

# ANNUAL REPORT

## 2015-2016



# CDSL Ventures Limited

... exploring new horizons



**Financial Highlights of CDSL Ventures Limited since inception (As on 31st March)** (₹ In Lacs)

P & L account	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Income from Operations	0.00	216.31	338.66	308.66	891.42	1798.48	1539.66	1349.90	1949.50	2098.98
Other Income	0.81	0.35	0.41	19.75	6.52	42.58	276.20	279.37	55.49	139.49
Total Income	0.81	216.66	339.07	328.41	897.94	1841.06	1815.86	1629.27	2004.99	2238.47
Total Expenditure	116.69	304.37	404.79	208.94	533.27	661.23	734.11	597.71	616.18	647.06
PBDIT	-91.82	78.11	56.78	131.28	378.15	1227.29	1157.67	1087.87	1420.32	1618.80
Profit Before Tax	-115.88	-87.71	-65.72	119.47	364.67	1179.83	1081.75	1031.56	1388.81	1591.41
Provision for Taxation	0.00	0.03	0.05	0.00	59.97	398.18	288.11	259.44	465.01	490.69
Profit After Tax	-115.88	-87.74	-65.77	119.47	304.70	781.65	793.64	772.12	923.80	1100.72
Share capital	100.00	100.00	100.00	100.00	100.00	300.00	300.00	300.00	300.00	450.00
Reserves & Surplus	-115.88	-203.62	-269.39	-149.94	154.76	2736.42	3530.05	4302.17	5225.97	6176.69
Net worth	-15.88	-103.62	-169.39	-49.94	254.76	3036.42	3830.05	4602.17	5525.97	6626.69
Earning Per Share (Rs)	-11.59	-8.77	-6.58	11.95	30.47	49.02	26.45	25.74	30.79	24.46
Book Value Per Share (Rs)	-1.59	-10.36	-16.94	-4.99	25.48	101.21	127.67	153.41	184.20	147.26
Return on Net Worth (%)	-	-	-	-	119.60%	25.74%	20.72%	16.78%	16.72%	16.61%

## **CDSL VENTURES LIMITED**

### **Board of Directors**

Shri T.S. Krishna Murthy	Chairman
Shri N. Rangachary	Chairman [Up to 7 <sup>th</sup> April, 2016]
Dr. R. N. Nigam	Independent Director
Shri P. S. Reddy	Director
Shri Nayan Mehta	Director
Smt. Nayana Ovalekar	Director
Shri Cyrus Khambata	Managing Director

### **Management**

Shri Cyrus Khambata	Managing Director
Shri Sanjeev Kate	Assistant Vice President & Compliance Officer
Ms. Mohini Kharpude	Company Secretary

### **Auditors**

Lodha & Co.  
Chartered Accountants  
6, Karim Chambers,  
40 A.D. Marg (Hamam Street),  
Mumbai - 400 001.

### **Bankers**

Bank of India  
Stock Exchange Branch,  
Ground Floor, P. J. Towers,  
Dalal Street  
Mumbai - 400 001.

### **Registered Office**

17<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

## Directors' Report

Your Directors are pleased to present the Tenth Annual Report along with Audited Financial Statements of Accounts of your Company for the year ended 31<sup>st</sup> March, 2016.

### Financial Highlights

Particulars	Year ended 31 <sup>st</sup> March 2016 (₹ In Lacs)	Year ended 31 <sup>st</sup> March 2015 (₹ In Lacs)
Income	2238.47	2004.99
Expenditure	619.67	584.67
Profit/ (Loss) before Depreciation and Taxation	1618.80	1420.32
Depreciation	27.39	31.51
Profit / (Loss) before Tax	1591.41	1388.81
Provision for MAT / Tax	496.28	460.00
Deferred Tax	(5.59)	5.01
Profit/ (Loss) after Tax	1100.72	923.80
Balance from previous year	3425.97	2502.17
Balance carried forward to Balance Sheet	4526.69	3425.97

In the current financial year, the total income of the company has substantially increased compared to the previous year. Your company has achieved an all-time high operational income of ₹2098.98 Lacs and posted the total receipts of ₹2238.47 Lacs with a profit after tax of ₹1101.72 Lacs as against ₹2004.99 Lacs and ₹923.80 Lacs respectively in the previous year. This is mainly due to the multiple use of a KYC record by MFs as investments in multiple funds by an investor has increased.

### Know Your Client (KYC) Project:

The KYC Project is the first venture of the company and it relates to Centralized Record Keeping of KYC documents of Capital Market investors. The Company had registered 2123 intermediaries and verification of KYC documents from investors takes place through their 20000 plus branches spread across 246 cities. The total no. of KYC records held as on 31<sup>st</sup> March, 2016 is 1.43 crores.

**Future Outlook:**

The Indian Capital market has been subdued for the last few years. The Retail client participation which had almost dried up has started picking up this year. The mutual funds have witnessed inflow of new investors but this has not been noticed in the equity market. With the rise in investors' interest in the capital market the number of KYCs created and used have increased substantially. This has resulted in the highest recorded operational income of ₹20.99 crores and the highest operational profit before tax of ₹15.91 crore.

**Audit Committee:**

It is not required to constitute an Audit Committee in terms of Section 177 of the Companies Act, 2013. However, in order to have good corporate governance procedures in place, an Audit Committee of the Board has been constituted consisting of following Directors:

1. Shri T. S. Krishna Murthy, Chairman
2. Shri P. S. Reddy
3. Smt. Nayana Ovalekar
4. Dr. R. N. Nigam

The Committee met four times in the year under review. The functions of the Audit Committee are broadly:

- (a) Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Review and monitoring of internal control system and compliance of audit observations of the Auditors.
- (c) Review of the financial statements before submission to the Board.
- (d) Supervision of other financial and accounting matters as may be referred to by the Board.
- (e) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of internal control systems
- (f) Reviewing the company's financial and risk management policies.

**Dividend:**

Keeping in view the need to fund capital expenditure for IT infrastructure of the company through internal accruals, especially in relation to new projects that may be undertaken, your directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2016.

**Fixed Deposits:**

Your Company has not accepted any deposits within the meaning of Section 73(1) of the Companies Act, 2013 and the Rules made thereunder.

**Directors:**

Smt. Nayana Ovalekar, retires by rotation at the Tenth Annual General Meeting and offers herself for reappointment. Consequent to expiry of tenure of directorship from the Board of CDSL w. e. f. 8<sup>th</sup> April, 2016 Shri N. Rangachary, Chairman of CVL ceased to be a director and Chairman on the Board of CVL, w. e. f. 8<sup>th</sup> April, 2016 and Shri T. S. Krishna Murthy was appointed as an additional director and will hold office till commencement of the Tenth Annual General Meeting. Brief profile of the directors is given in Annex A

The Board has placed on record appreciation of the valuable services rendered by Shri N. Rangachary during his tenure as Chairman of the company.

**Auditors:**

Lodha & Co., Statutory Auditors of your Company, were appointed as Statutory Auditors for five years up to 2019 by the Members in the Eighth AGM held on 5<sup>th</sup> June, 2014. This appointment is subject to ratification by the Members in every AGM. The Auditors have given their consent in writing and have furnished a certificate to that effect that their appointment would be in accordance with the provisions of Section 139(1) that they meet with the criteria prescribed under section 141 of the Companies Act, 2013. Your Directors recommend that their appointment for the year be ratified.

**Conservation of Energy, Technology Absorption:**

Considering the nature of operations of your Company, the provisions of Section 134(3) (m) of the Companies Act, 2013 relating to information to be furnished on conservation of energy and technology absorption are not applicable. The Company has, however, used information technology for implementation of the KYC Project referred to earlier in this report. The said project involves submission of KYC documents only once to the KRA. This

would result in saving of paper and reducing carbon footprint.

**Details of foreign exchange earnings and outgo:**

Your Company did not earn any foreign exchange, nor was there any outgo in foreign exchange during the year under review.

**Corporate Social Responsibility:**

As mentioned in Section 135 of the Companies Act, 2013 every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

In view of the above provisions your Company has formed a Corporate Social Responsibility Committee which is composed as under:

1. Shri T. S. Krishna Murthy, Chairman
2. Dr. R. N. Nigam, Independent Director
3. Shri Nayan Mehta
4. Shri P. S. Reddy

The Companies (Corporate Social Responsibility Policy) Rules, 2014 further elaborates in detail the formulation of the policy, the roles and responsibilities of the same and such other relevant matters including CSR Expenditures and CSR Reporting.

For the financial year 2014-15 your company was required to spend ₹22 lakhs on CSR activities. Your company contributed ₹5 lakhs, to Swachh Bharat Fund for Swachh Bharat Abhiyan undertaken by the Government of India as a CSR activity. The balance amount of ₹17 lakhs plus ₹23 Lakhs allocable for 2015-16 (Total ₹40 lakhs) needed to be spent by 31<sup>st</sup> March, 2016. Out of which ₹5.53 lakhs were spent for funding purchase of a DG set (power generator) for ADHAR Badlapur a trust run for the benefit of mentally retarded adults. Your company has spent an amount of ₹33.50 lakhs for part funding of Vocational Training Centre for ADHAR Badlapur along with parent company, CDSL in the current financial year. So out of ₹40 lakhs to be spent your company has spent total of ₹39.03 lakhs, and the balance will be spent in the next financial year

Your Company is in the process of identifying some projects which fall under approved purposes notified by the Ministry of Corporate Affairs vide its notification dated 27<sup>th</sup> February, 2014 for CSR. Your Company may also fund to ADHAR which they may need for purchase of equipment and furniture for its Vocational Training Centre.

The report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annex B

**Directors' Responsibility Statement:**

Pursuant to Section 134(3) (c) and 134(5) of the Companies Act, 2013, the Board of Directors report that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations relating to material departure, if any, have been provided;
- ii) accounting policies have been selected and applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) 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;
- iv) the annual accounts have been prepared on a going-concern basis;
- v) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Particulars of Employees:**

Information as required under Rule (5) (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed to this report as Annex C.

**Report by Internal Complaints Committee:**

As per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the Act) it is mandatory for every employer to constitute a committee to be known as the 'Internal Complaints Committee'. As per Section 22 of the Act, an employer is required to include in its report the number of cases filed, if any, and their disposal under the Act in the Annual Report of the employer.

Accordingly, an Internal Complaints Committee was constituted by the Board and the said Committee did not receive any complaint during the year under review.

**Extract of Annual Return:-**

The Extract of Annual Return pursuant to Section 92 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2013 in the prescribed Form MGT-9 is hereby attached with this Report in Annex D and is a part of this Report.

**Meetings and Attendance:**

The Board meets at least once in a quarter to review the quarterly financial results and operations of the company. In addition, the Board also meets as and when necessary to address specific issues relating to the business. During the year under review, the Board met four times i.e. on 24<sup>th</sup> April, 2015, 24<sup>th</sup> July, 2015, 30<sup>th</sup> October, 2015, and 29<sup>th</sup> January, 2016, Details of attendance of the Directors at the Board meetings and the last Annual General Meeting are given hereunder:

## Attendance of the Directors at the Board Meetings and AGM :

Meeting Venue	CDSL Board Room, 16th floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001				
Meeting Date And Time	24 <sup>th</sup> April, 2015, 11.30 a.m	24 <sup>th</sup> July, 2015, 11.30 a.m	30 <sup>th</sup> Oct, 2015 11.00 a.m.	29 <sup>th</sup> Jan, 2016 11.00 a.m.	AGM 11 <sup>th</sup> June, 2015 3.00 p.m
Name of the Directors					
Shri N. Rangachary	✓	✓	✓	✓	✓
Dr. R. N. Nigam	✓	✓	✓	✓	✓
Shri Nayan Mehta	✓	✓	✓	✓	✓
Shri Cyrus Khambata	✓	✓	✓	✓	✓
Smt. Nayana Ovalekar	✓	✓	✓	✓	✓
Shri P.S. Reddy	✓	✓	✓	✓	✓

### Human Resources:

Your Company has as on 31<sup>st</sup> March, 2016, 15 employees who are on its payroll to manage the operations. They are well versed in their respective areas. Industrial relations during the year remained cordial.

### Related Party Transactions:

The Members of the Company have, vide Special Resolution passed in the 9<sup>th</sup> Annual General Meeting held on 11<sup>th</sup> June, 2015, consented to the Company entering into Related Party Transactions to the extent of ₹175 lakhs during the year 2015-16. In accordance with the Members' consent your company has entered into transactions with related party to the tune of ₹175 lakhs which is within the aforesaid limit. All such transactions

were in the ordinary course of business and on an arm's length basis. Although the provisions of Section 188 of the Companies Act, 2013 are not attracted, your company had sought Members' approval for all related party transactions as a measure of good corporate governance. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. Similarly, a Special Resolution has also been proposed in the Notice convening 10<sup>th</sup> Annual General Meeting seeking Members' approval for related party transactions to the extent of ₹186 lakhs to be entered into with related parties during the financial year 2016-17.

### **Acknowledgement**

With profound sorrow and grief the Board condoled the sudden, untimely and unfortunate demise of Shri Satish Budhakar on 27<sup>th</sup> March, 2016 due to massive cardiac arrest who was the Senior Vice President and Group Company Secretary in the holding company CDSL. The Board placed on record its appreciation for the invaluable contribution made by Shri Satish Budhakar towards the progress of CDSL Group companies.

Your Directors place on record their sincere gratitude for the assistance, guidance and co-operation the Company has received from investors, Securities and Exchange Board of India (SEBI), Market Intermediaries, Mutual Funds and other stakeholder. The Board further places on record its appreciation for the dedicated services rendered by the employees of the Company.

For and on behalf of the Board

Sd/-

Place : Mumbai

Date : 27<sup>th</sup> April, 2016

**T. S. Krishna Murthy**

**Chairman**

**DIN 00279767**

### **Annexure to Directors' Report**

Profile of Director who is liable to retire by rotation and seek reappointment and of Additional Director appointed during the year who hold the office until commencement of the Annual General Meeting.

#### **Smt. Nayana Ovalekar**

Smt. Nayana Ovalekar, who is a qualified company secretary of the Institute of Company Secretaries of India, joined CDSL as Senior Manager, Audit & Inspection on 13<sup>th</sup> October, 2003 and was promoted as Senior Vice President – Operations on 1<sup>st</sup> May 2012. She has a wide experience in the field of Audit and Compliance.

#### **Shi T.S. Krishna Murthy**

He is a former Indian Revenue Service Officer and was the Chief Election Commissioner (C.E.C) of India (February 2004 - May 2005). He had earlier served in the Election Commission of India as a Commissioner since January 2000.

Shri Krishna Murthy started his career as a probationary officer at the Bank of India (1961-1963) and later as an Indian Revenue Service officer in 1963. He served the government at various levels including as Secretary, Department of Company Affairs.

As Secretary, Department of Company Affairs, he is credited with setting up of Investor Education and Protection Fund set up from unclaimed dividends of companies.

Having served number of ministries in New Delhi including Shipping and Finance, he was deputed to the Hindustan Shipyard Limited in Visakhapatnam. One of the key jobs he has handled was that of Chief Commissioner of Income Tax in Bombay. He has also served as an IMF advisor in Ethiopia and Georgia.

As Chief Election Commissioner he was an observer to the elections in Zimbabwe and the U.S Presidential Elections in 2004. In 2005, Shri Krishna Murthy was appointed by the Supreme Court of India to conduct the elections 2005 to the Board of Control for Cricket in India (B.C.C.I) in order to ensure free and fair polls amidst the different factions within the BCCI.

### Annual Report on CSR activities.

1. It is company's policy to spend the amount allocated for CSR expenditure on activities listed in schedule VII of the Companies Act, 2013 and the rules framed thereunder.
2. Consequently the Board constituted the Corporate Social Responsibility committee consisting of following members:
  - I. Shri T.S. Krishna Murthy, Chairman
  - ii. Dr. R. N. Nigam (Independent Director)
  - iii. Shri Nayan Mehta
  - iv. Shri P. S. Reddy

The CSR committee decided to identify Trusts / NGOs which carry out CSR activities and which have experience and expertise in implementing CSR projects.

3. The average of the Net Profit of the company for last three financial years: ₹11.68 crores.
4. Prescribed CSR expenditure: ₹23 lakhs (two per cent of the amount in item 3 above)
5. Details of CSR spent during the Financial Year
  - a. Total amount to be spent for the financial year: ₹40 lakhs
  - b. Amount Unspent: ₹97 thousand
  - c. The manner in which the amount spent during the financial year is detailed below:

Sr. No	CSR Project or activity identified	Sector in which the project is covered	State where projects or program was undertaken	Amount outlay (₹)	Amount spent on the projects or programs (₹)	Cumulative Expenditure up to the reporting period (₹)	Amount Spent Direct or through implementing agency
1.	Association of Parents of Mentally Retarded Children, Mumbai	Charitable Trust	Maharashtra	40	39.03	39.03	Direct
<b>Total</b>							

6. Your company spent balance amount of ₹33.50 lakhs for part funding of Vocational Training Centre for ADHAR Badlapur along with parent company, CDSL in the financial year 2015-16. The building is under construction and is expected to be completed before 30<sup>th</sup> June, 2016.

Your Company is in the process of identifying some projects which fall under approved purposes notified by the Ministry of Corporate Affairs vide its notification dated 27<sup>th</sup> February, 2014 for CSR. Your Company may also fund to ADHAR which they may need for purchase of equipment's and furniture for its Vocational Training Centre.

7. The Chairman of the Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

Sd/-

**Cyrus Khambata**  
**Managing Director**

Sd/-

**T .S. Krishna Murthy**  
**Chairman of the CSR Committee**

Place: Mumbai

Date : 27<sup>th</sup> April, 2016

**Statement under Section 134(3) of the Companies Act 2013 read with the Rule (5)(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

<b>Name &amp; Qualification</b>	<b>Age in years</b>	<b>Designation</b>	<b>Remuneration received (₹)</b>	<b>Experience (No. of years)</b>	<b>Date of commencement of employment</b>	<b>Last employment &amp; designation</b>
Shri Cyrus Khambata M.Com, LLB, CAIIB	60	Managing Director	74,72,408	39	20 <sup>th</sup> October, 2006	Bank of India - Officer

**Notes:**

1. Remuneration includes basic salary, performance linked incentive, other allowances, company's contribution to provident fund and taxable value of perquisites.
2. The said executive is not relative of any Directors of the company.

**I. REGISTRATION AND OTHER DETAILS**

i)	CIN:-	U93090MH2006PLC164885
ii)	Registration Date –	25/9/2006
iii)	Name of the Company -	CDSL Ventures Limited
iv)	Category / Sub-Category of the Company – Company having Share capital	Public Company
v)	Address of the Registered office and contact details	17 <sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001, Tel No. 22723333
vi)	Whether listed company	No
Vii)	Name , Address and Contact details of Registrar and Transfer Agent, if any	Central Depository Services (India) Limited

**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:

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Record Keeping of KYC documents of Capital Market investors	66190	97%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sr. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
	Central Depository Services (India) Limited 17 <sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	U67120MH1997PLC11244	Holding	Wholly Owned Subsidiary 100%	2(46) of the Companies Act, 2013

Add associate companies, if any.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Share holders	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	Demat	Physical	Total	% of total	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF		7	7	-	6	7	-	0	
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	2999993	0	2999993	100	4499993	1	4499993	100	0
e) Banks / FI									
f) Any Other....									
<b>Sub-total (A) (1):-</b>	<b>2999993</b>	<b>7</b>	<b>3000000</b>	<b>100</b>	<b>4499993</b>	<b>7</b>	<b>4499993</b>	<b>100</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
a) Any Other....									
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2999993</b>	<b>7</b>	<b>3000000</b>	<b>100</b>	<b>4499993</b>	<b>7</b>	<b>4500000</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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)									
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
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)									
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>2999993</b>	<b>7</b>	<b>3000000</b>	<b>100</b>	<b>4499993</b>	<b>7</b>	<b>4500000</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters**

Sr. No.	Shareholders 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 company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	
1	Central Depository Services (India) Limited	3000000	100	0	4500000	100	0	0
<b>Total</b>		<b>3000000</b>	<b>100</b>	<b>0</b>	<b>4500000</b>	<b>100</b>	<b>0</b>	

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

Sr No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3000000	100	4500000	100
	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):				
	At the End of the year	3000000	100	4500000	

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

Sr 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
	At the beginning of the year	0	0	0	0
	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):	0	0	0	0
	At the End of the year ( or on the date of separation, if separated during the year)	0	0	0	0

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr No	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	2	0		
	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):	0	0		
	At the End of the year	2*	0		

Note \* Two Directors hold 1 share each jointly with CDSL and the Beneficial Ownership has been transferred to CDSL.

**V. INDEBTEDNESS**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
Addition	0	0	0	0
Reduction	0	0	0	0
<b>Net Change</b>	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri Cyrus Khambata			
	Gross salary	7441493			7441493
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
		32400			32400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-			-
	(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				
	Total (A)	7473893			7473893
	Ceiling as per the Act	5% of net profit of the company			

### B. Remuneration to other directors:

Sr. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Dr. R. N. Nigam	Shri N. Rangachary	Shri Nayan Mehta	
3.	Independent Directors				
	-Fee for attending board / committee meetings				
	-Commission				
	-Others, please specify				
		275000			275000
	Total (1)				275000
4.	Other Non-Executive Directors				
	• Fee for attending board / committee meetings				
	• Commission				
	• Others, please specify				
			550000	150000	700000
	Total (2)				700000
	Total (B)=(1+2)				975000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

**C. Remuneration To Key Managerial Personnel Other Than MD/ MANAGER/ WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
		0			0
2	Stock Option		0		0
3	Sweat Equity		0		0
4	Commission				
	- as % of Profit				
	- others, specify...		0		0
5	Others, please specify		0	1995*	0
	Total		0	1995*	0

Note:- \*Deputation allowance paid.

**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					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding			NIL		
C. OTHER OFFIERS IN DEFAULT					
Penalty					
Punishment					
Compounding			NIL		

## **INDEPENDENT AUDITOR'S REPORT**

**TO,  
THE MEMBERS OF  
CDSL VENTURES LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **CDSL Ventures Limited**, which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its profit and cash flow for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 “AnnexureB”. 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 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 does not have any pending litigations which would impact its financial position.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **LODHA & COMPANY.**  
Chartered Accountants  
Firm Registration No. 301051E

**A M Hariharan**  
Partner  
Membership No :38323

Place: Mumbai  
Date : 27<sup>th</sup> April, 2016

**“Annexure A”**

**ANNEXURE REFERRED TO IN PROVISION OF CLAUSEGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE CDSL VENTURES LIMITED.**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1.
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has carried out physical verification of all its fixed assets during the year. In our opinion, the frequency of verification is reasonable considering the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c) The Company does not own any immovable property. Therefore, Para 3 (i) (c) of the Order is not applicable to the Company.
2. The Company does not have any inventory. Therefore, Para 3(ii) of the Order is not applicable to the Company.
3. During the year 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.
4. The Company has not given any loans, guarantee and security deposits during the year. In respect of investments, the provisions of section 185 and 186 of the Act have been complied with.
5. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under have been accepted by the Company.
6. The provisions of Para 3(vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.
7.
  - a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
  - b) According to the records of the Company, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.

8. The Company has not taken any loan or borrowing from a financial institution, bank, government or debenture holders. Therefore, Para 3 (viii) of the Order is not applicable to the Company.
9. The Company has not raised any money by way of initial public offer or further public offer during the year or in the recent past and has not taken any term loan. Therefore, Para 3 (ix) of the Order is not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
11. The Company has paid or provided any managerial remuneration. Therefore, Para 3 (xi) of the Order is applicable to the Company.
12. The Company is not Nidhi Company. Therefore, Para 3(xii) of the Order is not applicable to the Company.
13. All transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
15. The Company has not entered into any non-cash transactions with directors or persons connected with him under section 192 of the Act.
16. The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Therefore, Para 3 (xvi) of the Order is not applicable to the Company.

For **LODHA & COMPANY.**

Chartered Accountants

Firm Registration No. 301051E

**A M Hariharan**

Partner

Membership No :38323

Place: Mumbai

Date : 27<sup>th</sup> April, 2016

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of **CDSL Ventures Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of financial statements of the Company for the year ended March 31, 2016.

**Management's Responsibility for Internal Financial Controls**

2. 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 Act.

**Auditors' Responsibility**

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing

and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

6. 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**

7. 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**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial

controls over financial reporting were operating effectively as at March 31, 2016, 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 issued by ICAI

For **LODHA & COMPANY.**  
Chartered Accountants  
Firm Registration No. 301051E

**A M Hariharan**  
Partner  
Membership No :38323

Place: Mumbai  
Date : 27<sup>th</sup> April, 2016



**CDSL VENTURES LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2016**

Particulars	Note No.	As at	As at
		31.03.2016	31.03.2015
		( ₹ ) In Lacs	( ₹ ) In Lacs
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	450.00	300.00
(b) Reserves and Surplus	3	6,176.69	5,225.97
<b>(2) Non-Current Liabilities</b>			
Long Term Provisions	4	3.51	1.61
<b>(3) Current Liabilities</b>			
(a) Trade Payables	5		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		55.66	81.44
(b) Other Current Liabilities	6	14.05	6.60
(c) Short-Term Provisions	7	25.63	20.44
<b>Total</b>		<b>6,725.54</b>	<b>5,636.06</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible Assets		4.87	29.36
(ii) Intangible Assets		-	8.05
(b) Non Current Investments	9	2,198.27	2,474.86
(c) Deferred Tax Assets (Net)	11	14.56	8.97
<b>(2) Current Assets</b>			
(a) Current Investments	10	3,997.96	2,704.40
(b) Trade Receivables	12	320.73	313.81
(c) Cash & Cash Equivalents	13	56.23	34.23
(d) Short-term Loans and Advances	14	84.25	62.38
(e) Other Current Assets	15	48.67	-
<b>Total</b>		<b>6,725.54</b>	<b>5,636.06</b>

Significant Accounting Policies 1  
Other notes accompanying the financial Statements 20-29  
The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For and on behalf of the Board of Directors

**For Lodha & Company**  
Chartered Accountants

**T. S. Krishna Murthy**  
Chairman

**C. D. Khambata**  
Managing Director

**A. M. Hariharan**  
Partner

**P. S. Reddy**  
Director

**Mohini Kharpude**  
Company Secretary

Place : Mumbai  
Date : April 27, 2016

**CDSL VENTURES LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016**

Particulars	Note No.	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
		( ₹ ) In Lacs	( ₹ ) In Lacs
<b>I. Revenue from operations</b>	16	2,098.98	1,949.50
<b>II. Other Income</b>	17	139.49	55.49
<b>III. Total Revenue (I +II)</b>		<b>2,238.47</b>	<b>2,004.99</b>
<b>IV. Expenses:</b>			
Employee benefit expenses	18	156.03	134.73
Depreciation and amortization expenses	8	27.39	31.51
Other operating & administrative expenses	19	463.64	449.94
<b>Total Expenses</b>		<b>647.06</b>	<b>616.18</b>
<b>V. Profit before tax (III - IV)</b>		<b>1,591.41</b>	<b>1,388.81</b>
<b>VI. Tax expense:</b>			
Current tax		539.00	460.00
Current tax expenses relating to prior years		(42.72)	-
Deferred tax		(5.59)	5.01
<b>VII. Profit after tax (V-VI)</b>		<b>1,100.72</b>	<b>923.80</b>
VIII. Earning per equity share of face value of ₹10 each (Amount in ₹ )			
Basic & Diluted		24.46	20.53
Significant Accounting Policies	1		
Other notes accompanying the financial Statements	20-29		
The accompanying notes are an integral part of the financial statements.			

As per our attached report of even date

For and on behalf of the Board of Directors

**For Lodha & Company**  
Chartered Accountants

**T. S. Krishna Murthy**  
Chairman

**C. D. Khambata**  
Managing Director

**A. M. Hariharan**  
Partner

**P. S. Reddy**  
Director

**Mohini Kharpude**  
Company Secretary

Place : Mumbai  
Date : April 27, 2016



**CDSL VENTURES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

PARTICULARS	( ₹ ) In Lacs		( ₹ ) In Lacs	
	01.04.2015 to 31.03.2016		01.04.2014 to 31.03.2015	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
PROFIT BEFORE TAX		1,591.41		1,388.81
<b>Net Profit for non-cash items to be disclosed seperately</b>				
Depreciation	27.39		31.51	
Provision for Doubtful Debts	1.41		(13.46)	
Loss on sale of investments	0.13			
<b>Adjustments for:</b>				
Dividend from Current Investments	(40.16)		(41.03)	
Interest on Bonds	(61.19)			
		(72.42)		(22.98)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		1,518.99		1,365.83
<u>Adjustment for changes in working capital</u>				
Trade Receivables	(8.34)		(14.58)	
Short-term loans and advances	2.71		32.25	
Current Liabilities and Provisions	(11.24)	(16.87)	11.78	29.45
<b>CASH GENERATED FROM OPERATIONS</b>		<b>1,502.12</b>		<b>1,395.28</b>
Less : Taxes Paid(Net of Income tax Refund and TDS Receivable)		(520.85)		(453.09)
<b>A) NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>981.27</b>		<b>942.19</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed assets		0.10		36.99
Proceeds from sale of Fixed Assets		(5.25)		-
Interest on Bonds (Net)		(12.52)		-
Purchase/(Sale) Of Investments(Net)		1,017.10		927.79
Dividend Income		(40.16)		(41.03)
<b>B) NET CASH GENERATED / (USED) IN INVESTING ACTIVITIES</b>		<b>(959.27)</b>		<b>(923.75)</b>
<b>C) NET CASH GENERATED FROM FINANCING ACTIVITIES</b>		-		-
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A-B+C)</b>		<b>22.00</b>		<b>18.44</b>
Cash and Cash Equivalents at the beginning of the year		34.23		15.77
Cash and Cash Equivalents at the end of the year		56.23		34.23
		<b>22.00</b>		<b>18.44</b>

**Notes :**

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard -3 on "Cash Flow Statements".
- 2) Previous year figures have been regrouped / rearranged wherever necessary to confirm to the current year presentation.

As per our attached report of even date

For and on behalf of the Board of Directors

**For Lodha & Company**  
Chartered Accountants

**T. S. Krishna Murthy**  
Chairman

**C. D. Khambata**  
Managing Director

**A. M. Hariharan**  
Partner

**P. S. Reddy**  
Director

**Mohini Kharpude**  
Company Secretary

Place : Mumbai  
Date : April 27, 2016

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### Corporate Information

CDSL Ventures Limited (“CVL” or “the Company”) is a wholly owned subsidiary of Central Depository Services (India) Limited, incorporated on 25<sup>th</sup> September, 2006. CVL is the first KRA appointed by SEBI to do common KYC for investor in the Capital Market, Accordingly CVL receives clients electronic KYC records of KYC document from SEBI registered intermediaries and makes it available to any other intermediaries when the said client opens an account or transacts with the said intermediaries. Further updates of KYC details received by any intermediary is collected or downloaded to other intermediaries who have accessed the KYC record.

### NOTE 1

#### Significant Accounting Policies:

##### i. Basis of preparation of Financial Statements :

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 2d.

##### ii. Revenue Recognition

In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognised net of service tax provided that at the time of performance it is not unreasonable to expect ultimate collection. If at the time of raising of any claim it is unreasonable to expect ultimate collection, revenue recognition is postponed till the time the ultimate collection is made.

Discount or premium on debt securities / discounted Money Market Instruments is accrued over the period of remaining maturity. Interest is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable. Dividend is recognized when the unconditional right to receive payment is established.

**iii. Fixed Assets**

Fixed assets are shown at their original cost of acquisition including taxes, duties, freights and other incidental expenses relating to acquisition and installation less accumulated depreciation.

**iv. Software Costs**

Systems Software, Application Software and additions of new modules thereto are capitalised and any modifications/changes thereto are charged to revenue.

**v. Depreciation/Amortization/Impairment Loss**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Description of asset	Useful life as per the Schedule II	Useful life used
Building	60	10
Computer Hardware/software	3	2
Office Equipment	5	5
Furniture and Fixtures	10	5
Vehicles	8	4

Assets costing ₹5,000 or less are fully written off in the year of purchase.

Leasehold premises is amortized over a period of 10 years.

The carrying amounts of assets are reviewed at each Balance Sheet date if there is an indication of impairment based on internal and external factors. The asset is treated as impaired when its carrying cost exceeds the recoverable amount. Impairment loss, if any, is charged to the Statement of Profit and Loss for the year in which the asset is identified as impaired. Reversal of impairment loss recognized in the prior years is recorded when there is an indication that impairment losses recognized for the asset, no longer exist or have decreased.

**vi. Investments**

- a) Long term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.
- b) Current investments are stated at lower of cost and fair/market value on individual investment basis.

**vii. Employees Benefits**

Short term Employee Benefits are estimated and provided for.

Performance linked bonus is provided as and when the same is approved by the management.

Post Employment Benefits and Other Long term Employee Benefits are treated as follows:

(i) Defined Contribution Plans:

Provident Fund: The Provident fund plan is operated by Regional Provident Fund Commissioner (RPFC) and the contribution thereof are paid/provided for.

Contributions to the defined contribution plans are charged to Statement of Profit and Loss for the respective financial year as and when services are rendered by the employees.

(ii) Defined Benefits Plans:

- (a) Gratuity : Gratuity for employees is covered by Gratuity Scheme with Life Insurance Corporation of India and the contribution thereof is paid / provided for. Provision for Gratuity is made on the basis of actuarial valuation on Projected Unit Credit Method as at the end of the year.
- (b) Long term compensated absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

As actuarial gains/losses at the end of the year accrued to the defined benefit plans are taken to Statement of Profit and loss for the respective financial year.

#### **viii. Income Tax**

Provision for current tax is made on the basis of relevant provisions of the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accrued for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from unabsorbed carried forward losses and depreciation are recognised to the extent there is virtual certainty that these would be realised in future.

Minimum Alternate Tax (MAT) is recognized at each Balance Sheet date and carried as assets only to the extent there is convincing evidence that the Company will pay normal Income tax during the subsequent period specified in the Income Tax Act 1961.

#### **ix. Provisions and Contingent Liabilities**

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of past event,
- b) a probable outflow of resources is expected to settle the obligation and
- c) the amount of the obligation can be reliably estimated.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of

- a) a present obligation arising from a past event, when it is not possible to estimate that an outflow of resources will be required to settle the obligation.
- b) a possible obligation, unless the probability of outflow of resources is remote.

NOTE 2				
SHARE CAPITAL	As at 31.03.2016		As at 31.03.2015	
	Number	(₹) In Lacs	Number	(₹) In Lacs
<b>Authorised</b> Equity Shares of ₹10 each	5,000,000	500.00	5,000,000	500.00
<b>Issued, Subscribed &amp; Paid up</b> Equity Shares of ₹ 10 each fully paid up	4,500,000	450.00	3,000,000	300.00

### Terms/rights attached to equity shares

- The Company has only one class of equity shares having face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.
- As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### Shares held by Holding Company and its subsidiaries

Name of the Shareholders	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	(₹) In Lacs	No. of Shares	(₹) In Lacs
Central Depository Services (India) Limited, Holding Company and its nominees	4,500,000	450.00	3,000,000	300.00

### Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Name of the Shareholders	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	(₹) In Lacs	No. of Shares	(₹) In Lacs
At the beginning of the year	3,000,000	300.00	3,000,000	300.00
Bonus shares issued during the year	1,500,000	150.00	-	-
Outstanding at the end of the year	4,500,000	450.00	3,000,000	300.00
Bonus Shares issued within a period of 5 years immediately preceding the balance sheet date Aggregate number of equity shares of ₹ 10 each allotted at par as fully paid up by way of bonus shares during the year	1,500,000	150.00	-	-

	As at 31.03.2016 (₹) In Lacs	As at 31.03.2015 (₹) In Lacs
<b>NOTE 3 RESERVES &amp; SURPLUS</b>		
<b>Securities Premium Account</b>		
Balance as per the last Balance sheet	1,800.00	1,800.00
Add : Additions during the year	-	-
Less: bonus shares issued during the year	150.00	
Closing Balance	1,650.00	1,800.00
<b>Surplus in Profit &amp; Loss A/c</b>		
Balance as per last Balance Sheet	3,425.97	2,502.17
Add : Profit for the year	1,100.72	923.80
Closing Balance	4,526.69	3,425.97
<b>Total Reserves &amp; Surplus</b>	<b>6,176.69</b>	<b>5,225.97</b>
<b>NOTE 4 LONG-TERM PROVISIONS</b>		
Provision for employee benefits For leave entitlement	3.51	1.61
	3.51	1.61
<b>NOTE 5 TRADE PAYABLES</b>		
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Related Parties	-	28.12
Others	55.66	53.32
	55.66	81.44
<b>NOTE 6 OTHER CURRENT LIABILITIES</b>		
Deposits from customers	3.00	3.00
Statutory Dues Payable	9.17	2.13
Others	1.88	1.47
	14.05	6.60
<b>NOTE 7 SHORT-TERM PROVISIONS</b>		
Provision for gratuity & Leave encashment	0.10	1.00
Provision for Ex-Gratia & performance linked bonus	25.53	19.44
Provision for Income Tax ( Net of Advance Tax)	-	-
	25.63	20.44

**NOTE 8  
FIXED ASSETS**

(₹) In Lacs

DESCRIPTION	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK			
	As on 01.04.2015	Additions	Deductions	As on 31.03.2016	Upto 31.03.2015	For the year	Deductions	Upto 31.03.2016	As on 31.03.2016	As on 31.03.2015
<b>(I) TANGIBLE ASSETS</b>										
Computer Hardware	313.60 (284.51)	- (29.09)	-	313.60 (313.60)	284.47 (264.59)	24.42 (19.88)	-	308.89 (284.47)	4.71 (29.13)	29.13 (19.92)
Furniture & fixtures	0.89 (0.89)	-	-	0.89 (0.89)	0.82 (0.73)	0.07 (0.09)	-	0.89 (0.82)	- (0.07)	0.07 (0.16)
Office Equipment	45.41 (45.37)	0.10 (0.04)	-	45.51 (45.41)	45.25 (41.04)	0.10 (4.21)	-	45.35 (45.25)	0.16 (0.16)	0.16 (4.33)
<b>Total (I)</b>	<b>359.90 (330.77)</b>	<b>0.10 (29.13)</b>	<b>-</b>	<b>360.00 (359.90)</b>	<b>330.54 (306.36)</b>	<b>24.59 (24.18)</b>	<b>-</b>	<b>355.13 (330.54)</b>	<b>4.87 (29.36)</b>	<b>29.36 (24.41)</b>
<b>(II) INTANGIBLE ASSETS</b>										
Computer Software	168.30 (160.44)	- (7.86)	7.86	160.44 (168.30)	160.25 (152.92)	2.80 (7.33)	2.61	160.44 (160.25)	- (8.05)	8.05 (7.52)
<b>Total (II)</b>	<b>168.30 (160.44)</b>	<b>- (7.86)</b>	<b>7.86</b>	<b>160.44 (168.30)</b>	<b>160.25 (152.92)</b>	<b>2.80 (7.33)</b>	<b>2.61</b>	<b>160.44 (160.25)</b>	<b>- (8.05)</b>	<b>8.05 (7.52)</b>
<b>Total (I + II)</b>	<b>528.20 (491.21)</b>	<b>0.10 (36.99)</b>	<b>-</b>	<b>520.44 (528.20)</b>	<b>490.79 (459.28)</b>	<b>27.39 (31.51)</b>	<b>2.61</b>	<b>515.57 (490.79)</b>	<b>4.87 (37.41)</b>	<b>37.41 (31.93)</b>
Previous Year										

**Note : Figures disclosed in bracket pertains to previous year.**

NOTE 9 Non Current Investments	As at 31.03.2016			As at 31.03.2015		
	Face Value (₹)	No. of Units/Shares	Book Value (₹) In Lacs	Face Value (₹)	No. of Units/Shares	Book Value (₹) In Lacs
<b>A. Investment in Associates (at cost)</b> (Non Trade, Unquoted & Fully Paid up) Equity shares of CDSL Insurance Repository Limited	10	975,001	97.50	10	975,001	97.50
<b>Total (A)</b>			<b>97.50</b>			<b>97.50</b>
<b>B. Investment in Debentures / Bonds</b> (Quoted & Fully Paid up) NHAI 7.11% Tax Free Bonds 18.09.2025 PFC 7.16% Tax Free Bonds 17.07.2025 REC 7.17% Tax Free Bonds 23.07.2025	1,000,000 1,000,000 1,000,000	30 50 50	300.03 500.32 500.42		- - -	- - -
<b>Total (B)</b>			<b>1,300.77</b>	<b>0</b>		<b>-</b>
<b>C. Investment in Mutual Funds</b> (Non Trade, Quoted and fully paid up) Birla Fixed Term Plan Series JY - Direct - Gr Birla Fixed Term Plan Series KI - Direct - Gr Birla Fixed Term Plan Series KQ - Direct - Gr Birla Fixed Term Plan Series HL - Direct - Gr Reliance Fixed Horizon Fund Sr 15-Direct Plan - Growth Reliance Fixed Horizon Fund XXV Sr 26 - Direct Plan - Growth Reliance Fixed Horizon Fund XXVI Sr 31 - Direct Plan - Growth		- - - - - 10.00 4,000,000 10.00 4,000,000	- - - - - 400.00 400.00	10.00 10.00 10.00 10.00 10.00 10.00 10.00	3,544,730 5,630,000 5,036,298 2,562,575 3,000,000 4,000,000 -	354.47 563.00 503.63 256.26 300.00 400.00 -
<b>Total (C)</b>			<b>800.00</b>			<b>2,377.36</b>
<b>Total (A+B+C)</b>			<b>2,198.27</b>			<b>2,474.86</b>
		<b>No. Units /Shares</b>	<b>Value (₹) In Lacs</b>	<b>No. Units /Shares</b>		<b>Value (₹) In Lacs</b>
<b>Aggregate Amount of Unquoted Investments</b>		975,001	97.50	975,001		97.50
<b>Aggregate Amount of Quoted Investments</b>		8,000,130	2,100.77	23,773,603		2,377.36
<b>Market Value/ Repurchase Price of Quoted Investments</b>		8,000,130	2,245.79	23,773,603		2,665.26

**Basis of Valuation** : Mutual Funds are valued at lower of cost and market value/fair value.

NOTE 10 Current Investments	As at 31.03.2016			As at 31.03.2015		
	Face Value (₹)	No. of Units/Shares	Book Value (₹) In Lacs	Face Value (₹)	No. of Units/Shares	Book Value (₹) In Lacs
<b>Investment in Mutual Funds</b>						
(Non Trade, Quoted and fully paid up)						
Birla Fixed Term Plan Series HL - Direct - Gr	10.00	2,562,575	256.26	-	-	-
Birla Fixed Term Plan Series JY - Direct - Gr	10.00	3,544,730	354.47	-	-	-
Birla Fixed Term Plan Series KI - Direct - Gr	10.00	5,630,000	563.00	-	-	-
Birla Fixed Term Plan Series KQ - Direct - Gr	10.00	5,036,298	503.63	-	-	-
Reliance Fixed Horizon Fund Sr 15-Direct Plan - Growth	10.00	3,000,000	300.00	-	-	-
Reliance Yearly Interval Fund Sr 2 367 days	10.00	3,995,528	436.00	10.00	3,995,528	436.00
Reliance Yearly Interval Fund-Sr-5-Direct Plan - Growth	10.00	3,257,927	355.00	10.00	3,257,927	355.00
Reliance Yearly Interval Fund Sr 4 - Direct Plan - Growth	10.00	4,567,712	500.00	10.00	4,567,712	500.00
Reliance Fixed Horizon Fund XXVI Sr 31 - Direct Plan - Growth	-	-	-	10.00	4,000,000	400.00
<b>Sub Total (A)</b>			<b>3,268.36</b>			<b>1,691.00</b>
(Non Trade, Unquoted & Fully Paid up)						
Birla Sunlife Cash Plus Direct Plan DD	-	-	-	10.00	514,089	515.08
Birla Sunlife Saving Fund Direct Plan DD	-	-	-	10.00	496,872	498.32
Kotak Floater Short Term- Direct Plan - Daily Dividend Reinvest	1000.00	72,122	729.60	-	-	-
<b>Sub Total (B)</b>			<b>729.60</b>			<b>1,013.40</b>
<b>Aggregate amount of investment in Units of Mutual Funds (A+B)</b>			<b>3,997.96</b>			<b>2,704.40</b>
		<b>No. Units /Shares</b>	<b>Value (₹) In Lacs</b>	<b>No. Units /Shares</b>		<b>Value (₹) In Lacs</b>
<b>Aggregate Amount of Quoted Investments</b>		31,594,770	3,268.36	15,821,167		1,691.00
<b>Market Value/ Repurchase Price of Quoted Investments</b>		31,594,770	3,961.37	15,821,167		1,853.27
<b>Aggregate Amount of Unquoted Investments</b>		72,122	729.60	1,010,961		1,013.40
<b>Market Value/ Repurchase Price of Unquoted Investments</b>		72,122	729.60	1,010,961		1,013.40
<b>Basis of Valuation : Mutual Funds are valued at lower of cost and market value/fair value.</b>						

<b>NOTE 11 DEFERRED TAX ASSETS\ (LIABILITY)</b>	<b>As at 31.03.2016 (₹) In Lacs</b>	<b>As at 31.03.2015 (₹) In Lacs</b>
Expenses allowed on Payment Basis	11.34	8.41
Depreciation	3.22	0.56
	<b>14.56</b>	<b>8.97</b>
<b>NOTE 12 TRADE RECEIVABLES</b>		
Due for a period exceeding six months from the date they are due for payment Considered doubtful	3.62	2.21
Due for a period not exceeding six months from the date they are due for payment Considered good	320.73	313.81
	-	
Less: Provision for doubtful debts	(3.62)	(2.21)
	<b>320.73</b>	<b>313.81</b>
<b>NOTE 13 CASH AND CASH EQUIVALENTS</b>		
Balance with a bank	25.36	34.18
Cheques on hand	30.73	-
Cash on hand	0.14	0.05
	<b>56.23</b>	<b>34.23</b>
<b>NOTE 14 SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)</b>		
Advances	0.79	1.11
Income Tax (Net of Provision) (Net of Provision : Current Year - Rs.1678.84 Lakh, Previous Year - Rs.1289.83 Lakh)	60.41	35.82
Prepaid Expenses	1.15	9.38
Cenvat Credit Receivable	21.90	16.07
	<b>84.25</b>	<b>62.38</b>
<b>NOTE 15 OTHER CURRENT ASSETS (Unsecured, considered good)</b>		
Interest accrued on Bond	48.67	-
	<b>48.67</b>	<b>-</b>

	01.04.2015 to 31.03.2016 ( ₹ ) In Lacs	01.04.2014 to 31.03.2015 ( ₹ ) In Lacs
<b>NOTE 16 REVENUE FROM OPERATIONS</b>		
On Line Data Charges	1,536.53	1,466.27
Documents Storage Charges	536.77	483.23
Inter KRA charges	23.31	-
Miscellaneous Charges	2.37	-
	<b>2,098.98</b>	<b>1,949.50</b>
<b>NOTE 17 OTHER INCOME</b>		
<b>Income From Non Current Investment:</b>		
Interest on Bonds	61.19	-
<b>Income From Current Investment:</b>		
Dividend	40.16	41.03
Net Gain or loss on sale	(0.13)	-
Reversal of provision for Doubtful debts	-	13.46
Miscellaneous Income	38.27	1.00
	<b>139.49</b>	<b>55.49</b>
<b>NOTE 18 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and other allowances	75.86	63.25
Contribution to PF and other funds	3.61	2.78
Staff welfare expenses	2.08	2.09
Reimbursement of Salaries to staff on deputation from Holding Company	74.48	66.61
	<b>156.03</b>	<b>134.73</b>
<b>NOTE 19 OTHER EXPENSES</b>		
Point Of Service (POS) charges**	251.09	260.77
Communication, telephone & Courier Charges	24.34	32.75
Insurance expenses	0.27	0.44
Rent	22.97	16.63
Rates & Taxes	1.40	0.03
Electricity & Water Charges	-	0.06
Legal & Professional charges	14.82	11.06
Auditors' Remuneration:( net of service tax )		
-Audit Fees/ Tax Audit Fees	1.50	0.85
-Out of Pocket Expenses	0.34	0.19
Directors Sitting fees	9.75	6.35
Travelling & Conveyance	0.12	0.06
SEBI fees	1.00	2.00
Computer Maintenance Charges	35.39	57.63
Printing & Stationery	1.15	1.44
Business Development charges	1.04	0.12
Repairs & Maintenance	0.00	0.05
Administrative expenses	30.00	30.00
Provision for doubtful debts	1.41	-
Bad Debts Written Off	0.30	-
Miscellaneous Expenses	27.66	24.51
Contribution towards Corporate Social Responsibility	39.03	5.00
Amortization Exp on Bonds / Debentures	0.06	-
	<b>463.64</b>	<b>449.94</b>

\*\* POS charges include charges towards Data Entry, Verification ,Scanning & Storage of Documents

**NOTE 20**
**Contingent Liabilities (to the extent not provided for) :**

Contingent Liabilities to the extent not provided for as on 31st March 2016 is Nil ( Previous year Nil ).

**NOTE 21**
**Capital & Other Commitments**

Estimated amount of contract to be executed on capital & revenue account ₹4.16 Lacs (net of advances ₹5.29 Lacs) as on 31.03.2016 (as on 31.03.2015 ₹12.48 Lacs) plus applicable taxes.

**NOTE 22**
**Related Party Disclosures:**

(a)	List of related parties and their relationship:		
(i)	<b>Entity where control exists</b>		
	BSE Limited– Ultimate Holding Company		
(ii)	Central Depository Services (India) Limited– Holding Company		
	<b>Fellow subsidiaries</b>		
(iii)	CDSL Insurance Repository Limited		
	Marketplace Technologies Pvt Ltd		
(iii)	<b>Joint Venture / Associates of Ultimate Holding Company</b>		
	BOI Shareholding Limited (upto 11/01/2016)		
(iii)	<b>Key Managerial Personnel:</b>		
	Shri C.D. Khambata - Managing Director		
(b)	<b>Transactions during the year:</b>		
		<b>01.04.2015 to 31.03.2016</b>	<b>01.04.2014 to 31.03.2015</b>
		<b>( ₹ ) In Lacs</b>	<b>( ₹ ) In Lacs</b>
	<b>BSE Limited</b>		
	Expenses for Director Sitting Fees & Identity cards	1.74	0.85
	<b>Central Depository Services (India) Limited:</b>		
	Reimbursement made for rent, administrative expenses & staff on deputation etc (Net of Income received)	139.74	126.24
	<b>Marketplace Technologies Pvt Ltd</b>		
	Expenses for Software Maintenance & License for Software	5.81	12.46
	<b>BOI Shareholding Limited (upto 11/01/2016)</b>		
	Income for KRA Charges	0.52	1.12
<b>Managerial remuneration :</b>			
Shri C.D.Khambata - Managing Director	74.28	66.44	
(c)	<b>Balances at</b>		
		<b>31.03.2016</b>	<b>31.03.2015</b>
		<b>( ₹ ) In Lacs</b>	<b>( ₹ ) In Lacs</b>
	<b>Central Depository Services (India) Limited:</b>		
	Amount Payable/ (Receivable)	-	28.12
	<b>Marketplace Technologies Pvt Ltd</b>		
	Amount Payable/ (Receivable)	0.32	0.32
<b>BOI Shareholding Limited (upto 11/01/2016)</b>			
Amount Payable/ (Receivable)	(0.04)	(0.02)	

**Notes :**

- a) No amounts in respect of the related parties has been provided for as doubtful debts or written off/back during the year.
- b) Related party relationship is as identified by the Company and relied upon by the auditors.
- c) All the above transactions are in the ordinary course of the business of the Company

#### NOTE 23

In the opinion of the Management, assets other than fixed assets and non current investments have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. The provision for depreciation and other known liabilities is adequate and not in excess of what is required.

#### NOTE 24

The main business segment of the Company is known as Know Your Client (KYC) project which relates to centralized record keeping of the identity of investors in capital market and there is no other separate reportable segment as per Accounting Standard 17 on "Segment Reporting" prescribed in Companies (Accounting Standards) Rules, 2006.

#### NOTE 25

The accounts of certain trade receivables, loans and advances given/received and trade payables are subject to formal confirmations/reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current year's financials statements, reconciliations/adjustments.

#### NOTE 26

As at March 31, 2016, no supplier has intimated the company about its status as Micro or Small Enterprises or its Registration with appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.

#### NOTE 27

The company has determined the liability for Employee Benefits as on 31st March 2016 in accordance with the revised Accounting Standard 15 on "Employee Benefits" prescribed in Companies (Accounting Standards) Rules, 2006.

#### Defined benefit plans-Gratuity – (As per Actuarial Valuation)

(₹ In Lacs)

A Expenses Recognized in the statement of Profit & Loss Account for the year ended	31.03.2016	31.03.2015
1 Current Service Cost	0.59	0.64
2 Past Service Cost	-	-
3 Interest Cost	0.25	0.19
4 Expected Return on Plan Assets	(0.34)	(0.29)
5 Net Actuarial (Gain)/ Loss recognized for the year	0.15	0.18
6 Expenses recognized in statement of P&L A/c	0.65	0.73
<b>B Net Asset / (Liability) recognized in the Balance Sheet</b>		
1 Present Value of Obligation	4.19	3.21
2 Fair Value of Plan Assets	5.07	3.49
3 Funded Status	0.88	0.28
4 Unrecognised Actuarial Gain/ (Loss)	-	-
5 Net Assets / (Liability) recognized in the Balance Sheet	0.88	0.28
<b>C Changes in present value of obligations</b>		
1 Present Value of Obligation as at April 01, 2015	3.21	2.19
2 Interest Cost	0.25	0.19
3 Current Service Cost	0.59	0.64
4 Past Service Cost (non vested benefits)	-	-
5 Past Service Cost (vested benefits)	-	-
6 Benefits Paid	-	-
7 Actuarial (Gain)/Loss on Obligation	0.14	0.18
8 Present Value of Obligation as at March 31, 2016	4.19	3.21

(₹ In Lacs)

	31st March 2016	31st March 2015
<b>D Changes in Fair Value of Plan Assets</b>		
1 Fair Value of Plan Assets as at April 01, 2015	3.49	3.16
2 Expected Return on Plan Assets	0.33	0.29
3 Contributions	1.24	0.04
4 Benefits Paid	-	-
5 Actuarial Gain / (Loss) on plan assets	(0.01)	(0.00)
6 Fair Value of Plan Assets as at March 31, 2016	5.07	3.49
<b>E Fair Value of Plan Assets</b>		
1 Fair Value of Plan Assets as at April 01, 2015	3.49	3.16
2 Actual Return on Plan Assets	0.33	0.28
3 Contributions	1.24	0.04
4 Benefits Paid	-	-
5 Fair Value of Plan Assets as at March 31, 2016	5.07	3.49
6 Funded Status	0.88	0.28
7 Excess of Actual over estimated return on Plan Assets	(0.01)	(0.00)
<b>F Actuarial Gain / (Loss) Recognized</b>		
1 Actuarial Gain/(Loss) for the year (Obligation)	(0.14)	(0.18)
2 Actuarial Gain /(Loss) for the year (Plan Assets)	(0.01)	(0.00)
3 Total Gain / (Loss) for the year	(0.15)	(0.18)
4 Actuarial Gain / (Loss) recognized for the year	(0.15)	(0.18)
5 Unrecognized Actuarial Gain / (Loss) at March 31, 2016		
<b>G Movements in the Liability recognized in Balance Sheet</b>		
1 Opening Net Liability	(0.28)	(0.98)
2 Expenses recognized in Profit & Loss A/c	0.65	0.73
3 Contribution Paid	(1.24)	(0.04)
4 Closing Net Liability	(0.88)	(0.28)
<b>H Actuarial Assumptions</b>		
1 Mortality	IALM(2006-08)Ult	IALM(2006-08)Ult
2 Discount Rate as at March 31, 2016	7.46%	7.77%
3 Rate of Increase in Compensation	4.00%	4.00%

## NOTE 28

Basic and Diluted Earning Per Share is calculated as under :-

	01.04.2015 to 31.03.2016	01.04.2014 to 31.03.2015
Numerator - Net Profit as per Profit & Loss Account (Amount in Lacs.)	1,100.72	923.80
Denominator – Weighted Average Number of Equity Shares outstanding during the year	4,500,000	4,500,000
Nominal Value of Shares (₹)	10	10
Basic and Diluted Earning Per Share (Amount in ₹)	24.46	20.53

## NOTE 29

Previous year figures have been regrouped and rearranged wherever necessary to conform to the current year presentation.

**Signatures to Notes 1 to 29**

**For and on behalf of the Board of Directors**

**T.S. Krishna Murthy**  
Chairman

**P. S. Reddy**  
Director

**C. D. Khambata**  
Managing Director

**Mohini Kharpude**  
Company Secretary

Place : Mumbai  
Date : April 27, 2016







# CDSL Ventures Limited

... exploring new horizons

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