Note 18		
Finance Costs		
Interest Cost	2,513,304	3,602,975
	2,513,304	3,602,975



	For the Year Ended March 31, 2017 Rs.	For the Year Ended March 31, 2016 Rs.
Note 19		
Other expenses		
Operating expenses		
Recruitment Expenses	608,618	288,263
Travelling & conveyance	32,284,590	30,851,608
Communication	1,094,608	905,779
Consultants Outsourcing fees	114,736,091	54,127,736
Less : Reimbursement of Expenses	(2,503,534)	(2,925,645)
	146,220,373	83,247,742
Selling & marketing costs		
Business promotion & referral charges	40,437,866	64,248,565
	40,437,866	64,248,565
General & administration expenses		
Power	1,101,996	1,459,968
Rent	11,149,363	9,099,008
Rates & taxes	572,878	392,041
Repairs & maintenance	2,961,767	3,455,663
Printing & stationery	1,707,212	1,666,672
Postage Expenses	326,005	336,134
Sitting fees	225,000	285,000
Insurance	298,509	386,580
Bank Charges	425,070	535,267
Foreign Exchange Loss (Net)	4,632,371	-
IT Expenses	1,724,685	1,548,362
Legal and Professional charges	273,550	610,057
Provision for bad & doubtful debts	10,764,728	19,181,029
Provision for doubtful loans and advances	-	400,000
Bad debts written off	14,857,704	4,000,000
Auditor's remuneration (Details given below)	410,570	452,597
Tender Fees	34,695	88,084
Training Expenses	729,811	1,039,613
Campaign, Exhibition & Accreditation Expenses	270,522	235,941
Miscellaneous expenses	514,974	459,756
	52,981,409	45,631,772
Total other expenses	239,639,648	193,128,079
Payment to Auditor		
As Auditor :		
Audit fee(excluding service tax)	355,000	355,000
Tax audit fee(excluding service tax)	50,000	50,000
Service tax	60,750	64,175
In other capacity		
Other services	4,000	44,000
Reimbursement of expenses	1,570	3,597
	471,320	516,772



	For the Year Ended March 31, 2017 Rs.	For the Year Ended March 31, 2016 Rs.
Note 20		
Earnings per share		
Net profit after taxes	16,003,741	19,889,077
Equity shares outstanding as at the year end (in Nos.)	2,000,000	2,000,000
Nominal value per equity share	10	10
Weighted average number of shares	2,000,000	2,000,000
Earnings per share - Basic	8.00	9.94
Earnings per share - Diluted	8.00	9.94



Note - 21

The company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly, the company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

Note - 22

Earnings in Foreign Currency

Income from Services – Rs.127,263,298. (Previous year – Rs.76,109,425)

Note - 23

Expenditure in foreign currency on account of

Nature of Expenditure	2016 – 2017 (Rs.)	2015-2016 (Rs.)
Foreign Travel	5,247,216	8,484,728
Capital Goods	463,230	437,876
Others	51,952,644	12,667,226
Total	57,663,090	21,589,830

Note - 24

Employee Benefits under Accounting Standard No. 15 (R)

i) Defined Contribution Plan

Contribution towards defined contribution plan is charged off for the year as under:

Defined Contribution Plan	2016-2017 (Rs.)	2015-2016 (Rs.)
Employer Contribution to the Provident Fund	4,244,339	3,571,439
Employer Contribution to the Superannuation Fund	1,202,758	1,069,737

ii) Defined Benefit Plan

Leave Salary Encashment:

Eligible employees can carry forward and encash leave as per leave policy of the company at the time of resignation or retirement.

Leave Encashment	2016-2017 (Rs.)	2015-2016 (Rs.)
Opening Balance	7,896,808	7,061,387
Closing Balance	10,021,965	7,896,808
Debited to Profit & Loss A/c (Net of Payments)	2,125,157	835,421



iii) Gratuity

The Company operates gratuity plan through Life Insurance Corporation of India. Every Employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service subject to the maximum of Rs.10,00,000. The benefit vests after 5 years of continuous service. The present value of obligation is determined based on actuarial valuation.

a) Reconciliation of Opening and Closing balances of Defined Benefit Obligation	Gratuity 2016-2017 (Rs.)	Gratuity 2015-2016 (Rs.)
Defined Benefit Obligation at the beginning of the year	4,128,228	3,099,211
Current Service Cost	865,169	836,265
Interest Cost	306,665	238,130
Actuarial (gain)/loss	32,147	199,783
Benefit paid	-342,509	245,161
Defined Benefit obligation at year end	4,989,709	4,128,228
b) Reconciliation of Opening and Closing balances of fair value of plan assets		
Fair value of Plan assets at beginning of the year	3,106,802	2,643,647
Expected return on plan assets	283,522	259,710
Actuarial (gain)/loss	247,115	35,000
Employer contribution	800,000	483,606
Benefits Paid	342,509	245,161
Fair value of Plan assets at Year end	3,600,700	3,106,802
c) Reconciliation of Fair value of Plan assets and Obligations		
Fair value of Plan assets as at 31 st March 2017	4,989,709	4,128,228
Present value of Obligation as at 31 st March 2017	3,600,700	3,106,802
Asset/Liability	-1,389,001	-1,021,426
d) Expenses recognized during the year		
Current Service Cost	865,169	836,265
Interest Cost	306,665	238,130
Expected return on Plan assets	-283,522	-259,710
Net Actuarial (Gain)/ loss	32,147	199,783
(Return) on plan assets (excluding interest income)	247,116	35,000
Net Cost	1,167,575	1,049,468
e) Actuarial assumption /Mortality table (L.I.C)		
Discount rate Per annum	7.00%	7.75%
Expected rate of return on plan assets Per annum	8.50%	8.50%
Rate of Escalation in salary Per annum	5.00%	5.50%
Rate of Attrition	1-3%	1-3%

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in employment market. The expected rate of return is determined considering several applicable factors mainly composition of plan assets, assessed risks, historical results of return on plan assets and company's policy for plan assets management .



Note 25

1. Related party disclosures under Accounting Standard -18

List of Related parties

a. Companies having substantial interest in voting rights:

1. Tube Investments of India Limited
2. Mitsui Sumitomo Insurance Company Limited, Japan

b. Companies under same management :

1. Cholamandalam MS General Insurance Company Ltd

c. Subsidiary of Joint Venture :

1. Cholamandalam Investment & Finance Company Ltd **

d. Key Managerial Personnel:

1. N.V. Subba Rao – Designation: Chief Executive

Details of Related Party Transactions:

Transactions	Related Party	2016-2017 (Rs.)	2015-2016 (Rs.)
Rendering of Services (Income)	A) Cholamandalam MS General Insurance Ltd	70,350,517	92,278,725
	B) Cholamandalam Investment and Finance Company Limited	-	-
	C) Tube Investments of India Ltd	270,500	302,000
Availment of Services (Expense)	A) Cholamandalam MS General Insurance Ltd	5,662,534	7,142,822
	B) Cholamandalam Investment and Finance Company Limited	-	34,820
	C) Tube Investments of India Ltd	30,000	-
Sitting Fees	A) Mitsui Sumitomo Insurance Company Limited	165,000	210,000
Dividend Paid	A) Tube Investments of India Ltd	1,979,958	1,484,969
	B) Mitsui Sumitomo Insurance Company Ltd	2,000,000	1,500,000
Recovery of expenses	A) Cholamandalam MS General Insurance Ltd	-	578,660
Receivables / Payables	A) Cholamandalam MS General Insurance Ltd	41,077,911(Cr)	23,320,036(Cr)
	B) Cholamandalam Investment and Finance Company Limited	-	14,868 (Dr)
Remuneration to Key Managerial Personnel	A) N V Subba Rao Designation: Chief Executive	10,642,803	8,330,860

** Cholamandalam Investment and Finance Company Ltd. (and its subsidiaries) was a Fellow subsidiary till August 31, 2015 and the details disclosed in the Related Party transactions till date it ceased to be subsidiary of Tube Investments of India Ltd.



Note - 26

Based on information available and relied upon by the Auditors, there are no dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act of 2006 for more than 45 days as at March 31st 2017.

Note-27

Disclosure relating to Specified Bank Notes as per MCA Notification No. GSR 308(E) [F.NO.17/62/2015-CL-V-(VOL.I)], dated 30th March 2017

	SBNs		Other denomination notes		Total	
	Denomination	Amount	Denomination	Amount	Denomination	Amount
Closing balance as at 8 November 2016	-	-	-	-	-	-
Transactions between 9 November 2016 and 30 December 2016						
Add: Withdrawal from bank accounts	-	-	(2000X48)+ (100X40)	100000	(2000X48)+ (100X40)	100000
Add: Receipts for permitted transactions	-	-	(2000X4)	8000	(2000X4)	8000
Add: Receipts for non-permitted transactions	-	-	-	-	-	-
Less: Paid for permitted transactions	-	-	(2000X52)+ (100X40)	108000	(2000X52)+ (100X40)	108000
Less: Paid for non-permitted transactions	-	-	-	-	-	-
Less: Deposited in bank accounts	-	-	-	-	-	-
Closing balance as at 30 December 2016	-	-	-	-	-	-

Note - 28

Previous year's figures have been regrouped wherever considered necessary.



Note -29

Significant Accounting Policies

i) Accounting Convention

The financial statements have been prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India. The said financial statements comply with the relevant provisions of the Companies Act, 2013 (the Act) and the applicable accounting standards.

ii) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

iii) Fixed assets and depreciation

Assets

- A) Fixed Assets are stated at historical cost. Cost includes related taxes, duties, freight, etc. attributable to acquisition and installation of assets, but excludes duties and taxes that are recoverable subsequently from taxing authorities.
- B) Depreciation on fixed assets is provided on straight line method over the useful life of assets and in the manner as prescribed by Schedule II of the Companies Act, 2013 except for the assets which are depreciated at a higher rate based on their estimated useful life as under:

Particulars	Useful Life (in years)
Furniture and Fittings *	4 years
Vehicles *	4 Years
Office Equipment *	2 Years & 4 Years
Electrical Fittings *	4 Years
Plant & Machinery *	6 Years

*For these class of assets, based on internal assessment, the management believes that the useful life given above best represents the period over which the management expects to use these assets. Hence, the useful life of these assets is different from the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.

Computer software includes cost of application software which is amortised over a period of 4 years.

iv) Investments

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

Investments are categorized into Non Current and Current Investments. Non Current Investments are valued at Cost, unless there is a fall in value, other than temporary. Current Investments are valued at Cost or Market Value whichever is lower.



v) Revenue recognition

Income from Services are recognized on proportionate completion method to the extent certified in respect of performance of each contract, based on agreed billing schedule with customers.

Dividend on Investments is accounted as and when the right to receive the payment is established.

All income and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses.

vi) Employee benefits

A. Defined Contribution Plan

The company's Provident Fund Scheme, Superannuation Scheme are Defined Contribution Plans and the Company's Contribution paid/payable is recognized as expense in Statement of Profit and Loss during the period in which the employees rendered the related services.

B. Defined Benefit Plan:

The Company's Gratuity scheme is operated through Group Gratuity Scheme of LIC and is a Defined Benefit Plan. The Company's liability towards Gratuity are actuarially determined using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of Employee Benefit Entitlement.

Actuarial gains and other losses are charged to Statement of Profit and Loss.

C. Long Term Employee Benefits:

Long term compensated absences are long term employee benefits and are provided for based on independent Actuarial Valuation using Projected Unit Credit Method.

Actuarial gains and other losses are charged to Statement of Profit and Loss .

D. Short Term Employee Benefits:

Short term employee benefits, including accumulated compensated absences, at the balance sheet date, are recognized as an expense as per the Company's scheme based on expected obligations on undiscounted basis.

vii) Foreign currency transactions

Foreign Currency Transactions are recognized in the books at the exchange rates prevailing on the date of transaction.

Foreign currency monetary items as at Balance Sheet date are restated at the closing exchange rates. Exchange differences arising on actual payment /realization and year end restatements are dealt with in the Statement of Profit and Loss as exchange gain or loss.

viii) Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

ix) Provisions, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of



resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement.

x) Taxes on Income

Taxes on Income comprise the current tax provision, taxes of earlier years and net change in the deferred tax asset or liability during the year. Current tax is determined in accordance with the Income Tax Act, 1961. Taxes of earlier years computed in accordance with provision for tax created in the previous years for which assessments happened during the period. Deferred tax assets and deferred tax liabilities are recognized for the future tax consequences of timing differences between the carrying values of the assets and liabilities and their respective tax bases using enacted or substantially enacted tax rates. Deferred tax asset is recognized subject to the consideration of prudence, on timing difference.



N. Srinivasan
Director



S S Gopalarathnam
Director



M. Sundar
Company Secretary



Takahiko Shibakawa
Director

Place: Chennai
Date: July 25, 2017