

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty Third Annual General Meeting (AGM) of shareholders of Cholamandalam MS Risk Services Limited will be held on Tuesday, the 24th day of July 2018, at 5.45 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, 2018, 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. 2.50/- per equity share of Rs.10/- each (25%) as recommended by the board of directors be and is hereby declared for the year ended March 31, 2018 and be paid to those members whose names appear in the register of members as on 24 July, 2018.

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. L Ramkumar (DIN: 00090089), who retires by rotation, 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. Tamaki Kawate (DIN: 07496365), who retires by rotation, be and is hereby re-appointed as a Director of the Company.

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:**



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CIN: U74140TN1994PLC029257

GSTIN: 33AABCC6610Q1ZL

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 fourth annual general meeting of the Company be and is hereby ratified at a remuneration of Rs 3,15,000/- per annum (statutory audit fees: Rs 3,00,000/- & 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.

By Order of the Board



M.Sundar

Company Secretary

Date: April 26, 2018

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.**

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. Members are requested to intimate immediately any change in their address, if any, to the Registered Office of the Company.
4. 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.

By Order of the Board



M.Sundar

Company Secretary

Date: April 26, 2018

Place: Chennai



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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 23rd Annual General Meeting of the Company being held on Tuesday, July 24, 2018 at 5.45 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 23rd Annual General Meeting of the Company, to be held on Tuesday, July 24, 2018 at 5.45 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, 2018, 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 2.50/- per share at the rate of 25% on the equity share capital of the Company for the year ended March 31, 2018.
3. (i) To appoint a Director in the place of Mr. L Ramkumar (DIN: 00090089), who retires by rotation and being eligible, offers himself for re-appointment.
(ii) To appoint a Director in the place of Mr. Tamaki Kawate (DIN: 07496365), 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.

Signed: this _____ day of _____ 2018

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

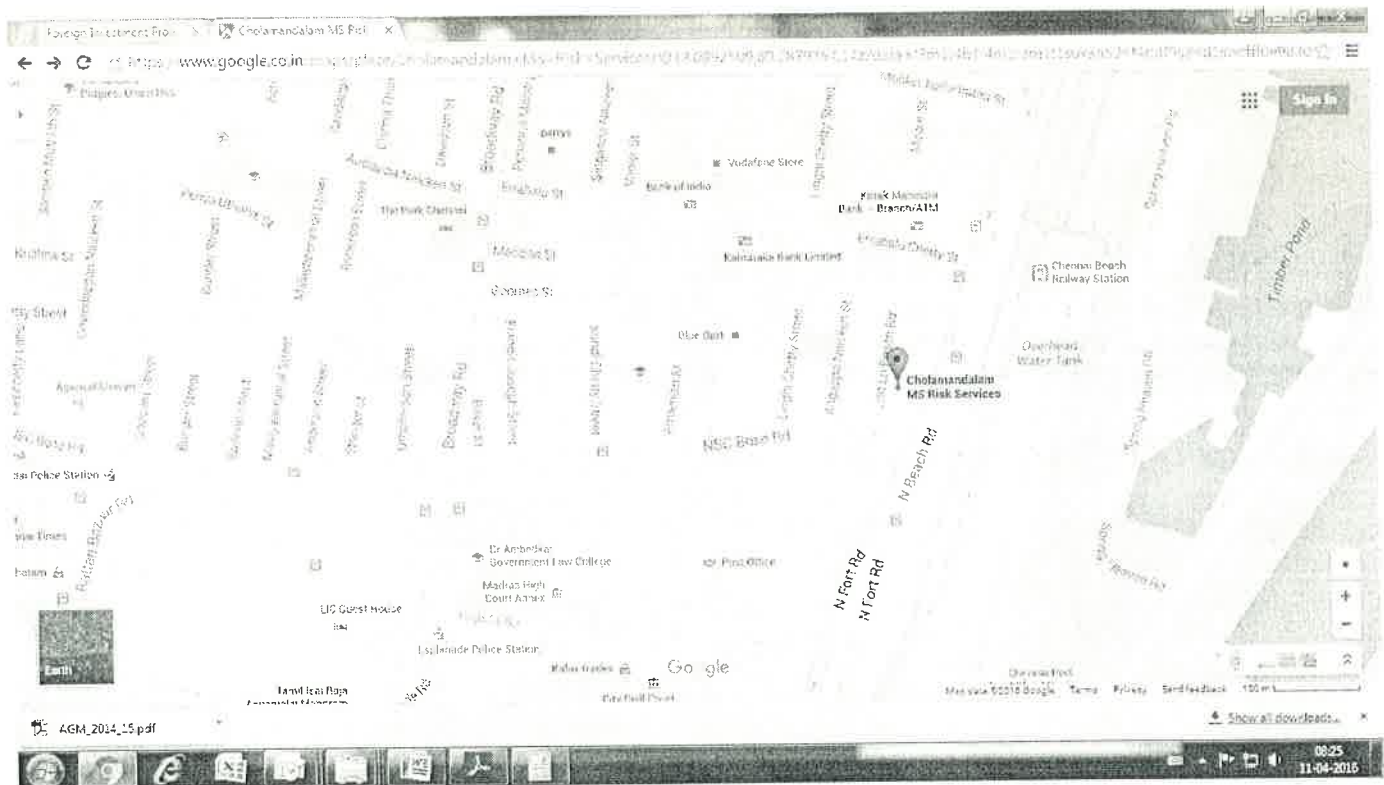
ROUTE MAP ALONGWITH PROMINENT LANDMARK

Day: Tuesday

Date: 24.07.2018

Time: 5.45 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 Third Annual Report together with the audited financial statements of the Company for the year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

Particulars	(Rs.in million)	
	Year ended March 31, 2018	Year ended March 31, 2017
Income	584.17	391.85
Expenses	545.92	365.77
Profit Before Tax	38.25	26.08
Profit After Tax	26.47	16.00
Add: Balance b/f from Previous Year	35.61	19.61
Total	62.08	35.61
Dividend-Equity	4.00	-
Tax on Dividend	0.81	-
Profit carried to Balance Sheet	57.27	30.8

OPERATIONS

During the year, the Company registered revenues of Rs. 584.17 million and profit before tax at Rs.38.25 million (Rs. 26.08 million in the previous year).

The Company has strengthened its consultancy portfolio with the launch of new services viz., Pressure Relief Valve Adequacy Verification, Explosion Vent Adequacy Verification & Marine Monitoring Services (MMS) and brought in innovation in learning through mobile based apps and virtual reality-based training modules. The Company has also partnered with organizations on their CSR initiatives as an implementation partner in the areas of Health, Safety & Environment (HSE) programs and Road Safety programs. During the year under review, the Company further consolidated its clientele with 101 new clients from 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 the Company crossed 454 numbers and serviced clients from both India & the Middle East.

The Company is backed by a strong technical team of multidisciplinary & certified professionals having exposure to domestic and international markets. The Company increased its employee strength to 196 as on March 31, 2018 comprising 182 engineers and 14 contract employees.



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The Strategic Alliance Partnerships with Inogen was further strengthened during the year by acquiring shares of Inogen Global Alliance, resulting also in Cholamandalam MS Risk Services Limited (CMSRS) representation in the Inogen Board from the next financial year. The Company continued the engagement with BP Consultancy Co. WLL as our 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. 2.50/- per equity share of Rs.10/- each (previous year – Rs.2/-).

OUTLOOK 2018-19

The Company has recorded an Order book of Rs. 287 million during the year and carry forward of Rs. 318 million for FY'18-19. Orders from Domestic market increased by 32% compared to last financial year. In view of this Order book, and long term contracts, 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

Mr. L Ramkumar and Mr. Tamaki Kawate retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

KEY MANAGERIAL PERSONNEL

Following are the Key Managerial Personnel of the Company as at March 31, 2018, in terms of the provisions of Section 203 of the Companies Act, 2013:

- Mr. N V Subba Rao, Chief Executive
- Mr. M. Sundar, Company Secretary,

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, Board meetings were convened and held on the following dates, April 27, 2017, July 25, 2017, October 28, 2017, January 31, 2018 and March 21, 2018. 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. The Company has in place internal control framework to provide reasonable assurance to ensure compliance with internal policies, regulatory matters and to safeguard reliability of financial reporting and its disclosures. The Key observations, recommendations and compliance status of the previous key audit findings of internal auditors 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 Harrassment 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.



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During the calendar year ended December 31, 2017, the Company has not received any complaints under the policy.

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, 2018 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, 2018 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, 2018 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.



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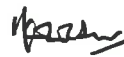
Conservation of Energy and Technology Absorption and Foreign Exchange Earnings and Outgo

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 hence not furnished. The foreign exchange earnings and outgo during the year was at Rs. 107.85 million and Rs. 86.39 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



N Srinivasan
Director



S S Gopalarathnam
Director

Date: April 26, 2018
Place: Chennai



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