Cholamandalam MS Risk Services Limited

24th Annual Report

FY 2018-19

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty Fourth Annual General Meeting (AGM) of shareholders of Cholamandalam MS Risk Services Limited will be held on Tuesday the 23rd day of July 2019, at 5.15 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, 2019, the Balance Sheet and the cash flow statement 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, 2019 and be paid to those members in case of shares held in physical form, whose names appear in the register of members, and in case of shares held in dematerialised form, as per the details furnished by the depositories for this purpose as on July 23, 2019.

3. **Appointment of director:**

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

   RESOLVED THAT Mr. SS. Gopalarathnam (DIN: 02060399), 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**:

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 fifth 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/- and out of pocket expenses upto amount of Rs 15,000/- (to be incurred by them in connection with the aforesaid audit) plus applicable taxes,as recommended by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to fix the remuneration payable to the statutory auditors of the Company, from time to time including the actual travelling and out of pocket expenses incurred by them in connection with the audit, in addition to taxes as applicable during their term of appointment till the conclusion of twenty sixth annual general meeting.

SPECIAL BUSINESS:

5. **Appointment of Mr. Sridharan Rangarajan as Director:**

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 Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Sridharan Rangarajan (DIN: 01814413), be and is hereby appointed as a Director of the Company and is liable to retire by rotation."

6. **Appointment of Mr. V Suryanarayanan as Director:**

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 Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. V Suryanarayanan (DIN: 01416824), be and is hereby appointed as a Director of the Company and is liable to retire by rotation."

7. **Appointment of Mr. Hideo Yoshida as Director:**

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 Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Hideo Yoshida (DIN: 08384830), be and is hereby appointed as a Director of the Company and is liable to retire by rotation."

8. **Appointment of Mr. Takashi Kishi as Director:**

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 Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Takashi Kishi (DIN: 08381603), be and is hereby appointed as a Director of the Company and is liable to retire by rotation."

9. **Appointment of Mr. Shinji Ueki as Director:**

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 Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Shinji Ueki (DIN: 08383896), be and is hereby appointed as a Director of the Company and is liable to retire by rotation."

By Order of the Board

Date: April 22, 2019
Place: Chennai

M.Sundar
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL 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. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of businesses set out in item nos.5 to 9 is annexed hereto.

4. The dividend of Rs. 2.50/- per equity share of the Company, as recommended by the Board, if declared at the AGM, will be paid, subject to the provisions of the Act, to those members or their mandates, in case of shares held in physical form, whose names appear in the register of members, and in case of shares held in dematerialised form, as per the details furnished by the depositories for this purpose as on July 23, 2019. Members are encouraged to utilise the Electronic Clearing Service (ECS) for receiving dividends by registering their bank mandates.

5. Members holding shares in electronic form may note that bank particulars registered with their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Cameo Corporate Services Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members. Members are requested to intimate immediately any change in their address, if any, to the Registered Office of the Company.

6. 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

Date: April 22, 2019
Place: Chennai

M.Sundar
Company Secretary

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RISK SERVICES

ANNEXURE TO THE NOTICE

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

Item no.5:

Brief profile of Mr. Sridharan Rangarajan:

Mr. Sridharan Rangarajan is a commerce graduate and is a Member of Institute of Chartered Accountants of India and is a graduate member of Institute of Cost Accountants of India. He has over 29 years of rich experience in the areas of Banking, Manufacturing, Contracting, Service and Distribution business experience.

He is a Board member of Cholamandalam MS General Insurance Company Limited, Net Access India Limited, Cholamandalam Home Finance Limited, Cholamandalam Health Insurance Limited and Cholamandalam Financial Holdings Limited (formerly TI Financial Holdings Limited).

Mr. Sridharan Rangarajan is currently the President & Group CFO of Murugappa group. Mr. Sridharan Rangarajan has attended three Board meetings held during the financial year ended 31st March 2019. He does not hold any shares of the Company.

The Board at its meeting held on October 24, 2018 appointed Mr. Sridharan Rangarajan as additional director pursuant to the provisions of section 161 of the Companies Act, 2013. Mr. Sridharan Rangarajan will hold office upto the date of this annual general meeting.

As per Shareholders agreement, Mr. Sridharan Rangarajan is a representative of Murugappa Group, on the Board of the Company.

The Company has received notice in writing from one of the members in accordance with section 160 of the Act, proposing the candidature of Mr. Sridharan Rangarajan, as Director on the Board.

The Board recommends the appointment of Mr. Sridharan Rangarajan as director liable to retire by rotation to the members for approval.

Memorandum of Interest:

Except Mr. Sridharan Rangarajan, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution.

Item No.6:

***Brief profile of* Mr. V Suryanarayanan:**

Mr. V Suryanarayanan is a commerce graduate and is a Member of Institute of Chartered Accountants of India, Institute of Company Secretaries of India and Insurance Institute of India. He has also done an advanced management program in INSEAD University, Paris.

He has over 31 years of rich experience in the areas of Credit, Process Centre, Treasury, Insurance and Finance.

He is currently the President and Chief Operating Officer of Cholamandalam MS General Insurance Company Limited, and a Board member of Cholamandalam Health Insurance Limited. He has been associated with the Murugappa Group for nearly 22 years since 1996.

Mr. V Suryanarayanan has attended three Board meetings held during the financial year ended 31st March 2019. He does not hold any shares of the Company.

The Board at its meeting held on October 24, 2018 appointed Mr. V Suryanarayanan as additional director pursuant to the provisions of section 161 of the Companies Act, 2013. As per the said provisions, Mr. V Suryanarayanan will hold office upto the date of this annual general meeting.

As per Shareholders agreement, Mr. V Suryanarayanan is a representative of Murugappa Group, on the Board of the Company.

The Company has received notice in writing from one of the members in accordance with section 160 of the Act, proposing the candidature of Mr. V Suryanarayanan, as Director on the Board.

The Board recommends the appointment of Mr. V Suryanarayanan as director liable to retire by rotation to the members for approval.

Memorandum of Interest:

Except Mr. V Suryanarayanan, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution.

Item No.7:

Brief profile of Mr. Hideo Yoshida:

Mr. Hideo Yoshida is a graduate from Keio University and is currently the Associate Director, East Asia and India Division of Mitsui Sumitomo Insurance Co., Ltd. He has over 34 years of experience in the insurance industry. He is currently a Director in Mitsui Sumitomo Insurance (China) Co., Ltd and Interrisk Consulting (Shanghai) Co. Ltd.

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The Board at its meeting held on March 11, 2019 appointed Mr. Hideo Yoshida as additional director w.e.f April 1, 2019 , pursuant to the provisions of section 161 of the Companies Act, 2013. As per the said provisions, Mr. Hideo Yoshida will hold office upto the date of this annual general meeting. He does not hold any shares of the Company.

As per Shareholders agreement, Mr. Hideo Yoshida is a representative of Mitsui Sumitomo Insurance Company Limited, on the Board of the Company.

The Company has received notice in writing from one of the members in accordance with section 160 of the Act, proposing the candidature of Mr. Hideo Yoshida, as Director on the Board.

The Board recommends the appointment of Mr. Hideo Yoshida as director liable to retire by rotation to the members for approval.

Memorandum of Interest:

Except Mr. Hideo Yoshida, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution.

Item No.8:

Brief profile of Mr. Takashi Kishi:

Mr. Takashi Kishi is a graduate in Business and Commerce from Keio University and has over 30 years of experience in Insurance industry. He is currently the Whole-time director of Cholamandalam MS General Insurance Company Limited. He was previously the Executive Vice President- J& K Division in Cholamandalam MS General Insurance Company Limited for a period of 3 years.

The Board at its meeting held on March 11, 2019 appointed Mr. Takashi Kishi as additional director w.e.f April 1, 2019, pursuant to the provisions of section 161 of the Companies Act, 2013. As per the said provisions, Mr. Takashi Kishi will hold office upto the date of this annual general meeting. He does not hold any shares of the Company.

As per Shareholders agreement, Mr. Takashi Kishi is a representative of Mitsui Sumitomo Insurance Company Limited, on the Board of the Company.

The Company has received notice in writing from one of the members in accordance with section 160 of the Act, proposing the candidature of Mr. Takashi Kishi, as Director on the Board.

The Board recommends the appointment of Mr. Takashi Kishi as director liable to retire by rotation to the members for approval.

Memorandum of Interest:

Except Mr. Takashi Kishi, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution.

Item No.9:

Brief profile of Mr. Shinji Ueki:

Mr. Shinji Ueki is holds a Master's Degree in Engineering from Yokohama National University. He has over 30 years of experience in general insurance industry. He is currently the Managing Director of Interrisk Asia Pte Ltd.

The Board at its meeting held on March 11, 2019 appointed Mr. Shinji Ueki as additional director w.e.f April 1, 2019, pursuant to the provisions of section 161 of the Companies Act, 2013. As per the said provisions, Mr. Shinji Ueki will hold office upto the date of this annual general meeting. He does not hold any shares of the Company.

As per Shareholders agreement, Mr. Shinji Ueki is a representative of Mitsui Sumitomo Insurance Company Limited, on the Board of the Company.

The Company has received notice in writing from one of the members in accordance with section 160 of the Act, proposing the candidature of Mr. Shinji Ueki, as Director on the Board. The Board recommends the appointment of Mr. Shinji Ueki as director liable to retire by rotation to the members for approval.

Memorandum of Interest:

Except Mr. Shinji Ueki, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution.

By Order of the Board

M.Sundar
Company Secretary

Date: April 22, 2019
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 24th Annual General Meeting of the Company being held on Tuesday, July 23, 2019 at 5.15 P.M 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 24th Annual General Meeting of the Company, to be held on Tuesday, July 23, 2019 at 5.15 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, 2019, the Statement of Profit and Loss and the Cash Flow Statement 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 ratė of 25% on the equity share capital of the Company for the year ended March 31, 2019.
3. To appoint a Director in the place of Mr. SS. Gopalarathnam (DIN: 02060399), 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 appoint Mr. Sridharan Rangarajan as Director, liable to retire by rotation.
6. To appoint Mr. V Suryanarayanan as Director, liable to retire by rotation.
7. To appoint Mr. Hideo Yoshida as Director, liable to retire by rotation.
8. To appoint Mr. Takashi Kishi as Director, liable to retire by rotation.
9. To appoint Mr. Shinji Ueki as Director, liable to retire by rotation.

Signed: this ______________ day of __________ 2019

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

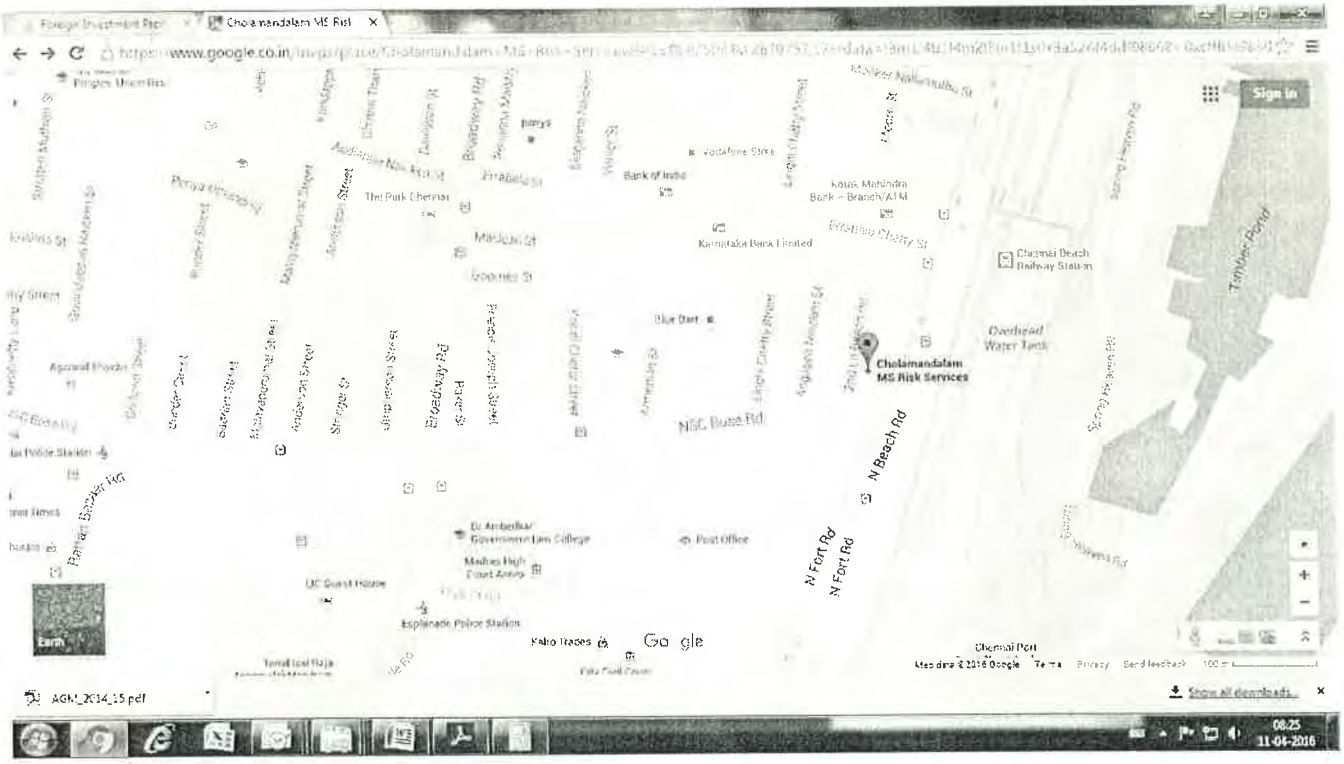
ROUTE MAP ALONGWITH PROMINENT LANDMARK

Day: Tuesday

Date: 23.07.2019

Time: 5.15PM

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



DIRECTORS' REPORT TO MEMBERS

Your Directors have pleasure in presenting the Twenty Fourth Annual Report together with the audited financial statements of the Company for the year ended March 31, 2019.

FINANCIAL HIGHLIGHTS*

(Rs.in million)

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Income	434.00	585.42
Expenses	385.18	543.40
Profit Before Tax	**48.82**	**42.02**
Profit After Tax	35.31	27.85
Other Comprehensive income / (loss)	0.34	(1.42)
Total Comprehensive Income	**35.65**	**26.43**
Add: Balance b/f from Previous Year	59.85	38.23
Total	**95.50**	**64.66**
Dividend-Equity	5.00	4.00
Tax on Dividend	1.02	0.81
Profit carried to Balance Sheet	89.48	59.85

* The Financial statements have been reinstated as per IND AS format consequent to applicability of IND AS to the Company.

OPERATIONS

During the year, the Company registered revenues of Rs.434 million (Rs. 585.42 million in the previous year) and profit before tax at Rs. 48.8 million (Rs. 42.02 million in the previous year).

During the year under review, the Company further consolidated its clientele with 98 new clients from across the country and overseas. The Company has strengthened its consultancy portfolio by expanding services to Eastern part of Indian Market. Business increased the market proximity by assigning Regional Advisors in Eastern Region and Growth Managers in key Operating Sectors. The Company has continued to partner with organizations on their CSR initiatives as an implementation partner in the areas of Health, Safety & Environment (HSE) programs and Road Safety programs.

As Key service expansion strategy, Company expanded its secondment business further and currently operating 19 Driver Management Centers and Deployed Corporate EHS Managers & Construction Safety Professionals for different Industry Giants across India. Specific to Verticals, Process Safety (325+ Projects), Electrical (140+Projects) and Environment Division (70+ Projects) Consultancy Projects executed during the year. Around 50 Construction Safety professionals deployed in almost 15 different locations for various Corporate's Sites.

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.

The Company is backed by a strong technical team of multidisciplinary & certified professionals having exposure to domestic and international markets. The Company acquired new Skill set on Industry Hygiene and Ergonomics Domain along with strengthening the middle management for Process Safety and Electrical Divisions.

The Strategic Alliance Partnerships with Inogen continues and a few new Tech Clients have been added to the client list. The Company also entered in to a Local Agent agreement with EIC Dubai, to strengthen the footprint in Dubai. 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. MoU with Continental, Singapore and Process Map was signed to digitalize DMC operations as part of Digital expansion in EHS studies in operating Market.

DIVIDEND AND RESERVES

Your Directors are pleased to recommend a dividend of Rs. 2.50/- per equity share of Rs.10/- each (previous year – Rs.2.50/-). Your Directors do not propose to transfer any amount to reserves for financial year 2018-19.

OUTLOOK 2019-20

The Company has recorded an Order book of Rs. 528 million during the year and carry forward of Rs. 400 million for FY'19-20. In view of this Order book, long-term contracts, increased offerings in the secondment business and technical association with two global players along with planned expansion in UAE, 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. Sridharan Rangarajan, Mr. V Suryanarayanan, Mr. Hideo Yoshida, Mr. Shinji Ueki and Mr. Takashi Kishi were appointed as directors by the Board.

The Board of Directors at their meeting held on October 24, 2018 appointed Mr. Sridharan Rangarajan, Mr. V Suryanarayanan as additional directors in place of Mr.N Srinivasan who resigned from office on July 26, 2018 and Mr. L Ramkumar who resigned from office on 10th October 2018 respectively.

Mr. Hideo Yoshida, Mr. Takashi Kishi and Mr. Shinji Ueki were appointed as additional directors by the Board at its meeting held on March 11, 2019 in place of Mr. Tamaki Kawate, Mr. Takahiko Shibakawa and Mr. Junichi Nakamura with effect from April 1, 2019.
The Company has received notices from members under the provisions 160 of the Act proposing the appointment of Mr. Sridharan Rangarajan, Mr. V Suryanarayanan, Mr. Hideo Yoshida, Mr. Shinji Ueki and Mr. Takashi Kishi as directors at the ensuing annual general meeting.

The Board places on record its appreciation for contribution made by Mr. N Srinivasan, Mr. L Ramkumar, Mr. Tamaki Kawate, Mr. Takahiko Shibakawa and Mr. Junichi Nakamura during their tenure of office.

The Board of directors recommend the appointment of Mr. Sridharan Rangarajan, Mr. V Suryanarayanan, Mr. Hideo Yoshida, Mr. Shinji Ueki and Mr. Takashi Kishi to the general body.

Mr. SS. Gopalarathnam retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

KEY MANAGERIAL PERSONNEL

Following are the Key Managerial Personnel of the Company as at March 31, 2019, 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.

During the year, five Board meetings were convened and held on the following dates: April 26, 2018, July 24, 2018, October 24, 2018, January 28, 2019 and March 11, 2019. The intervening gap between meetings did not exceed 120 days.

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

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 29 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.

PUBLIC DEPOSITS

The Company has not accepted any public deposits during the year under review.

LOANS, GUARANTEES AND INVESTMENTS

The Company has not extended any loans, guarantees. Investments are made as per the provisions of section 186 of the Companies Act, 2013 as given below:

Rs. million

Description	As on 31.03.2018	Movement (Net of Deletions)	As on 31.03.2019
Investments made by the company	-	7.64	1.64

MAINTENANCE OF COST RECORDS

Pursuant to Section 148 of the Companies Act, 2013 and the Rules made thereunder, the Company is not required to maintain cost records.

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 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. The Company has complied with the requirements of POSH Act relating to constitution of Internal Complaints Committee. All employees are covered under this policy. During the year under review, the company has complied with the provisions of the above said act.

During the calendar year ended December 31, 2018, 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, 2019 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 in MGT-9 which forms part of this report.

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, 2019 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, 2019 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 hence not furnished. The foreign exchange earnings and outgo during the year was at Rs.97.22 million and Rs. 61.53 million respectively.

Compliance with Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India.

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: April 22, 2019
Place: Chennai

S S Gopalarathnam
Director

V Suryanarayanan
Director

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2019

[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	Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai-600 002 Phone : 044- 28460390

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):-									
Total shareholding of Promoter	-	1000000	1000000	50	-	1000000	1000000	50	-
(A) = (A) (1) + (A) (2)	-	2000000	2000000	100	-	2000000	2000000	100	-

B. **Public Shareholding** 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):-**	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. **Non Institutions** 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)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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

Sl No.	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 company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Cholamandalam Financial Holdings Limited (formerly TI Financial Holdings Ltd)	989979	49.49	-	989979	49.49	-	-
2	Chola Insurance Distribution Services Pvt Limited	2	-	-	2	-	-	-
3	Ambadi Investments 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.	1000000	50.00	-	1000000	50.00	-	-

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

	Shareholding at the beginning of the		Cumulative Shareholding	
	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

Rs. in lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	- - -	- - -	- - -	- - -
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year - Addition - Reduction	52.67 -	- -	- -	52.67 -
Net Change	52.67	-	-	52.67
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	52.67 - -	- - -	- - -	52.67 - -
Total (i+ii+iii)	52.67	-	-	52.67

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:

Non-Executive Directors

(Rs. in lakhs)

	Name of Directors	**Particulars of Remuneration**
		Sitting Fees paid for attending meetings of Board
1	Mr. N Srinivasan*	0.30
2	Mr. Sridharan Rangarajan @	0.45
3	Mr. S S Gopalarathnam	0.00
4	Mr. V Suryanarayanan @	0.00
5	Mr. Tamaki Kawate #	0.45
6	Mr. Junichi Nakamura #	0.75
7	Mr. Takahiko Shibakawa #	0.75
8	Mr. L Ramkumar **	0.00
	Total	**2.70**

**Ceased to be a Director w.e.f. July 26, 2018*
***Ceased to be a Director w.e.f October 10, 2018*
#Ceased to be a Director w.e.f. March 31, 2019
@Appointed as Additional Director w.e.f Oct 24, 2018

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)	Mr. M Sundar (Company Secretary)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	112.78	-	112.78
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	0.21	-	0.21
	(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)	14.08	-	14.08
	Total	**127.07**	**-**	**127.07**

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Cholamandalam MS Risk Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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Sr. No.	Key Audit Matter	Auditor's Response
	Contingent Liabilities: We have considered this as a key audit matter because the Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Total contingent liabilities as at 31st March, 2019 is Rs.8,00,97,723/-. Refer Note No.29 of financial statements	In relation to this, our audit response included the following: • We have reviewed the details of pending tax demands as at 31st March, 2019. • We have involved our internal experts to consider legal precedence and other rulings in evaluating the Management's position on these uncertain tax positions. • We have also reviewed Company's correspondence with tax authorities, legal counsels, grounds of appeal filed with appellate authorities.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the

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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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone

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financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

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d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the effect of the pending legal proceedings against it in its financial statements as mentioned in Note : 29 to the Accounts ;

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;

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Place: Chennai

Date: 22-04-2019

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

P. Babu

P. Babu
Partner
Membership No. 203358

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CHOLAMANDALAM MS RISK SERVICES LIMITED
"ANNEXURE A" TO THE AUDITORS' REPORT REFERRED IN 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 31st March 2019 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.

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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 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

P. Babu

P. Babu
Partner
Membership No. 203358

Place: Chennai

Date: 22-04-2019

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CHOLAMANDALAM MS RISK SERVICES LIMITED
"ANNEXURE B" TO THE AUDITORS' REPORT REFERRED TO IN 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, Goods and Service Tax, 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 2019 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 Goods and Service Tax which have not been deposited on account of any dispute The dues in respect of Income tax which have not been deposited on account of dispute are as follows:

Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Rs. 5,38,30,696	Assessment Year 2015-16	Commissioner of Income Tax (Appeals)

48, Masilamani Road, Balaji Nagar, Royapettah,
Chennai - 600 014. India.
T:+91-044-2813 1128 / 38 / 48 | F:+91-044-2813 1158
E:mail@brahmayya.com | www.brahmayya.com

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 2019.

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.

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

Place: Chennai

Date: 22-04-2019

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

P. Babu

P. Babu
Partner
Membership No. 203358

48, Masilamani Road, Balaji Nagar, Royapettah,
Chennai - 600 014. India.

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Cholamandalam MS Risk Services Limited
Balance Sheet as at March 31, 2019

	Particulars	Note No.	As at March 31, 2019 Rs.	As at March 31, 2018 Rs.	As at April 1, 2017 Rs.
I.	**ASSETS**				
	Non-current assets				
	Property, plant and equipment	3	64,56,005	62,70,031	46,72,078
	Intangible assets	3	15,77,507	24,01,285	34,46,033
	Financial assets				
	(i) Investments	4	16,46,309	-	-
	(ii) Bank Balances other than Cash and cash equivalents	5	3,23,00,000	2,10,37,998	1,04,00,000
	(iii) Deferred tax assets (net)	6	95,41,000	82,78,000	85,43,935
	Current Tax Assets(Net)	7	9,02,82,578	7,11,84,470	4,49,17,380
	Other non- current Assets	8	19,06,443	2,68,997	-
	Total non-current assets		**14,37,09,842**	**10,94,40,781**	**7,19,79,426**
	Current assets				
	Financial assets				
	(i)Trade receivables	9	16,98,96,633	16,93,80,683	13,94,19,660
	(ii)Cash and Bank Balances	10	2,09,36,942	2,46,50,431	1,92,38,796
	(iii)Bank Balances other than (ii) above	11	23,90,080	50,62,000	-
	(iv)Loans	12	1,98,20,374	1,36,30,734	76,50,390
	(v)Others	13	1,97,14,474	64,15,635	51,70,000
	Other Current Assets	14	61,40,470	39,00,161	32,75,706
	Total current assets		**23,88,98,973**	**22,30,39,644**	**17,47,54,552**
	Total Assets		**38,26,08,815**	**33,24,80,425**	**24,67,33,978**
II.	**EQUITY AND LIABILITIES**				
	Equity				
	Equity share capital	15	2,00,00,000	2,00,00,000	2,00,00,000
	Other equity	16	18,94,82,307	15,98,49,180	13,82,32,676
	Non Current				
	Financial liabilities				
	(i) Other financial liabilities	17	7,43,89,400	-	-
	Employee benefit obligation	20	94,91,484	76,65,996	58,93,540
	Total non-current liabilities		**29,33,63,191**	**18,75,15,176**	**16,41,26,216**
	Liabilities				
	Current liabilities				
	Financial liabilities				
	(i) Borrowings	18	52,67,530	-	-
	(ii) Trade payables	19	4,38,47,210	9,90,40,128	5,87,45,357
	(iii) Other financial liabilities	17	1,02,39,614	83,90,497	86,17,459
	Employee benefit obligation	20	2,11,29,179	1,69,91,842	1,23,34,740
	Other current liabilities	21	87,62,091	2,05,42,782	29,10,206
	Total current liabilities		**8,92,45,624**	**14,49,65,249**	**8,26,07,762**
	Total equity and liabilities		**38,26,08,815**	**33,24,80,425**	**24,67,33,978**
	Summary of Significant accounting Policies	2			

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 Brahmayya & Co.
Chartered Accountants
Firm Registration No.000511S

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

P. Babu
Partner
Membership No.203358

Place: Chennai
Date: April 22, 2019

V Suryanarayanan
Director

S S Gopalarathnam
Director

N V Subba Rao
Chief Executive

Takashi Kishi
Director

M. Sundar
Company Secretary

Cholamandalam MS Risk Services Limited
Statement of Profit and loss for the year ended March 31, 2019

	Particulars	Note No.	For the Year Ended March 31, 2019 Rs.	For the Year Ended March 31, 2018 Rs.
I.	Revenue from operations	22	40,81,99,344	56,28,19,364
II.	Other income	23	2,58,04,764	2,25,98,336
III.	**Total Income (I + II)**		**43,40,04,108**	**58,54,17,700**
IV.	**Expenses:**			
	Purchase of Stock in Trade		1,15,81,527	-
	Employee benefits expense	24	19,23,01,891	16,41,43,926
	Finance costs	25	14,72,652	-
	Depreciation and amortization expense	26	47,51,961	46,66,386
	Other expenses	27	17,50,72,476	37,45,91,290
	Total expenses		**38,51,80,507**	**54,34,01,602**
V.	Profit before exceptional and extraordinary items and tax (III-IV)		**4,88,23,601**	**4,20,16,098**
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		**4,88,23,601**	**4,20,16,098**
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		**4,88,23,601**	**4,20,16,098**
X	Tax expense:			
	(1) Current tax	6a	1,47,68,052	1,12,46,275
	(2) Tax - Earlier years		-	26,55,749
	(3) Deferred tax (Net)	6	(12,63,000)	2,65,935
XI	**Profit for the Year from continuing operations (IX-X)**		**3,53,18,549**	**2,78,48,139**
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)**		**3,53,18,549**	**2,78,48,139**
XVI	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss Acturial (Gain)/Loss		(4,74,292)	19,63,604
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1,31,948	(5,46,275)
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Comprehensive Income for the year		**3,56,60,893**	**2,64,30,810**
XVI	Earnings per equity share: (in Rs.)			
	A. For Continuing Operations			
	(1) Basic & Diluted	28	17.83	13.22
	B. For Discontinuing Operations			
	(1) Basic & Diluted		-	-
	C. For Discontinued & Continuing Operations			
	(1) Basic & Diluted		**17.83**	13.22
	Summary of Significant accounting Policies	2		

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 Brahmayya & Co.
Chartered Accountants
Firm Registration No.000511S

CHENNAI INDIA

P. Babu
Partner
Membership No.203358

V Suryanarayanan
Director

S S Gopalarathnam
Director

N V Subba Rao
Chief Executive

Takashi Kishi
Director

M. Sundar
Company Secretary

Place: Chennai
Date: April 22, 2019

Cholamandalam MS Risk Services Limited
Statement of changes in equity as at March 31, 2019

I) Equity Share Capital

	Amounts (Rs.)
Balance as at April 1, 2015	**2,00,00,000**
Changes in equity share capital during the year	-
Balance as at March 31, 2016	**2,00,00,000**
Changes in equity share capital during the year	-
Balance as at March 31, 2017	**2,00,00,000**

II) Other equity

Figures in Rs.

	General reserve	Retained earnings	Actuarial Gain/(Loss) on Gratuity plan	Total
Balance as at April 1, 2017	**10,00,00,000**	**3,82,32,676**		**13,82,32,676**
Profit for the period	-	2,78,48,139	-	2,78,48,139
Other comprehensive income	-	-	(14,17,329)	(14,17,329)
Total Comprehensive Income	**10,00,00,000**	**6,60,80,815**	**(14,17,329)**	**16,46,63,486**
Transfer to Retained Earnings	-	-	14,17,329	14,17,329
Trasnfer from Actuarial Gains/Loss on Gratuity plan	-	(14,17,329)	-	(14,17,329)
Less : Dividend @Rs.2 per share (Previous year @ Rs.2 per share) (incl. dividend distribution tax)	-	(48,14,306)	-	(48,14,306)
Balance as at March 31, 2018	**10,00,00,000**	**5,98,49,180**	-	**15,98,49,180**
Profit for the period	-	3,53,18,549	-	3,53,18,549
Other comprehensive income	-	-	3,42,344	3,42,344
Total Comprehensive Income	**10,00,00,000**	**9,51,67,729**	**3,42,344**	**19,55,10,073**
Transfer to Retained Earnings	-	-	(3,42,344)	(3,42,344)
Trasnfer from Actuarial Gains/Loss on Gratuity plan	-	3,42,344	-	3,42,344
Less : Dividend @Rs.2.5 per share (Previous year @ Rs.2 per share) (incl. dividend distribution tax)	-	(60,27,766)	-	(60,27,766)
Balance as at March 31, 2019	**10,00,00,000**	**8,94,82,307**	-	**18,94,82,307**

This is the statement of changes to equity referred to in our report of even date

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

P. Babu
Partner
Membership No.203358

Place: Chennai
Date: April 22, 2019

V Suryanarayanan
Director

N V Subba Rao
Chief Executive

M. Sundar
Company Secretary

S S Gopalarathnam
Director

Takashi Kishi
Director

Cholamandalam MS Risk Services Limited
Statement of Cash Flow for the year ended March 31, 2019

Particulars	For the Year Ended March 31, 2019 Rs.	For the Year Ended March 31, 2018 Rs.
A.Cash Flow from Operating Activities		
Profit before Taxation	**4,88,23,601**	**4,20,16,098**
Non- cash adjustments and Non-Operating Items :		
Income reversal	-	-
Provision for Bad & Doubtful debts	1,96,76,930	1,32,19,235
Depreciation and Amortisation	47,51,961	46,66,386
Provision no longer required written back	(1,41,33,884)	(1,86,52,876)
Profit on Sale of Investment	(1,10,553)	-
Miscellaneous Income	-	(16,64,951)
Interest income	(26,46,489)	(20,80,510)
(Profit)/Loss on Sale of Fixed Asset	(1,21,482)	(1,99,999)
Finance Cost	14,72,652	-
Acturial Gain/(loss)	3,42,344	(14,17,329)
Operating Profit before working capital changes	**5,80,55,080**	**3,58,86,054**
Changes in Working Capital :		
Increase/(Decrease) in Short term Borrowings	52,67,530	-
Increase/(Decrease) in Long term Provisions	18,25,488	17,72,456
Increase/(Decrease) in Short term Provisions	41,37,337	46,57,102
Increase/(Decrease) in Trade Payables	(5,51,92,919)	4,02,94,772
Increase/(Decrease) in Financial Liabilites	7,62,38,518	(2,26,962)
Increase/(Decrease) in Other Current Liabilities	(1,17,80,691)	1,76,32,576
(Increase)/Decrease in Trade Receivables	(60,58,996)	(2,28,62,431)
(Increase)/Decrease in Short term Loans & Advances	(61,89,640)	(59,80,344)
(Increase)/Decrease in Long term Loans & Advances	-	-
(Increase)/Decrease in other Financial assets	(1,49,36,285)	(15,14,632)
(Increase)/Decrease in other Current Assets	(22,40,310)	(6,24,455)
Total Changes in Working Capital	**(89,29,968)**	**3,31,48,082**
Cash Generated from Operations	**4,91,25,112**	**6,90,34,136**
Less : Taxes Paid	(3,38,66,155)	(4,01,69,115)
Net cash generated from operating activities	**1,52,58,957**	**2,88,65,021**
B. Cash flow from Investing Activities		
Proceeds from sale of Fixed Assets	5,96,288	1,99,999
Purchase of Fixed Assets	(45,88,966)	(52,19,591)
Purchase of Non Current- Investment	(16,46,309)	-
Purchase of Current Investment	(60,00,000)	-
Proceeds from sale of Current Investment	61,10,553	-
Fixed Deposit	(85,90,082)	(1,56,99,998)
Income from Interest on Fixed Deposits	26,46,489	20,80,510
Net Cash flow from Investing Activities	**(1,14,72,027)**	**(1,86,39,080)**
C. Cash flow from Financing Activities		
Dividends Paid	(50,00,000)	(40,00,000)
Dividend Distribution Tax	(10,27,766)	(8,14,306)
Repayment of Short term borrowings	-	-
Finance Cost	(14,72,652)	-
Net Cash flow (used)/ from Financing Activities	**(75,00,418)**	**(48,14,306)**
Net Increase/Decrease in Cash and Cash equivalents	**(37,13,488)**	**54,11,635**
Cash and Cash equivalents at the beginning of the year	2,46,50,431	1,92,38,796
Cash and Cash equivalents at the end of the year	2,09,36,942	2,46,50,431
Components of Cash & Cash equivalents		
Cash on hand	20,118	24,498
with bank - On Current account	58,07,175	1,67,36,527
- On Deposits account	1,51,09,649	78,89,406
Total Cash & Cash equivalents	2,09,36,942	2,46,50,431

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

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

P. Babu
Partner
Membership No.203358

V Suryanarayanan
Director

S S Gopalarathnam
Director

N V Subba Rao
Chief Executive

Takashi Kishi
Director

Place: Chennai
Date: April 22, 2019

M. Sundar
Company Secretary

Notes to Financial Statements

1. Corporate Information

The financial statements of "Chola MS Risk Services Limited" ("the Company" or "Chola MS Risk") are for the year ended 31 March 2019. The Company is an unlisted public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 applicable in India. The registered office of the Company is located at "Dare House", No.2, NSC Bose Road, Chennai - 600001.

1.1 Basis of Preparation

These financial statements for the year ended March 31, 2019 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended up to date.

These financial statements are the first financial statements prepared under Ind AS for the year ended 31st March 2019.The Company is a Joint Venture of Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Limited) and Mitsui Sumitomo Insurance Company Limited. Since Ind AS is applicable to the Joint Venture partner Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Limited), Ind AS becomes applicable to the Company w.e.f financial year ended March 31, 2019. Refer Note 37 for information on how the Company adopted Ind AS.

For all periods up to and including the year ended 31st March 2018, the Company prepared its Standalone Financial Statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP").

The financial statements have been prepared on a historical cost basis, except for Certain financial assets and liabilities measured at fair value.

The financial statements are presented in INR.

2. Summary of Significant Accounting Policies

2.1 **Presentation and Disclosure of Financial Statements** An asset has been classified as current when it satisfies any of the following criteria:

a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) It is expected to be realized within twelve months after the reporting period; or
c) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

A liability has been classified as current when it satisfies any of the following criteria:
a) It is expected to be settled in the Company's normal operating cycle;
b) It is due to be settled within twelve months after the reporting period; or
c) The Company does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting period.
Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets and liabilities have been classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of activities, the Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

2.2 Fair Value Measurement:

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
The fair value related disclosures are given in the relevant notes.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above (Refer Note 32).

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

2.3 Use of Estimates:

The preparation of Standalone Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, like provision for employee benefits, provision for doubtful trade receivables / advances / contingencies, useful life of Property, Plant and Equipment, revisions, provision for taxation , recognition of contract assets, etc., during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods

2.4 Cash and Cash Equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value

2.5 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

2.6 Property, Plant and Equipment:

The Company has elected to continue with carrying value of Property, Plant and Equipment under the Indian GAAP, as the deemed cost for the purpose of transition to Ind AS.

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes related taxes, duties, freight, insurance, etc. attributable to the acquisition, installation of the Property, Plant and Equipment but excludes duties and taxes that are recoverable from tax authorities.

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

2.7 Revenue and Other Income:

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the full retrospective method, applied to contracts that were not completed as of April 1, 2018. In accordance with the full retrospective method, the comparatives have been retrospectively adjusted.

The Company recognizes revenue as and when, the Company satisfies the performance obligation by transferring a promised good or renderings the promised service to a customer.

At contract inception, the Company assesses the goods or services promised in a contract with a customer and identifies performance obligation as each promise to transfer to the customer.

Performance Obligations are measured as the services agreed with the customers for rendering in each contract.

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

The change in contract asset between the reporting dates, is recognized as revenue in statement of profit and loss account.

Revenue from service-related activity is recognized as follows:

Fixed price contract is a contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output/Man-days, which in some cases is subject to cost escalation clauses.

The Company enters into fixed price contracts with the Customers. Contract revenue comprises

(a) the initial amount of revenue agreed in the contract; and

(b) variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they are capable of being reliably measured.

When the outcome of a contract can be estimated reliably, contract revenue and contract costs associated with the contract shall be recognized as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period.

The recognition of revenue and expenses by reference to the stage of completion of a contract is referred to as the percentage of completion method. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed.

The stage of completion of a contract is determined by a method that measures reliably the work performed.

Depending on the nature of the contract, the methods may include:

(a) the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs; or (b) completion of a proportion of the contract work.

The Company follows the percentage of completion method on the basis of measurement of work actually completed, at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined proportionate to the percentage of the actual work done.

The Stage / percentage of completion is determined with reference to the confirmation given by the Clients or/and on the billing schedule agreed with them for the value of work done during the year.

Service fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Good and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Interest Income: For all debt instruments measured at amortised cost, interest income is recognised on time proportion basis, taking into account the amount outstanding and effective interest rate.

2.8 Government Grants, Subsidies and Export Benefits

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be realised.

The company accrues for Export benefits under Service Export India Scheme for the eligible value of the grant on the net export realisation of Foreign currency for the eligible years and when there is no uncertainty in receiving the same, at the expected fair value of the grant.

2.9 Employee Benefits: -

I. Defined Contribution Plan

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

b. Provident Fund: Contributions to Provident Fund are recognised as expense in the year in which the services are rendered. The Company has no obligation other than the contribution payable to the Regional Provident fund.

c. Employee State Insurance: Contributions to Employees State Insurance Scheme are recognised as expense in the year in which the services are rendered.

II. Defined Benefit Plan

Gratuity- The Company makes annual contribution to a Gratuity Fund administered by trustees and the Contributions are invested in a Scheme with Life Insurance Corporation of India, as permitted by Indian Law. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year using the Projected Unit Credit method.

Re-measurements, comprising of actuarial gains / losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are immediately recognised in the balance sheet with a corresponding debit or Credit in to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods.

Past service cost is recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss: -

- Service costs comprising current service costs, past-service costs and
- Net interest expense or income.

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III Long Term Compensated Absences:
The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit Credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

IV. Short Term Employee Benefits: Short term employee benefits includes short term compensated absences which is recognized based on the eligible leave at Credit on the Balance Sheet date, and the estimated cost is based on the terms of the employment contract.

2.10 **Leases**: The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

2.11 Foreign Currency Transactions:
Initial recognition: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.
Measurement as at Balance Sheet date: Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at year end exchange rates.
Non-monetary items carried at historical cost are accounted using the exchange rates at the dates of initial transactions.
Treatment of Exchange Differences: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the statement of profit and loss.

2.12 **Depreciation and Amortisation**:
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

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*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.
Depreciation is provided pro-rata from the date of Capitalisation.

2.13 **<u>Taxes on Income</u>**:

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

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

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax Credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax Credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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Deferred tax relating to items recognised outside the Statement of profit and loss is recognised outside Statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

2.14 **Provisions and Contingencies**: A provision is recognized when a Company has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the Standalone Financial Statements.

2.15 **Earnings Per Share:** Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares

2.16 **Financial Instruments**: A financial instrument is any contract that gives rise to a financial asset of one Company and a financial liability or equity instrument of another company.

A. Financial Assets:

I. Initial Recognition and Measurement: All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

II. Subsequent Measurement: For purposes of subsequent measurement, financial assets are classified in three categories:

a. Financial assets at amortised cost

b. Financial assets measured at fair value through profit or loss (FVTPL)

c. Financial assets measured at fair value through other comprehensive income FVTOCI.

Financial assets carried at amortized cost: At Amortised Cost a 'debt instrument' is measured at the amortised cost if both the following conditions are met: -

-The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial asset at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the Criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Investments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

2.17 **Impairment of Financial Assets**:

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and Credit risk exposure: -

-Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the Credit risk since initial recognition. If Credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if Credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected

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Credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR.

When estimating the cash flows, the Company is required to consider: -

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off Criteria, the Company does not reduce impairment allowance from the gross carrying amount. For assessing increase in Credit risk and impairment loss, the Company combines financial instruments on the basis of shared Credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in Credit risk to be identified on a timely basis.

B. Financial Liabilities:

i. Initial Recognition and Measurement All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.
ii. Subsequent Measurement The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the Criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own Credit risks are recognized in OCI.
These gains / loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. Loans and Borrowings After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or

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loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

2.18 Inventories:

The Company trades telematics devices and stock-in-trade are valued at lower of weighted average cost and estimated net realisable value. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.19 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of the Company's financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Judgements:

In the process of applying the company' s accounting policies, management has not made any judgements, which have significant effect on the amounts recognised in the standalone Financial Statements

b. Estimates and Assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group.

Such changes are reflected in the assumptions when they occur.

i. Employee Benefits: The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit obligations are given in Note 35

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Note 3

(A) Property, plant and equipment for the Year ended March 31, 2019

Figures in Rs.

	DESCRIPTION	GROSS BLOCK As at April 1, 2018	Additions	Deletions/ Adjustments	As at March 31, 2019	DEPRECIATION As at April 1, 2018	Provided for the year ended March 2018	Deletions/ Adjustments	Up to March 31, 2019	NET BLOCK As at March 31, 2019	As at March 31,2018
1	Plant and Machinery	9,08,209	5,66,000	-	14,74,209	5,32,838	3,38,072	-	8,70,910	6,03,299	3,75,371
2	Furniture and Fixtures	13,85,111	1,61,867	-	15,46,978	1,92,225	3,65,609	-	5,57,834	9,89,144	11,92,886
3	Vehicles	35,20,443	16,72,162	8,91,866	43,00,739	10,12,867	11,89,152	4,17,057	17,84,962	25,15,777	25,07,576
4	Office Equipment	8,87,733	57,938	49,479	8,96,192	5,52,045	3,10,858	49,479	8,13,424	82,768	3,35,688
5	Electrical & Fittings	5,76,394	-	-	5,76,394	1,14,700	1,50,559	-	2,65,259	3,11,135	4,61,694
6	Computers	21,87,662	15,61,389	17,425	37,31,626	7,90,846	10,04,323	17,425	17,77,744	19,53,882	13,96,816
	TOTAL	**94,65,552**	**40,19,356**	**9,58,770**	**1,25,26,138**	**31,95,521**	**33,58,573**	**4,83,961**	**60,70,133**	**64,56,005**	**62,70,031**

(B) Intangible assets for the Year ended March 31, 2019

Figures in Rs.

	DESCRIPTION	GROSS BLOCK As at April 1, 2018	Additions	Deletions/ Adjustments	As at March 31, 2019	AMORTIZATION As at April 1, 2018	Provided for the year ended March 2018	Deletions/ Adjustments	Up to March 31, 2019	NET BLOCK As at March 31, 2019	As at March 31,2018
1	Software	38,72,150	5,69,610	-	44,41,760	14,70,865	13,93,388	-	28,64,253	15,77,507	24,01,285
	TOTAL	**38,72,150**	**5,69,610**	-	**44,41,760**	**14,70,865**	**13,93,388**	-	**28,64,253**	**15,77,507**	**24,01,285**
	Grand Total	**1,33,37,702**	**45,88,966**	**9,58,770**	**1,69,67,898**	**46,66,386**	**47,51,961**	**4,83,961**	**89,34,386**	**80,33,512**	**86,71,316**

(A) Property, plant and equipment for the Year ended March 31, 2018 (Previous year)

	DESCRIPTION	GROSS BLOCK Deemed Cost As at April 1, 2017	Additions	Deletions/ Adjustments	As at March 31, 2018	DEPRECIATION As at April 1, 2017	Provided for the year ended March 2018	Deletions/ Adjustments	Up to March 31, 2018	NET BLOCK As at March 31, 2018	As at March 31,2017
1	Plant and Machinery	7,86,709	1,21,500	-	9,08,209	-	5,32,838	-	5,32,838	3,75,371	7,86,709
2	Furniture and Fixtures	3,49,693	10,35,418	-	13,85,111	-	1,92,225	-	1,92,225	11,92,886	3,49,693
3	Vehicles	9,89,121	25,31,322	-	35,20,443	-	10,12,867	-	10,12,867	25,07,576	9,89,121
4	Office Equipment	8,62,534	25,199	-	8,87,733	-	5,52,045	-	5,52,045	3,35,688	8,62,534
5	Electrical & Fittings	1,48,875	4,27,519	-	5,76,394	-	1,14,700	-	1,14,700	4,61,694	1,48,875
6	Computers	15,35,146	6,52,516	-	21,87,662	-	7,90,846	-	7,90,846	13,96,816	15,35,146
	TOTAL	**46,72,078**	**47,93,474**	-	**94,65,552**	-	**31,95,521**	-	**31,95,521**	**62,70,031**	**46,72,078**

(B) Intangible assets for the Year ended March 31, 2018 (Previous year)

Figures in Rs.

	DESCRIPTION	GROSS BLOCK Deemed Cost As at April 1, 2017	Additions	Deletions/ Adjustments	As at March 31, 2018	AMORTIZATION As at April 1, 2017	Provided for the year ended March 2018	Deletions/ Adjustments	Up to March 31, 2018	NET BLOCK As at March 31, 2018	As at March 31,2017
1	Software	34,46,033	4,26,117	-	38,72,150	-	14,70,865	-	14,70,865	24,01,285	34,46,033
	TOTAL	**34,46,033**	**4,26,117**	-	**38,72,150**	-	**14,70,865**	-	**14,70,865**	**24,01,285**	**34,46,033**
	Grand Total	**81,18,111**	**52,19,591**	-	**1,33,37,702**	-	**46,66,386**	-	**46,66,386**	**86,71,316**	**81,18,111**

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date" the same shall be disclosed as deemed cost

Cholamandalam MS Risk Services Limited

Notes forming part of accounts for the year ended March 31, 2019

	As at March 31, 2019 Rs.	As at March 31, 2018 Rs.	As at April 1, 2017 Rs.
Note 4			
Investments			
Equity Shares - Unquoted- FVOCI			
Inogen Environmental Alliance Inc. 500,000 shares of USD 0.5 each	16,46,309	-	-
Total Investments- non current	**16,46,309**	**-**	**-**

Note 5			
Bank Balances other than Cash and cash equivalents			
Fixed Deposits with original maturity for more than 12 months *	3,23,00,000	2,10,37,998	1,04,00,000
* Fixed Depoists has been placed on lien with Banks			
Total Bank Balances other than Cash and cash equivalents	**3,23,00,000**	**2,10,37,998**	**1,04,00,000**

Note 7			
Current Tax Assets (Net)			
Advance Tax Paid	17,80,39,615	8,50,86,494	5,02,17,380
Less:Provision for Taxation	8,77,57,037	1,39,02,024	53,00,000
Total Current Tax Assets	**9,02,82,578**	**7,11,84,470**	**4,49,17,380**

Note 8			
Other non-current assets			
Advance for Capital Assets	-	2,68,997	-
Prepaid Expenses	19,06,443	-	-
Total other non- cuurrent Assets	**19,06,443**	**2,68,997**	**-**

Note 9			
Trade receivables			
Unsecured, considered good	16,98,96,633	16,93,80,683	13,94,19,660
Unsecured, considered Doubtful			
Doubtful	1,59,55,610	1,06,30,739	1,60,64,380
Less: Provision for doubtful debts	1,59,55,610	1,06,30,739	1,60,64,380
Total Trade Receivables	**16,98,96,633**	**16,93,80,683**	**13,94,19,660**

Note 10			
Cash and bank balances			
Cash in Hand	20,118	24,498	-
Balance with banks			
On current accounts	58,07,175	1,67,36,527	14,38,067
Fixed Deposits with maturity for less than 3 months*	1,51,09,649	78,89,406	1,78,00,729
Total Cash and Bank Balances	**2,09,36,942**	**2,46,50,431**	**1,92,38,796**
* Fixed Depoists has been placed on lien with Banks	91,09,649	78,89,406	1,78,00,729

6 Deferred tax assets

The balance comprises temporary differences attributable to: Figures in Rs.

	March 31, 2019	March 31, 2018	April 1, 2017
Depreciation	12,02,217	7,55,919	2,52,359
Provision for employee benefits	36,21,597	36,02,651	27,61,051
Provision for doubtful debts	47,17,186	30,93,647	45,60,590
Others	-	8,25,783	9,69,935
Total deferred tax assets	**95,41,000**	**82,78,000**	**85,43,935**

Figures in Rs.

Movement in deferred tax assets

	Depreciation	Provision for employee benefits	Provision for doubtful debts	Others	Total
At April 1, 2017	2,52,359	27,61,051	45,60,590	9,69,935	85,43,935
(Charged)/credited: - to profit or loss	5,03,560	8,41,600	(14,66,943)	(1,44,152)	(2,65,935)
At March 31, 2018	**7,55,919**	**36,02,651**	**30,93,647**	**8,25,783**	**82,78,000**
(Charged)/credited: - to profit or loss	4,46,298	18,946	16,23,539	(8,25,783)	12,63,000
At March 31, 2019	**12,02,217**	**36,21,597**	**47,17,186**	-	**95,41,000**

6a Income Tax Expense

The major components of income tax expense for the years ended 31st March 2019 and 31st March 2018 are:

Statement of Profit and Loss Figures in Rs.

Particulars	March 31, 2019	March 31, 2018
Current Tax:		
Current income tax charge	1,47,68,052	1,12,46,275
Adjustments in respect of current income tax of previous years	-	26,55,749
Deferred Tax:		
Relating to the origination and reversal of temporary differences	(12,63,000)	2,65,935
Income Tax Expense reported in the Statement of Profit and	**1,35,05,052**	**1,41,67,959**
Other Comprehensive Income (OCI)		
Tax effect on		
Re-measurement Loss on Defined Benefit Obligations	1,31,948	(5,46,275)
Income Tax charged to OCI	**1,31,948**	**(5,46,275)**

Reconciliation of Tax Expense and the Accounting Profit multiplied by Corporate Income Tax Rate applicable for 31st March 2019 and 31st March 2018:

The tax on the Company's profit before tax differs from the theoretical amount that would arise on using the standard rate of corporation tax in India (27.82%) as follows:

Accounting Profit before income tax

Particulars	March 31, 2019	March 31, 2018
Profit before Income Tax multiplied by Standard Rate of Corporate Tax in India of 27.82%	1,34,50,778	1,16,88,879
Effects of:		
Others	54,274	(1,76,669)
Reversal of provision with respect to prior years	-	26,55,749
Net Effective Income Tax	**1,35,05,052**	**1,41,67,959**

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Cholamandalam MS Risk Services Limited
Notes forming part of accounts for the year ended March 31, 2019

	As at March 31, 2019 Rs.	As at March 31, 2018 Rs.	As at April 1, 2017 Rs.
Note 11			
Bank Balances other than Cash and cash equivalents			
Fixed Deposits placed on lien with the Banks*	23,90,080	50,62,000	-
	23,90,080	**50,62,000**	-
Total Bank Balances other than Cash and Cash equivalents			

* Fixed Depoists has been placed on lien with Banks

Note 12			
Loans			
- Current			
Unsecured and considered good			
Rent deposits	12,42,929	98,929	1,34,599
Security deposits	1,63,30,448	1,06,32,526	42,25,447
Employee related advances	6,10,719	5,68,039	5,03,754
Other advances	1,44,817	11,60,785	7,03,419
Earnest Money Deposit	11,81,478	8,91,478	17,97,437
Interest accured on Fixed Deposits	3,09,983	2,78,977	2,85,734
Unsecured and considered Doubtful			
Earnest Money Deposit - Doubtful	89,486	89,486	89,486
Less : Provision for doubtful loans and advances	89,486	89,486	89,486
Security Deposit - Doubtful	9,11,000	4,00,000	4,00,000
Less : Provision for Security Deposit	9,11,000	4,00,000	4,00,000
Total Loans	**1,98,20,374**	**1,36,30,734**	**76,50,390**

Note 13			
Others			
-Financial Assets - Current			
Unbilled Revenue	1,55,16,443	64,15,635	51,70,000
SEIS claim receivables (Refer Note below)	41,98,031	-	-
Total others	**1,97,14,474**	**64,15,635**	**51,70,000**

The company accrued for Export benefits under Service Export India Scheme for the eligible value of the grant on the net export realisation of Foreign currency for the eligible years and when there is no uncertainty in receiving the same, at the expected fair value of the grant.

Note 14			
Other Current Assets			
Service tax credit	-	6,09,395	-
GST input tax credit		12,20,432	-
Prepaid Expenses	48,93,744	20,70,334	32,75,706
Gratuity Fund - Balance with Trust	12,46,726	-	-
Total other current assets	**61,40,470**	**39,00,161**	**32,75,706**

Cholamandalam MS Risk Services Limited
Notes to balance sheet - Equity share capital and other equity
Note 15
Equity share capital

Authorised equity share capital

	Number of shares	Amount(Rs.)
As at 1 April 2017	20,00,000	2,00,00,000
Increase during the year		
As at 31 March 2018	**20,00,000**	**2,00,00,000**
Increase during the year		
As at 31 March 2019	**20,00,000**	**2,00,00,000**

(i) Movements in equity share capital

	Number of shares	Equity share capital (par value) Rs.
As at 1 April 2017	20,00,000	2,00,00,000
As at 31 March 2018	**20,00,000**	**2,00,00,000**
As at 31 March 2019	**20,00,000**	**2,00,00,000**

Terms and rights attached to equity shares

The company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Shares of the company held by holding / ultimate holding company

	March 31, 2019		March 31, 2018		April 1, 2017	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Limited)	9,89,979	98,99,790	9,89,979	98,99,790	9,89,979	98,99,790
Mitsui Sumitomo Insurance Company Limited	10,00,000	1,00,00,000	10,00,000	1,00,00,000	10,00,000	1,00,00,000
	19,89,979	**1,98,99,790**	**19,89,979**	**1,98,99,790**	**19,89,979**	**1,98,99,790**

(iii) Details of shareholders holding more than 5% shares in the company

	March 31, 2019		March 31, 2018		April 1, 2017	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Cholamandalam Financial Holdings Limited (Formerly TI Financial Holdings Limited)	9,89,979	49.50%	9,89,979	49.50%	9,89,979	49.50%
Mitsui Sumitomo Insurance Company Limited	10,00,000	50.00%	10,00,000	50.00%	10,00,000	50.00%
	19,89,979	**99.50%**	**19,89,979**	**99.50%**	**19,89,979**	**99.50%**

16 Other Equity

Reserves and surplus

Figures in Rs.

	March 31, 2019	March 31, 2018	April 1, 2017
General reserve	10,00,00,000	10,00,00,000	10,00,00,000
Retained earnings	8,94,82,307	5,98,49,180	3,82,32,676
Total reserves and surplus	**18,94,82,307**	**15,98,49,180**	**13,82,32,676**

a) General reserve	March 31, 2019	March 31, 2018
Opening balance	10,00,00,000	10,00,00,000
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Closing balance	**10,00,00,000**	**10,00,00,000**

b) Retained earnings	March 31, 2019	March 31, 2018
Opening balance	5,98,49,180	3,82,32,676
Net profit for the period	3,53,18,549	2,78,48,139
Items of other comprehensive income recognised directly in retained earnings	-	-
- Remeasurements of post-employment benefit obligation, net of tax	(3,42,344)	14,17,329
Less: Dividends	60,27,766	48,14,306
Closing balance	**8,94,82,307**	**5,98,49,180**

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	As at March 31, 2019 Rs.	As at March 31, 2018 Rs.	As at April 1, 2017 Rs.
Note 17			
Other Financial Liabilities			
- Non Current			
Advance from customers	2,12,41,860	-	-
Security Deposit	5,31,47,540	-	-
Total	**7,43,89,400**	**-**	**-**
Other Financial Liabilities			
- Current			
Advance from customers	26,34,120	6,016	2,16,210
Expenses payable	36,54,622	35,86,143	68,24,459
Employee related payables	39,50,872	47,98,338	15,76,790
Total	**1,02,39,614**	**83,90,497**	**86,17,459**

Note 18			
Borrowings			
Secured - Current			
Cash Credit facility	52,67,530	-	-
Total Borrowings	**52,67,530**	**-**	**-**

(i)Nature of Security

The cash credit facility is secured by hypothecation on the entire Current assets of the Company, both current and future

(ii) Terms of repayment

The amount of credit facility availed from the Bank is payable on demand and the interest is charged at the MCLR rate of the Bank

Note 19			
(i) Trade payables			
Dues to enterprises other than Micro and Small Enterprises	4,28,99,497	9,90,40,128	5,87,45,357
Dues to Micro and Small Enterprises **	9,47,713	-	-
Total Trade Payables	**4,38,47,210**	**9,90,40,128**	**5,87,45,357**

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The closing balance represents the principal amount payable to these enterprises and interests due or outstanding on the same. (Refer Note 31)

Note 20			
Employee benefit obligation-Non- Current			
-Non- Current			
Provision for Leave encashment	94,91,484	76,65,996	58,93,540
Total - Non current - Employee benefit obligation	**94,91,484**	**76,65,996**	**58,93,540**
Employee benefit obligation			
- Current			
Provision for Incentive	1,63,57,589	85,00,000	67,50,000
Provision for gratuity	-	32,07,979	14,56,315
Provision for Leave encashment	47,71,590	52,83,863	41,28,425
Total - Current - Employee benefit obligation	**2,11,29,179**	**1,69,91,842**	**1,23,34,740**

Note 21			
Other current liabilities			
Statutory related payables	87,62,091	2,05,42,782	29,10,206
Total other Current liablities	**87,62,091**	**2,05,42,782**	**29,10,206**

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Cholamandalam MS Risk Services Limited
Notes forming part of accounts for the year ended March 31, 2019

Particulars	For the Year Ended March 31, 2019 Rs.	For the Year Ended March 31, 2018 Rs.
Note 22		
Revenue from operations		
Fee Income from Services		
Overseas	9,72,18,923	10,78,53,993
Domestic	29,35,60,837	44,89,40,899
Other Operating Income - Training Services	30,64,355	60,24,472
Sale of telematics devices	1,27,01,368	-
Service income from telematics device	16,53,861	-
Total Revenue from Operations	**40,81,99,344**	**56,28,19,364**

Disclosures pursuant to Indian Accounting Standard (Ind AS) 115 "Revenue from contracts with customers":

Disaggregation of Revenue: **Figures in Rs.**

Following table covers the revenue segregation in to Operating Segments and Geographical areas.

Particulars	Revenue as per Ind AS 115			Total as per Profit or Loss and Segment Reporting
Segment	**Domestic**	**Foreign**	**Total**	
Consultancy Services	29,66,25,192	9,72,18,923	39,38,44,115	39,38,44,115
Trading activities	1,43,55,229	-	1,43,55,229	1,43,55,229
Total	**31,09,80,420**	**9,72,18,923**	**40,81,99,343**	**40,81,99,343**
a. Revenue recognised based on performance obligations satisfied over a period of time	29,66,25,192	9,72,18,923	39,38,44,115	39,38,44,115
b. Revenue recognised based on performance obligations satisfied at a point in time	1,43,55,229	-	1,43,55,229	1,43,55,229

Movement in Expected credit loss during the year

Particulars	Trade receivables covered under Ind AS 115		Contract assets
	2018-19	**2017-18**	**2018-19**
Opening balance	1,06,30,739	1,60,64,380	-
Changes in loss allowance:			
Loss allowance based on Expected credit loss	1,96,76,930	1,32,19,235	
Additional provision (net)	-	-	
Addition/(reversal) of Loss allowance - net	(1,43,52,059)	(1,86,52,876)	-
Closing balance	**1,59,55,610**	**1,06,30,739**	-

Contract balances:
Following table covers the movement in contract asset balances during the year.

Particulars	Amount (Rs.)
Opening balance (A)	64,15,635
Add/(Less): Revenue recognised during the year	1,55,16,443
Add/(Less): Progress Bills raised during the year	(64,15,635)
Closing balance (B)	**1,55,16,443**

Reconciliation of contracted price with revenue during the year

Particulars	Amount (Rs.)
Opening contracted price of orders at the start of the year (including full value of partially executed contracts)	67,34,02,964
Changes during the year on account of:	
Add: Fresh orders received	52,84,64,447
Add: Scope Change/ Short Closure	(30,39,27,056)
Less: Orders completed	(24,41,38,522)
Closing contracted price of orders on hand at the end of the year (including full value of partially executed contracts)	**65,38,01,832**

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Particulars	Amount (Rs.)
Revenue recognised during the year	39,38,44,115
Out of orders completed during the year	24,41,38,522
Out of continuing orders at the end of the year (I)	14,97,05,593
Revenue recognised upto previous year (towards continuing orders at the end of the year) (II)	11,20,53,524
Balance revenue to be recognised in future (III)	39,20,42,715
Total Gross work Order value	**65,38,01,832**

Remaining performance obligations: Following table covers the aggregate amount of transaction price allocated to remaining performance obligations and when company expects to convert the same into revenue.

Particulars	Total	Likely conversion in revenue		
		Up to 1 Year	1 to 2 years	More than 2 years
Orders allocated to the remaining performance obligation	39,20,42,715	21,36,14,000	9,09,48,822	8,74,79,893

Qualitative Disclosure

Performance Obligation

The Company recognizes revenue as and when, the Company satisfies the performance obligation by transferring a promised good or renderings the promised service to a customer.
At contract inception, the Company assesses the goods or services promised in a contract with a customer and identifies performance obligation as each promise to transfer to the customer.
Performance Obligations are measured as the services agreed with the customers for rendering in each contract. Revenue from fixed price contracts are recognised, where the performance obligations were satisfied over time and where there is no uncertainty as to measure or collectability of consideration.

Significant Payment Terms:

Progressive billing as per the milestone agreed with the Customers

Significant Judgement
The Company has adopted the input method to measure the performance obligation in case of consultancy service income. This method appropriately depicts the progress achieved by the Company in satisfying the performance obligation. The transaction price is the consideration as promised in the contract with the customers and company recognizes revenue as and when, the Company satisfies the performance obligation by transferring a promised good or renderings the promised service to a customer.

Cholamandalam MS Risk Services Limited
Notes forming part of accounts for the year ended March 31, 2019

Particulars	For the Year Ended March 31, 2019 Rs.	For the Year Ended March 31, 2018 Rs.
Note 23		
Other income		
Foreign Exchange Gain	45,94,326	-
Export Benefit incentives	41,98,031	-
Interest income :		
Bank fixed deposits	26,46,489	20,80,510
Investment income:		
Miscellaneous Income	-	16,64,951
Provision no longer required written back	1,41,33,884	1,86,52,876
Profit on sale of Investment on Mutual Fund	1,10,553	-
Profit on sale of fixed assets	1,21,482	1,99,999
Total Other Income	**2,58,04,764**	**2,25,98,336**
Note 24		
Employee benefits expense		
Salaries	17,14,87,490	14,53,94,011
Contribution to provident fund	71,39,237	57,89,295
Gratuity & long term compensated absence	59,08,825	51,29,444
Staff welfare	77,66,339	78,31,176
Total employee benefits expense	**19,23,01,891**	**16,41,43,926**
Note 25		
Finance Costs		
Interest Cost to MSME	2,69,689	
Interest Cost - Others	12,02,963	-
Total Finance Cost	**14,72,652**	-
Note 26		
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	33,58,573	31,95,521
Amortisation of intangible assets	13,93,388	14,70,865
	47,51,961	**46,66,386**

Cholamandalam MS Risk Services Limited
Notes forming part of accounts for the year ended March 31, 2019

Particulars	For the Year Ended March 31, 2019 Rs.	For the Year Ended March 31, 2018 Rs.
Note 27		
Other expenses		
Operating expenses		
Recruitment Expenses	3,16,139	3,80,820
Travelling & conveyance	4,00,74,279	3,97,11,297
Communication	9,93,043	11,32,395
Consultants Outsourcing fees	9,31,57,815	11,91,69,250
Less : Reimbursement of Expenses	(32,60,556)	(32,60,016)
	13,12,80,721	**15,71,33,746**
Business Development Cost		
Business Development and Advisory Cost	23,63,363	18,06,63,856
	23,63,363	**18,06,63,856**
General & administration expenses		
Power	5,98,204	10,23,422
Rent	78,57,804	96,85,332
Rates & taxes	7,66,958	2,50,140
Repairs & maintenance	19,89,178	19,80,256
Printing & stationery	30,29,996	30,48,135
Postage Expenses	3,71,826	2,75,917
Sitting fees	2,70,000	3,00,000
Insurance	6,59,731	7,85,775
Bank Charges	12,78,573	6,23,107
Foreign Exchange Loss (Net)	-	7,69,782
IT Expenses	19,76,534	18,78,677
Legal and Professional charges	5,17,315	9,30,836
Provision for bad & doubtful debts	1,96,76,930	1,32,19,235
Auditor's remuneration (Details given below)	5,40,000	4,80,000
Tender Fees	89,670	49,651
Training Expenses	7,05,997	7,56,267
Campaign, Exhibition & Accreditation Expenses	-	1,04,496
Miscellaneous expenses	10,99,677	6,32,661
	4,14,28,393	**3,67,93,689**
Total other expenses	**17,50,72,476**	**37,45,91,290**
Payment to Auditor		
Audit fee(excluding Service Tax/GST)	4,80,000	3,55,000
Tax audit fee(excluding Service Tax/GST)	60,000	50,000
Certification Fees (excluding GST)	-	75,000
Note 28		
Earnings per share		
Net profit after taxes	3,56,60,893	2,64,30,810
Equity shares outstanding as at the year end (in Nos.)	20,00,000	20,00,000
Nominal value per equity share	10	10
Weighted average number of shares	20,00,000	20,00,000
Earnings per share - Basic	17.83	13.22
Earnings per share - Diluted	17.83	13.22

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Cholamandalam MS Risk Services Limited
Notes forming part of accounts for the year ended March 31, 2019

Note 29
List of Related parties

a. Companies having substantial interest in voting rights:
1. Cholamandalam Financial Holdings Ltd (Formerly known as TI Financial Holdings Ltd)
2. Mitsui Sumitomo Insurance Company Limited, Japan

b. Companies under same management:
1. Cholamandalam MS General Insurance Company Ltd
2.Cholamandalam Investment and Finance Company Limited

b. Key Managerial Personnel:
1. N.V. Subba Rao – Designation: Chief Executive

Details of Related Party Transactions:

Transactions	Related Party	2018-19 (Rs.)	2017-2018 (Rs.)	2016-2017 (Rs.)
Rendering of Services	Cholamandalam MS General Insurance Co Ltd	3,04,99,845	21,21,71,340	7,03,50,517
(Income)	Cholamandalam Investment and Finance Company Limited	1,35,000	-	-
Availment of Services	Cholamandalam MS General Insurance Co Ltd	45,04,092	44,20,242	56,62,534
(Expense)	Cholamandalam Investment and Finance Company Limited	6,166		
Sitting Fees	A) Mitsui Sumitomo Insurance Company Limited	1,95,000	2,25,000	1,65,000
Dividend Paid	A) Cholamandalam Financial Holdings Ltd (Formerly known as TI Financial Holdings Ltd)	24,74,948	19,79,958	19,79,958
	B) Mitsui Sumitomo Insurance Company Ltd	25,00,000	20,00,000	20,00,000
Recovery of Expenses	Cholamandalam MS General Insurance Co Ltd	3,34,766	2,68,690	-
Receivables / Payables	Cholamandalam MS General Insurance Co Ltd	34,74,299/- Dr	57,715,201(Cr)	41,077,911(Cr)
Remuneration to Key Managerial Personnel	A) N V Subba Rao Designation: Chief Executive	1,38,20,518	1,13,12,285	1,06,42,803

Note 30

Contingent Liabilities and Commitments in respect of which no provision is considered necessary			
A.	**Contingent Liabilities:**		
Assessment Year	**Particulars**	**As at March 31, 2019**	**As at March 31, 2018**
	Contested Liabilities Not provided for in respect of Tax matters pending before Appellate Authorities		
	Income Tax Matters:		
2015-16	In respect of disallowance of payments made towards Business Promotion and Referral charges paid	5,38,30,696	5,38,30,696
2016-17	In respect of disallowance of payments made towards Business Promotion and Referral charges paid	2,62,67,027	-
B.	**Commitments:**		
	Computers	-	32,997
	Plant and Machinery	-	2,87,000

The Company is on appeal against the disallowance of payments made towards Business Promotion and Referral charges paid in accordance with the Preferred Partner Tie up Agreement entered into. The Company is of the opinion that the above demands are not sustainable and confident of winning the appeal before the appellate forum.

Note 31

Figures in Rs.

Due to Micro, Small and Medium Enterprises	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').			
The disclosures pursuant to the said MSMED Act are as follows:			
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	6,78,024	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,13,801	-	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	44,17,783	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	1,55,888	-	-
Further interest remaining due and payable for earlier years	-	-	-
The above information regarding Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.	-	-	-

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Note 32
Fair value measurements
This note provides information about how the Company determines fair value of various financial assets and financial liabilities.
Financial instruments by category

		March 31, 2019			March 31, 2018			April 1, 2017		
Financial assets	**Level**	**FVTPL**	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Investments										
- Equity instruments	3		16,46,309		-	-	-	-	-	-
Trade receivables	3	-	-	16,98,96,633	-	-	16,93,80,683	-	-	13,94,19,660
Cash and cash equivalents		-	-	2,09,36,942	-	-	2,46,50,431	-	-	1,92,38,796
Bank Balances other than (ii) above		-	-	3,46,90,080	-	-	2,60,99,998	-	-	1,04,00,000
Loans	3	-	-	1,98,20,374	-	-	1,36,30,734	-	-	76,50,390
Others	3	-	-	2,16,20,917	-	-	66,84,632		-	51,70,000
Total financial assets		**-**	**16,46,309**	**26,69,64,946**	**-**	**-**	**24,04,46,478**	**-**	**-**	**18,18,78,846**
Financial liabilities										
Trade payables	3	-	-	4,38,47,210	-	-	9,90,40,128	-	-	5,87,45,357
Other financial liabilities	3	-	-	8,46,29,014	-	-	83,90,497	-	-	86,17,459
Total financial liabilities		**-**	**-**	**12,84,76,224**	**-**	**-**	**10,74,30,625**	**-**	**-**	**6,73,62,816**

The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year

(ii) Valuation technique used to determine fair value (Level 3)
Specific valuation techniques used to value financial instruments at level 3 is determined using discounted cash flow analysis.
(iii) Valuation Process
The finance department of the Company includes the team that perform valuation of financial assets and liabilities. This term reports to the Board on the valuation process and results.
(iv) Fair value of financial assets and liabilities measured at amortised cost
The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balance other than cash equivalents, other financial assets (current) and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for other financial assets (non current) were calculated based on cash flows discounted using a risk adjusted discount rate. They are classified as level 3 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

BRAHMAYYA & CO. CHENNAI CHARTERED ACCOUNTANTS

Note 33

Financial risk management

a. Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The board of directors meets regularly to approve any commercial, regulatory and organisational requirements of the company and frame policies that define the Company's identification of risk and its interpretation, limit its structure to ensure the appropriate quality and diversification of assets to align to the corporate goals, and specify reporting requirements.

(A) Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

(I) Credit risk management

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

For all financial assets of the the company, managment assesses and manages credit risk based on internal credit assessment of the parties. Internal credit assessment is performed on a group basis for each class of financial instruments with different characteristics.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk The company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

(i) **Trade receivables:**

Customer credit risk is managed by each business unit under the guidance of the credit policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/economic conditions, market reputation, expected business etc. Based on this evaluation, credit limit and credit terms are decided. Exposure on customer receivables are regularly monitored and managed through credit lock and release.

The impairment is based on expected credit loss model considering the historical data and financial position of individual customer at each reporting period. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosured below.The Company does not hold any collateral as security. The Company has low concentration of risk with respect to trade receivables, as its customers are widely spread and belong to diversified industries and operate in largely independent markets.

(ii) **Financial Instruments and cash deposits:**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made for short-term in liquid funds of rated mutual funds and deposits with banks. The Investment limits are set out per Mutual fund and the value of total fixed deposit in Banks to minimise the concentration risk. Investments are reviewed by the Board of Directors on a quarterly basis.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 365 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 1 year of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(II) Provision for expected credit losses

The company provides for expected credit loss based on the following:

Year ended 31 March 2019:

(a) Expected credit loss for trade receivables under simplified approach

Figures in Rs.

Ageing	Less than 6 months	6 months to 1 year	More than 1 year	Total
Gross carrying amount	15,70,20,296	1,28,76,337	1,59,55,610	18,58,52,244
Expected loss rate	0%	0%	100%	9%
Expected credit losses (Loss allowance provision)	-	-	1,59,55,610	1,59,55,610
Carrying amount of trade receivables (net of impairment)	**15,70,20,296**	**1,28,76,337**	-	**16,98,96,633**

Year ended 31 March 2018:

(a) Expected credit loss for trade receivables under simplified approach

Ageing	Less than 6 months	6 months to 1 year	More than 1 year	Total
Gross carrying amount	14,37,84,772	2,55,95,911	1,06,30,739	18,00,11,422
Expected loss rate	0%	0%	100%	6%
Expected credit losses (Loss allowance provision)	-	-	1,06,30,739	1,06,30,739
Carrying amount of trade receivables (net of impairment)	**14,37,84,772**	**2,55,95,911**	-	**16,93,80,683**

As at 01 April 2017:

(a) Expected credit loss for trade receivables under simplified approach

Ageing	Less than 6 months	6 months to 1 year	More than 1 year	Total
Gross carrying amount	12,70,65,849	1,23,53,811	1,60,64,380	15,54,84,040
Expected loss rate	0%	0%	100%	10%
Expected credit losses (Loss allowance provision)	-	-	1,60,64,380	1,60,64,380
Carrying amount of trade receivables (net of impairment)	**12,70,65,849**	**1,23,53,811**	-	**13,94,19,660**

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(iii) Reconciliation of loss allowance provision measured at life-time expected losses- Loans and deposits

Reconciliation of loss allowance	**Rs.**
Loss allowance on 1 April 2017	**4,89,486**
Add (Less):	
Changes in loss allowances	-
Loss allowance on 31 March 2018	**4,89,486**
Add (Less): Changes in loss allowances	5,11,000
Loss allowance on 31 March 2019	**10,00,486**

(iv) Reconciliation of loss allowance provision – Trade receivables

Loss allowance on 1 April 2017	1,60,64,380
Changes in loss allowance	(54,33,640)
Loss allowance on 31 March 2018	**1,06,30,739**
Changes in loss allowance	53,24,871
Loss allowance on 31 March 2019	**1,59,55,610**

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.Management monitors rolling forecasts of The company's liquidity position (comprising the undrawn borrowingfacilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of The company in accordance with practice and limits set by the group. The company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 March, 2019	**31 March, 2018**	**1 April, 2017**
Floating rate			
Expiring within one year (cash credit facility)	1,47,32,470	-	-

The Cash Credit facilities may be drawn at any time required by the Company under the drawing limits set by the Bank

(ii) Maturities of financial liabilities

The tables below analyse The company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

	Less than 12 months	**More than 1 year**	**Total**
31 March 2019			
Non-derivatives			
Trade payables	4,38,47,210	-	4,38,47,210
Other financial liabilities	1,02,39,614	7,43,89,400	8,46,29,014
Total non-derivative liabilities	**5,40,86,824**	**7,43,89,400**	**12,84,76,224**
31 March 2018			
Non-derivatives			
Trade payables	9,90,40,128	-	9,90,40,128
Other financial liabilities	83,90,497	-	83,90,497
Total non-derivative liabilities	**10,74,30,625**	-	**10,74,30,625**
01 April 2017			
Non-derivatives			
Trade payables	5,87,45,357	-	5,87,45,357
Other financial liabilities	86,17,459	-	86,17,459
Total non-derivative liabilities	**6,73,62,816**	-	**6,73,62,816**

Note 33
Financial instruments and risk management (contd.)
(C) Market risk

(i) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the receivable in Foreign currency and payabales in foreign currency. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

The companys exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

	31 March 2019		31 March 2018		01 April 2017	
	USD	**KwD**	**USD**	**KwD**	**USD**	**KwD**
Financial assets						
Trade receivables	1,27,91,689	5,36,63,606	1,24,28,377	7,00,23,957	1,57,14,302	7,32,99,637
Financial liabilities						
Trade payables	8,14,522	37,62,457	74,25,613	2,20,41,868	1,13,305	64,37,759
Net exposure to foreign currency risk	**1,19,77,167**	**4,99,01,149**	**50,02,764**	**4,79,82,088**	**1,56,00,997**	**6,68,61,878**

Sensitivity
The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

	Impact on profit after tax		
	31 March 2019	**31 March 2018**	**31 March 2017**
USD sensitivity			
INR/USD Increases by 10%	11,97,717	5,00,276	15,60,100
INR/USD Decreases by 10%	(11,97,717)	(5,00,276)	(15,60,100)
KWD sensitivity			
INR/USD Increases by 10%	49,90,115	47,98,209	66,86,188
INR/USD Decreases by 10%	(49,90,115)	(47,98,209)	(66,86,188)

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Cholamandalam MS Risk Services Limited
Notes forming part of accounts for the year ended March 31, 2019

Note 34

Capital management

(a) Risk management

The company's objectives when managing capital are to
• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
• maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, The company monitors capital on the basis of the following gearing ratio:
Net debt (total borrowings net of cash and cash equivalents)
divided by
Total 'equity' (as shown in the balance sheet).

	31 March 2019
Net debt	52,67,530
Total equity	20,94,82,307
Net debt to equity ratio	**3%**

(b) Dividends

Figures in Rs.

	31 March 2018	**31 March 2017**
(i) Equity shares Final dividend for the year ended 31 March 2018 of Rs. 2.5 per fully paid up share (31 March 2017 – Rs. 2 per fully paid per share)	50,00,000	40,00,000

(ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 2.5 per fully paid equity share for the year ended March 31, 2019. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Cholamandalam MS Risk Services Limited
Notes forming part of accounts for the year ended March 31, 2019

Note 35
Employee Benefit Obligations

Re-measurements of post-employment benefit obligations

Under Ind AS, the actuarial gains and losses form part of re-measurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss.

Other Comprehensive income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'Other Comprehensive Income' includes re-measurements of defined benefit plans and diminution in value of investments. The concept of other Comprehensive Income did not exist under previous GAAP.

Defined Contribution Plan

Eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the employees' salary. The Group's contribution to provident fund is charged as expenses as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for alump-sum payment to vested employees at retirement, death, and while in employment or on termination of employment of an amount equivalent to 26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company makes annual contributions to a funded gratuity scheme administered by the Life Insurance Corporation of India.

Long Term Compensated absences

A provision for leave encashment which is a defined benefit plan is made based on actuarial valuation. Actuarial gains and losses of defined e benefit plans and long term compensated absences are recognized in the profit & loss account in the year of occurrence.
Company's liability towards gratuity (funded), other retirement benefits and compensated absences are actuarially determined at each reporting date using the projected unit credit method.
These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.	Investment Risk
A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.	Interest Rate Risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.	Longevity risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.	Salary risk

The principle assumptions used for the purposes of actuarial valuations were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Gratuity			
Discount Rate	7.25%	7.55%	6.85%
Expected rate of salary increase	5.50%	5.00%	5.00%
Attrition Rate	14.00%	3.00%	3.00%
Compensated Absence Leave			
Discount Rate	7.25%	7.55%	6.85%
Expected rate of salary increase	5.50%	5.00%	5.00%

The estimates of future salary increases. Considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

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Amounts recognised in total comprehensive income in respect of these define benefit plans are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Gratuity			
Current service cost	18,35,736	11,93,904	8,65,169
Interest expense on DBO	6,01,136	3,70,715	3,06,665
Interest (income) on plan assets	(5,82,310)	(3,20,243)	(2,83,522)
Remeasurement on the net defined benefit liability comprising:			
Actuarial(gain)/loss arising from changes in financial assumptions	4,81,040	6,02,669	1,67,502
Changes in demographic assumptions		-	-
Actuarial(gain)/loss arising from experience adjustments	(2,18,446)	15,24,351	(1,35,355)
Actuarial(gain)/loss on plan assets		-	
(Return) on plan assets (excluding interest income) *	(7,36,886)	(1,63,416)	2,47,115
Total	**13,80,270**	**32,07,980**	**11,67,574**
Defined benefit cost included in P&L	**18,54,562**	**12,44,376**	**8,88,312**
Total remeasurements included in OCI	**(4,74,292)**	**19,63,604**	**2,79,262**

The amount included in the balance sheet arising from the Company's obligation in respect of the defined benefit is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Gratuity			
Present value of defined benefit obligation	1,12,87,125	85,87,659	49,89,701
Fair value of plan assets	1,25,33,852	54,22,785	36,00,700
Net liability arising from defined benefit obligation (funded)	(12,46,727)	31,64,874	13,89,001

Movements in the present value of defined benefit obligation in the current year were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Gratuity			
Opening defined benefit obligation	85,87,659	49,89,701	41,28,228
Current service cost	18,35,736	11,93,904	8,65,169
Interest cost	6,01,136	3,70,715	3,06,665
Actuarial(gain)/loss arising from changes in financial assumptions	4,81,040	6,02,669	1,67,502
Actuarial(gain)/loss arising from change in demographic assumptions		-	-
Actuarial(gain)/loss arising from experience adjustments	(2,18,446)	15,24,351	(1,35,355)
Benefits paid		(93,680)	(3,42,509)
Closing defined benefit obligation	**1,12,87,125**	**85,87,660**	**49,89,700**

Movement in the fair value of plan assets in the current year was as follows:

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Gratuity			
b) Reconciliation of Opening and Closing balances of fair value of plan assets			
Fair value of Plan assets at beginning of the year	54,22,785	36,00,700	31,06,802
Expected return on plan assets	5,82,310	3,20,243	2,83,522
Actuarial (gain)/loss	7,36,886	1,63,416	(2,47,115)
Employer contribution	57,91,870	14,32,106	8,00,000
Benefits Paid	-	(93,680)	(3,42,509)
Fair value of Plan assets at Year end	1,25,33,851	54,22,785	36,00,700

The Company funds the cost of gratuity expected to be earned on a yearly basis to Life Insurance Corporation of India which manages the plan assets.

Significant actuarial assumptions for the determination of the defined obligation are the discount rate and expected salary increase (inflation rate). The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period.

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
	% age	% age	% age
Discounr Rate			
Discount rate - xx basis points	6.75%	6.50%	6.50%
Discount rate + xx basis points	7.75%	7.50%	7.50%
obligation would:			
increase by'	2,41,660	4,06,672	2,98,989
decrease by	-2,30,239	-3,75,134	-2,73,268
Inflation rate			
decrease by	5.00%	5.00%	4.50%
increase by'	6.00%	6.00%	5.50%
obligation would:			
increase by'	2,15,330	3,53,934	2,66,379
decrease by	-2,08,345	-3,29,355	-2,48,045

The sensitivity analysis presented above may not be representative of the actual changes in the de fined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated since the project unit credit method at the end of each reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year

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Notes forming part of accounts for the year ended March 31, 2019

Note 36
Segment information

(a) Description of segments and principal activities
The company's Chief operations decision maker (CODM) examines the company's performance both from a product and geographic perspective and has identified two reportable segments of its business:

The CODM primarily uses a measure of segments results (net of segment revenue and expenses) to assess the performance of the operating segments.

(b) Segment results

Figures in Rs.

	Consulting Income			Trading Income		
	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2019	March 31, 2018	March 31, 2017
Total segment result						
External sales	39,38,44,115	56,28,19,364	37,04,31,098	1,43,55,229	-	-
Unallocable Corporate Income	2,58,04,764	2,25,98,336	2,65,90,529	-	-	-
Total Revenue	**41,96,48,879**	**58,54,17,700**	**39,70,21,627**	**1,43,55,229**	-	-
Purchase of Stock-in-Trade	-	-	-	1,15,81,527	-	-
Employee benefits expense	19,23,01,891	16,41,43,926	11,84,36,618	-	-	-
Unallocated Finance Costs	14,72,652	-	25,13,304	-	-	-
Unallocated Other expenses	17,50,72,476	37,45,91,290	24,31,60,283	-	-	-
Depreciation	47,51,961	46,66,386	48,99,644	-	-	-
Profit before income tax	**4,60,49,899**	**4,20,16,098**	**2,80,11,778**	**27,73,702**	-	-

(c) Segment revenue
The segment revenue is measured in the same way as in the statement of profit or loss.

	Consulting Income			Trading Income		
Major geographical segment	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2019	March 31, 2018	March 31, 2017
India	29,66,25,192	45,49,65,371	24,34,67,800	1,43,55,229	-	-
Kuwait	6,94,02,385	9,12,93,338	11,16,77,302	-	-	-
Others	2,78,16,538	1,65,60,655	1,52,85,996	-	-	-
Total segment revenue	**39,38,44,115**	**56,28,19,364**	**37,04,31,098**	**1,43,55,229**	-	-

Disclose revenue with single customer more than 10%

Customers	Consulting Income			Trading Income		
	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2019	March 31, 2018	March 31, 2017
The Kuwait Oil Company	5,91,23,071	8,18,40,298	8,62,12,921	-	-	-
Cholamandalam MS General Insurance Company Ltd	2,97,75,045	21,21,49,340	2,75,27,389	-	-	-

(d) Segment assets
Segment assets are measured in the same

Segment Name	March 31, 2019		March 31, 2018		April 1, 2017	
	Segment assets	Non current assets	Segment assets	Non current assets	Segment assets	Non current assets
Consulting	23,88,98,973	4,22,39,954	22,30,39,644	2,99,78,311	17,47,54,552	1,85,18,111
Trading	-	-	-	-	-	-
Total segment assets	**23,88,98,973**	**4,22,39,954**	**22,30,39,644**	**2,99,78,311**	**17,47,54,552**	**1,85,18,111**
Unallocated:						
Investments	-	16,46,309	-	-	-	-
Deferred tax assets	-	95,41,000	-	82,78,000	-	85,43,935
Current Tax	-	9,02,82,578	-	7,11,84,470	-	4,49,17,380
Total assets as per the balance sheet	**23,88,98,973**	**14,37,09,842**	**22,30,39,644**	**10,94,40,781**	**17,47,54,552**	**7,19,79,426**

* Other than deferred taxes and current taxes assets
Investments held by the company are not considered to be segment assets

(e) Segment liabilities
Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

Segment Name	March 31, 2019		March 31, 2018		April 1, 2017	
	Segment liabilities	Non current liabilities	Segment liabilities	Non current liabilities	Segment liabilities	Non current liabilities
Consulting	8,66,11,503	6,26,39,024	14,49,65,249	76,65,996	8,26,07,762	58,93,540
Trading	26,34,120	2,12,41,860	-	-	-	-
Total segment liabilities	**8,92,45,623**	**8,38,80,884**	**14,49,65,249**	**76,65,996.00**	**8,26,07,762**	**58,93,540**
Total liabilities as per the balance sheet	**8,92,45,623**	**8,38,80,884**	**14,49,65,249**	**76,65,996.00**	**8,26,07,762**	**58,93,540**

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Cholamandalam MS Risk Services Limited

Notes forming part of accounts for the year ended March 31, 2019

Note 37

Reconciliation of Equity as on the date of Transition (1st April 2017)

Figures in Rs.

Particulars	Notes	Previous GAAP	Reclassification	GAAP adjustments	Ind AS
(1) ASSETS					
Non-current assets					
Property, plant and equipment		46,72,078		-	46,72,078
Intangible assets		34,46,033		-	34,46,033
Financial assets					-
(i) Loans		43,60,046	-43,60,046		-
(ii) Bank Balances other than Cash and cash equivalents		-	1,04,00,000		1,04,00,000
(d) Deferred tax assets (net)	C4	75,74,000		9,69,935	85,43,935
(e) Other non-current assets		1,04,00,000	-1,04,00,000	-	-
Current Tax Assets(Net)			4,49,17,380		4,49,17,380
(2) Current assets					
(b) Financial Assets					
(i) Investments		-			
(ii) Trade receivables		13,94,19,660			13,94,19,660
(iii) Cash and cash equivalents		1,92,38,796			1,92,38,796
(iv) Bank balances other than (iii) above		-			-
(v) Loans	C2	6,03,04,064	-4,91,33,040	(35,20,634)	76,50,391
(vi) Others	C1	-		51,70,000	51,70,000
(d) Other current assets		-	32,75,706		32,75,706
Total Assets		**24,94,14,677**	**-53,00,000**	**26,19,302**	**24,67,33,978**
EQUITY AND LIABILITIES					
Equity					
Equity share capital		2,00,00,000			2,00,00,000
Other equity		13,56,13,375		26,19,301	13,82,32,676
LIABILITIES					
Non-current liabilities					-
Financial Liabilities					-
Employee benefit obligation		58,93,540			58,93,540
(c) Deferred tax liabilities (Net)		-			-
(d) Other non-current liabilities		-			-
Current liabilities					-
(a) Financial Liabilities					-
(i) Trade payables		5,87,45,358			5,87,45,358
(ii) Other financial liabilities		-	86,17,460		86,17,460
(b) Other current liabilities		1,15,27,665	(86,17,460)		29,10,205
(c) Provisions		1,76,34,739	(53,00,000)		1,23,34,739
(d) Current Tax Liabilities (Net)		-			-
Total Equity and Liabilities		**24,94,14,677**	**(53,00,000)**	**26,19,301**	**24,67,33,978**

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Cholamandalam MS Risk Services Limited
Notes forming part of accounts for the year ended March 31, 2019
Note 37

Reconciliation of Equity as on the Previous Balance Sheet Date (31st March 2018)

Figures in Rs.

Particulars	Notes	Previous GAAP	Reclassification	GAAP adjustments	Ind AS
(1) ASSETS					
Non-current assets					
Property, plant and equipment		62,70,031			62,70,031
Intangible assets		24,01,285			24,01,285
Financial assets					-
(i) Investments		-			-
(iii) Loans		1,07,31,455	(1,07,31,455)		-
(iii) Bank Balances other than Cash and cash equivalents		-	2,10,37,998		2,10,37,998
(iv) Others		2,13,06,995	(2,10,37,998)		2,68,997
(i) Deferred tax assets (net)	C4	91,47,000		-8,69,000	82,78,000
(j) Other non-current assets		-			-
Current Tax Assets(Net)			7,11,84,471		7,11,84,471
(2) Current assets					-
(a) Inventories		-			-
(b) Financial Assets					-
(i) Investments		-			-
(ii) Trade receivables		16,93,80,683			16,93,80,683
(iii) Cash and cash equivalents		2,97,12,431	(50,62,000)		2,46,50,431
(iv) Bank balances other than (iii) above			50,62,000		50,62,000
(v) Loans	C2	9,43,09,733	(7,77,08,925)	(29,70,075)	1,36,30,733
(vi)Others	C1			64,15,636	64,15,636
(c) Current Tax Assets (Net)				-	-
(d) Other current assets		-	39,00,160	-	39,00,160
Total Assets		**34,32,59,612**	**-1,33,55,749**	**25,76,561**	**33,24,80,425**
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital		2,00,00,000			2,00,00,000
(b) Other Equity		15,72,72,619		25,76,561	15,98,49,180
LIABILITIES					
Non-current liabilities					
Employee benefit obligation		76,65,996			76,65,996
Current liabilities					
Financial liabilities					
(i) Borrowings		-			
(ii) Trade payables		9,90,40,128			9,90,40,128
(iii) Other financial liabilities		-	83,90,497		83,90,497
Other current liabilities		2,89,33,278	(83,90,496)		2,05,42,782
Employee benefit obligation		3,03,47,591	(1,33,55,749)	0	1,69,91,842
Total Equity and Liabilities		**34,32,59,612**	**(1,33,55,749)**	**25,76,561**	**33,24,80,425**

Cholamandalam MS Risk Services Limited

Notes forming part of accounts for the year ended March 31, 2019

Note 37

Reconciliation of Total Comprehensive Income for the Year ended 31st March 2018

Figures in Rs.

	Particulars	Note No.	Previous GAAP	Reclassifications	Adjustments	Ind AS
I.	Revenue from operations		56,15,73,729	-	12,45,635	56,28,19,364
II.	Other income		2,25,98,336	-	-	2,25,98,336
III.	**Total Revenue (I + II)**		**58,41,72,065**	-	**12,45,635**	**58,54,17,700**
IV.	**Expenses:**					
	Employee benefits expense	3	16,61,07,530	-	(19,63,604)	16,41,43,926
	Finance costs		-	-	-	0
	Depreciation and amortization expense		46,66,386	-	-	46,66,386
	Other expenses		37,51,41,850	-	(5,50,560)	37,45,91,290
	Total expenses		**54,59,15,766**	-	**(25,14,164)**	**54,34,01,602**
V.	Profit before exceptional and extraordinary items and tax (III-IV)		**3,82,56,299**	-	**37,59,799**	**4,20,16,098**
VI.	Exceptional items		-	-	-	-
VII.	Profit before extraordinary items and tax (V - VI)		**3,82,56,299**	-	**37,59,799**	**4,20,16,098**
VIII.	Extraordinary Items					-
IX.	Profit before tax (VII- VIII)		**3,82,56,299**	-	**37,59,799**	**4,20,16,098**
X	Tax expense:					
	(1) Current tax		1,07,00,000		-	1,07,00,000
	(2) Tax - Earlier years		26,55,749		-	26,55,749
	(3) Deferred tax (Net)		(15,73,000)		(18,38,935)	-34,11,935
XI	**Profit for the period from continuing operat**		**2,64,73,550**	-	**55,98,734**	**3,20,72,284**
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)**		**2,64,73,550**	-	**55,98,734**	**3,20,72,284**
XVI	**Other Comprehensive Income**					
	A (i) Items that will not be reclassified to profit or loss					
	(ii) Income tax relating to items that will not be		-			-
	B (i) Items that will be reclassified to profit or l		-			-
	Actuarial Losses on Gratuity	3	-		19,63,604	19,63,604
	(ii) Income tax relating to items that will be reclassified to profit or loss				-5,46,275	-5,46,275
	Total Comprehensive Income for the period		**2,64,73,550**	-	**70,16,063**	**3,34,89,614**

Cholamandalam MS Risk Services Limited
Reconciliations between previous GAAP and Ind AS
Note 37 (Conti.)
I) Reconciliation of total equity as at March 31, 2018 and April 1, 2017

Figures in Rs.

	March 31, 2018	April 1, 2017
Total equity (shareholder's funds) as per previous GAAP	**15,72,72,619**	**13,56,13,375**
Adjustments		
Add:Unbilled Revenue - (Closing balance)	64,15,636	51,70,000
Deferred Tax impact	(8,69,000)	9,69,935
Less: Prepaid Exp (Closing balance)	(29,70,075)	(35,20,634)
Total adjustments	**25,76,561**	**26,19,301**
Total equity as per Ind AS	**15,98,49,180**	**13,82,32,676**

II) Reconciliation of total comprehensive income for the year ended March 31, 2018

Profit after tax as per previous GAAP	2,64,73,550
Adjustments	
Add:Unbilled Revenue - (Closing balance)	64,15,635
Less: Unbilled Revenue - (Opening balance)	(51,70,000)
Add: Prepaid Exp - (Opening balance)	35,20,635
Less: Prepaid Exp (Closing balance)	(29,70,075)
Deferred Tax on above	(18,38,935)
Actuarial Losses on Gratuity	19,63,604
Tax on acturial losses	(5,46,275)
Total adjustments	**13,74,589**
Profit after tax as per Ind AS	**2,78,48,139**

Other comprehensive income

Actuarial Losses on Gratuity	19,63,604
Tax on acturial losses	(5,46,275)
Total comprehensive income as per Ind AS	**2,64,30,810**

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

Cholamandalam MS Risk Services Limited
Notes forming part of accounts for the year ended March 31, 2019
Note 37 (Conti.)
Transition to Ind AS- First time adoption

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 has been applied in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet at 1 April 2017 (The company's date of transition). In preparing its opening Ind AS balance sheet, The company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed
Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets .

Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

A.1.2 Designation of previously recognised financial instruments
Ind AS 101 requires an entity to assess classification and measurement of financial assets based on facts and circumstances that exist on the date of transition to Ind AS. Their fair value and existing carrying amount remain the same.

B. Ind AS mandatory exceptions
Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.

There are no material changes in critical estimates and judgements applied in the preparation of Ind AS Financial Statements, as from the estimates and judgements applied in the financial statements under previous GAAP. Consequently, there are no changes in the following items -
1. Fair Value of Financial Assets and Liabilities
2. Tax rates used in the computation of Deferred Taxes
3. Useful life of Property, Plant and Equipment
4. Defined benefit obligation for Employee benefits

C: Notes to first-time adoption:
Note 1: Revenue Recognition

Under the previous GAAP, revenue from sale of services were recognised under the completed service contract method. Thus revenue from sale of services were recognised only when the related service was fully provided and completed. Under Ind AS 115 , revenue shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period. This has resulted in the recognition of unbilled revenue from the incomplete contracts as at transition date based on the stage of complete for each transaction as at that date. The cost relating to the revenue were also recognised as at that date. As a result, total equity increased by Rs. 6,415,636 as at 31 March 2018 (Rs 51,70,000 as at 31 March 2017) and the profit for the year ended 31 March 2018 increased to the extent of Rs. 12,45,636.

Note 2:Prepaid expense

Under the Previous GAAP of the completed service contract method, expenses related to services rendered but not fully completed, were deferred and corresponding unbilled revenue was unrecognised. Under Ind AS, these deferred expenses are charged to the statement of Profit and loss accounts and corresponding income is recognised as unbilled revenue as mentioned in the Note-1 above
As a result, total equity decreased by Rs. 29,70,075as at 31 March 2018 (Rs. 35,20,634/- as at March 2017) and the profit for the year ended 31 March 2018 increased to the extent of Rs 5,50,559.

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

Cholamandalam MS Risk Services Limited
Notes forming part of accounts for the year ended March 31, 2019
Note 37 (Conti.)
Transition to Ind AS- First time adoption

Note 3: Remeasurements of post-employment benefit obligations
Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2018 decreased to the extent of Rs.14,17,329 (after tax). There is no impact on the total equity as at 31 March 2018.

Note 4: Deferred tax
Due to the Ind AS Adjustments as at the date of transition and for the year ended date 31 March 2018, deferred tax liability has been increased by Rs. 8,69,000/-(and deferred tax asset increased by Rs. 969,935 as at 1st April 2017)
As a result total equity decreased by INR 8,69,000 as at March 31, 2018 (1 st April 2017 Rs. 9,69,935) and the profit for the year ended March 31, 2018 increased by Rs. 18,38,935/-

Note 38
Events after the reporting period:
No significant event is to be reported between the closing date and that of the meeting of Board of directors.

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

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

P. Babu
Partner
Membership No.203358

Place: Chennai
Date: April 22, 2019

V Suryanarayanan
Director

S S Gopalarathnam
Director

N V Subba Rao
Chief Executive

Takashi Kishi
Director

M. Sundar
Company Secretary