

# ANNUAL REPORT

2016-2017



CDSL Ventures Limited

... exploring new horizons



# CDSL Ventures Limited

... exploring new horizons



# CDSL VENTURES LIMITED

## Board of Directors

Shri T.S. Krishna Murthy	Chairman
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

M/s 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 Eleventh Annual Report along with Audited Financial Statements of Accounts of your Company for the year ended 31<sup>st</sup> March, 2017.

### Financial Highlights

Particulars	For the Year ended 31st March, 2017 (₹ in lakhs)	For the Year ended 31st March, 2016 (₹ in lakhs)
Income	2968.40	2626.33
Expenditure	598.45	580.49
CSR	13.78	39.03
Profit/ (Loss) before Depreciation and Tax	2341.83	2006.81
Depreciation	7.17	27.39
Profit / (Loss) before Tax	2349.00	1979.42
Deferred Tax/Current Tax	599.37	578.63
Profit/ (Loss) after Tax	1749.63	1400.79
Other comprehensive income (Net of Tax)	(2.05)	(0.10)
Total comprehensive income	1747.58	1400.69

Note: Previous year's figures have been regrouped as per IND AS

During the 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 ₹2428.18 lakhs (₹2098.98 lakhs) and posted the total receipts of ₹2968.40 lakhs (₹2626.33 lakhs) with a profit after tax of ₹1749.63 lakhs (₹1400.79 lakhs) in the previous year. This is mainly due to the multiple use of a Know Your Customer (KYC) record by Mutual Funds as investments in multiple funds by an investor has increased.

### **Business of CVL :**

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 2254 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, 2017 is 1.54 crores. Finance ministry has launched the Central KYC project for the financial sector. All regulators have made the CKYC mandatory.

We are not certain if the KYC project done by CVL as registered entity in the Capital Market will continue. However, we are optimistic that both KRA and CKYC will coexist to give value added services such as in person verification and verifying documents with originals. Meanwhile, your Company has, taken up various new projects which are expected generate additional revenue. The new projects undertaken are:

#### **1. National Academic Depository (NAD) :**

National Academic Depository (NAD) is an initiative of Government of India facilitated by Ministry of Human Resources Department (MHRD) / University Grants Commission (UGC). We are pleased to inform you that your company has been selected by MHRD/UGC to offer services of NAD. Accordingly, we have signed an agreement with MHRD/UGC on November 28, 2016 to facilitate this initiative.

#### **2. Aadhar Authentication and e-KYC Project:**

The government is promoting Aadhar based Authentication and e-KYC, using Aadhar data. Your Company has obtained registration as Authorised User Agency (AUA) & KYC User Agency (KUA) with UIDAI. CVL is providing this facility to various intermediaries and investor advisors. We propose to change all users for the said service. We expect this vertical to bring in revenues and also to create a brand for CDSL group

### **3. C-KYC Processing**

CKYC has been made mandatory by SEBI for the clients on boarded from August 2016. However the intermediaries do not have systems for the processing. Further the requirements of the CKYC system pertaining to preparation of file for upload is complicated and requires technical support Your Company has made a system which the intermediaries, in the financial sector can use.

### **4. Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY)**

The insurance scheme launched under the PMJJBY provides that citizen is eligible for claim only once, even if citizen has multiple policies. In order to eliminate multiple claims by the same entity we have provided a system for registering all claims made under this scheme to life Insurance Companies.

### **5. RTA Activity**

Your Company plans to venture into providing Register and Transfer Agent services to various issuers. Accordingly your company has applied to SEBI for registration as an RTA.

#### **Audit Committee:**

Audit Committee of the Board of Directors has been constituted under the provisions of the companies act 2013 and consists of three members.

#### **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, 2017

**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:**

Shri P. S. Reddy, retires by rotation at the Eleventh Annual General Meeting and offers himself for reappointment. Brief profile of the directors is given in Annexure A

During the year under review Dr. R. N. Nigam resigned with effect from 11<sup>th</sup> July, 2016. The Board has placed on record appreciation of the valuable services rendered by Dr. R. N. Nigam during his tenure as Director of the company.

**Auditors:**

M/s 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 the effect that their appointment would be in accordance with the provisions of Section 139(1) and that they meet 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. Shri Nayan Mehta
3. 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 2016-17 your company was required to spend ₹28 lakhs on CSR activities including balance of ₹1 Lakh of the previous year.

Your company has spent an amount of ₹14 lakhs for part funding of Vocational Training Centre for ADHAR, Badlapur along with CDSL, the holding company in the current financial year.

ADHAR has requested CDSL for construction of one new dormitory for 50 male residents with G.I roof, new multipurpose hall as the existing multipurpose hall is very small and the existing multipurpose hall will be converted to special care unit for 15 female severe & bedridden cases at an estimated construction cost of ₹147.16 Lakhs (exclusive of taxes). Your company will spend the balance amount of ₹14 lakhs towards funding construction of one new dormitory for 50 male residents and new multipurpose hall and converting the existing multipurpose Hall into special care unit for 15 female severely retarded & bedridden inmates.

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

There are no personnel who are drawing remuneration as prescribed under Rule (5) (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, the details of remuneration of Key Managerial Personnel are enclosed to this report as Annexure 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 there are no unresolved complaints.

### **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 Annexure 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 27<sup>th</sup> April, 2016, 29<sup>th</sup> July, 2016, 21<sup>st</sup> October, 2016, and 3<sup>rd</sup> February, 2017, 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, 16 <sup>th</sup> floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mu mbai 400 001				
Meeting date and time	27 <sup>th</sup> April, 2016, 04.45 p.m	29 <sup>th</sup> July, 2016 04.15 p.m.	21 <sup>st</sup> Oct, 2016 02.45 p.m.	3 <sup>rd</sup> Feb, 2017 02.30 p.m.	AGM 1 <sup>st</sup> June, 2016 12.00 noon
Name of the Directors					
Shri T. S. Krishna Murthy	✓	✓	✓	✓	✓
Dr. R. N. Nigam	✓	NA	NA	NA	✓
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, 2017, 21 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 an Ordinary Resolution passed in the 9<sup>th</sup> Annual General Meeting held on 1<sup>st</sup> June, 2016, consented to the Company entering into Related Party Transactions to the extent of ₹186 lakhs during the year 2016-17. In accordance with the Members' consent your company has entered into transactions with related party to the tune of ₹252 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, an Ordinary Resolution has also been proposed in the Notice convening 11<sup>th</sup> Annual General Meeting seeking Members' approval for related party transactions to the extent of ₹284 lakhs to be entered into with related parties during the financial year 2017-18

**Acknowledgement**

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/-

T. S. Krishna Murthy  
Chairman  
DIN 00279767

Place : Mumbai  
Date : 24<sup>th</sup> April, 2017

## **Annexure A**

### **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.

#### **Shri P. S. Reddy**

Mr. P. S. Reddy joined Central Depository Services (India) Limited (CDSL) in November, 2006 as Chief Operating Officer and has been elevated to Managing Director & CEO in April, 2012. Prior to joining our Company, Mr. Reddy was associated with BSE as Chief General Manager of surveillance, inspection and listing. He is also a member of various committees of SEBI including, inter alia, the Secondary Market Advisory Committee and Corporate Bond and Securitization Advisory Committee. He is also a member of the National Council for Capital Markets of Confederation of Indian Industry and the Associated Chambers of Commerce and Industry of India. He completed his bachelors in arts (economics) from Andhra University, Vishakhapatnam and a master's degree in arts (economics) from University of Hyderabad. He has also worked as a research assistant in Gokhale Institute of Politics and Economics, Pune.

**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. Krishnamurthy, Chairman
  - ii. Shri Nayan Mehta
  - iii. 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: ₹1906 lakhs
4. Prescribed CSR expenditure: ₹38 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: ₹28 lakhs
  - b. Amount Unspent: ₹14 lakhs
  - c. The manner in which the amount spent during the financial year is detailed below:



₹in lakhs

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 upto the reporting period	Amount Spent Direct or through implementing agency
1.	Association of Parents of Mentally Retarded Children, Mumbai	Charitable Trust.	Maharashtra	28	14	14	Direct
	Total						

6. Your company spent balance amount of ₹14 lakhs for part funding of Vocational Training Centre for ADHAR, Badlapur along with parent company, CDSL in the financial year 2016-17.

ADHAR has requested CDSL, holding company for construction of one new dormitory for 50 male residents with G.I roof, new multipurpose hall as the existing multipurpose hall is very small and the existing multipurpose hall will be converted to special care unit for 15 female severe & bedridden cases at an estimated construction cost of ₹147.16 Lakhs (exclusive of taxes). Your company will spend balance amount of ₹14 lakhs towards funding construction of one new dormitory for 50 male residents and new multipurpose hall and converting the existing multipurpose Hall into special care unit for 15 female severely retarded & bedridden inmates

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.

Cyrus Khambata  
Managing Director

T .S. Krishna Murthy  
Chairman of the CSR Committee

Place: Mumbai  
Date : 24<sup>th</sup> April, 2017

## Annexure C

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

Name & Qualification	Age in years	Designation	Remuneration received (₹)	Experience (No. of years)	Date of commencement of employment	Last employment & designation
Shri Cyrus Khambata M.Com, LLB, CAIIB	61	Managing Director	83,96,044	40	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.



CVL

## Annexure - D

**I. REGISTRATION AND OTHER DETAILS**

i)	CIN:-	U93090MH2006PLC164885
ii)	Registration Date –	25-09-06
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	17th 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
1.	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>									
(1) Indian									
a) Individual/HUF		6	6	6		6	6	6	0
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	4499993	1	4500000	100	4499993	1	4500000	100	0
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1):-	4499993	7	4500000	100	4499993	7	4500000	100	0
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
a) Any Other....									
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4499993	7	4500000	100	4499993	7	4500000	100	0
<b>B. Public Shareholding</b>									
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):-	0	0	0	0	0	0	0	0	0
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)									
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
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
Grand Total (A+B+C)	4499993	7	4500000	100	4499993	7	4500000	100	0

**(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	4500000	100	0	4500000	100	0	0
<b>Total</b>		<b>4500000</b>	<b>100</b>	<b>0</b>	<b>4500000</b>	<b>100</b>	<b>0</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	4500000	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):				
	<b>At the End of the year</b>	<b>4500000</b>	<b>100</b>	<b>4500000</b>	<b>100</b>

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

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
	For Each of the Top 10 Shareholders				
	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		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
	For Each of the Directors and KMP				
	At the beginning of the year	2	0		
	Date wise Increase / Decrease in Promoters Share holding during the years specifying thereasons 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				
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8073310			8073310
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32400			32400
	(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)	8105710			8105710
	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 T. S. Krishna Murthy	Shri Nayan Mehta	
	3. Independent Directors -Fee for attending board / committee meetings -Commission -Others, please specify	75000			75000
	Total (1)				75000
	4. Other Non-Executive Directors  • Fee for attending board / committee meetings  • Commission • Others, please specify		450000	100000	550000
	Total (2)				550000
	Total (B)=(1+2)				625000
	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
3	Sweat Equity				0
4	Commission - as % of Profit - others, specify...				0
5	Others, please specify		*20834		0
	Total	0	*20834		0

Note:-

# Ceased to be a director w.e.f 11.07.16

\*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, 2017, 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 there under.

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, 2017 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". 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:
- a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016; and such disclosures are in accordance with the books of account maintained by the Company.

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

**A. M. Hariharan**  
**Partner**  
**Membership No : 038323**

**Place: Mumbai**  
**Date : 24<sup>th</sup> April, 2017**



**“Annexure A”**

**ANNEXURE REFERRED TO PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE CDSL VENTURS 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, the Para 3(ii) of the Order are 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/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
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. As the Company is governed by the provisions of Insurance Regulatory and Development Authority of India Act, 1999 the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

**For Lodha & Company**  
**Firm Registration Number:**  
**30501E**  
**Chartered Accountants**  
**A. M. Hariharan**  
**Partner**  
**Membership Number 038323**

**Place: Mumbai**  
**Date: 24<sup>th</sup> April, 2017**



**“Annexure B”**

**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, 2017 in conjunction with our audit of Financial Statements of the Company for the year ended March 31, 2017.

**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, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI

**For Lodha & Company**  
**Firm Registration Number:**  
**30501E**  
**Chartered Accountants**

**A. M. Hariharan**  
**Partner**  
**Membership Number 038323**

**Place: Mumbai**  
**Date: 24<sup>th</sup> April, 2017**



# CDSL VENTURES LIMITED

CIN: U93090MH2006PLC164885

## Balance Sheet as at March 31, 2017

(₹ in Lakh)

	PARTICULARS	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
	a. Property, plant and equipment	5	18.25	4.87	29.36
	b. Other intangible assets	6	2.53	-	8.05
	c. Financial assets				
	i. Investments				
	a. Investment in subsidiaries	7	97.50	97.50	97.50
	b. Other investments	8	5,580.38	2,245.79	2,665.27
	<b>Total Non-Current Assets</b>		<b>5,698.66</b>	<b>2,348.16</b>	<b>2,800.18</b>
<b>2</b>	<b>Current assets</b>				
	a. Financial assets				
	i. Investments	8	2,944.80	4,690.97	2,866.67
	ii. Trade receivables	9	428.85	320.73	313.81
	iii. Cash and cash equivalents	10	16.95	56.23	34.23
	iv. Bank balances other than (iii) above	10	2.00	-	-
	v. Loans	11	0.47	0.79	1.11
	vi. Others	12	58.53	48.67	-
	b. Current tax assets (Net)	13	59.43	60.41	35.82
	c. Other current assets	14	22.71	23.05	25.45
	<b>Total Current Assets</b>		<b>3,533.74</b>	<b>5,200.85</b>	<b>3,277.09</b>
	<b>Total Assets (1+2)</b>		<b>9,232.40</b>	<b>7,549.01</b>	<b>6,077.27</b>
	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Equity</b>				
	a. Equity share capital	15	450.00	450.00	300.00
	b. Other equity	16	8,572.40	6,824.82	5,574.13
	<b>Total Equity</b>		<b>9,022.40</b>	<b>7,274.82</b>	<b>5,874.13</b>
<b>2</b>	<b>LIABILITIES</b>				
	<b>Non-current liabilities</b>				
	Deffered tax Liabilities (Net)	17	84.34	175.34	93.04
	<b>Total Non-Current Liabilities</b>		<b>84.34</b>	<b>175.34</b>	<b>93.04</b>
<b>3</b>	<b>Current liabilities</b>				
	a. Financial liabilities				
	i. Trade payables				
	a. Total outstanding dues of micro enterprises and small enterprises	18	-	-	-
	b. Total outstanding dues of creditors other than micro enterprises and small enterprises	18	60.96	55.66	81.44
	ii. Others	19	6.00	3.00	3.00
	b. Other current liabilities	20	54.09	36.58	23.04
	c. Provisions	21	4.61	3.61	2.61
	<b>Total Current Liabilities</b>		<b>125.66</b>	<b>98.85</b>	<b>110.09</b>
	<b>Total Equity and Liabilities (1+2+3)</b>		<b>9,232.40</b>	<b>7,549.01</b>	<b>6,077.27</b>
	Significant accounting policies	1-3			
	See accompanying notes to the financial statements				

As per our attached report of even date

**For Lodha & Company**  
Chartered Accountants

**A.M. Hariharan**  
Partner  
Membership No. 038323  
Place : Mumbai,  
Date : April 24, 2017

For and on behalf of the Board of Directors

**T. S. Krishna Murthy**  
Chairman  
DIN:00279767

**Mohini Kharpude**  
Company Secretary  
M No. A31814

**C.D. Khambata**  
Managing Director  
DIN: 00553813

## CDSL VENTURES LIMITED

CIN: U93090MH2006PLC164885

Statement of Profit and Loss for the year ended March 31, 2017

(₹ in Lakh)

PARTICULARS		Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
1	Revenue from operations	22	2,428.18	2,098.98
2	Other income	23	540.22	527.35
3	<b>Total income (1+2)</b>		<b>2,968.40</b>	<b>2,626.33</b>
4	<b>Expenses</b>			
	Employee benefits expense	24	205.14	155.88
	Depreciation and amortisation expense	5&6	7.17	27.39
	Admin & Other expenses	25	407.09	463.64
	<b>Total expenses</b>		<b>619.40</b>	<b>646.91</b>
5	<b>Profit before tax (3 -4)</b>		<b>2,349.00</b>	<b>1,979.42</b>
6	<b>Tax expense:</b>	26		
	Current tax		700.00	496.28
	Current tax relating to prior years		(10.71)	-
	Deferred tax		(89.92)	82.35
	<b>Total tax expenses</b>		<b>599.37</b>	<b>578.63</b>
7	<b>Profit for the year (5-6)</b>		<b>1,749.63</b>	<b>1,400.79</b>
8	<b>Other comprehensive income</b>			
	Items that will not be reclassified to profit or loss			
	i. Remeasurements of the defined benefit plans;		(3.13)	(0.15)
	ii. Income tax relating to items that will not be reclassified to profit or loss		1.08	0.05
	<b>Other comprehensive income (net of tax)</b>		<b>(2.05)</b>	<b>(0.10)</b>
9	<b>Total comprehensive Income for the year (7+8)</b>		<b>1,747.58</b>	<b>1,400.69</b>
10	<b>Earnings per equity share(EPS) :</b>			
	Basic and Diluted EPS (₹)		38.88	31.13
	Face value of share (₹)		10	10
	Weighted average number of shares (Nos.)		4,500,000.00	4,500,000.00
	<b>Significant accounting policies</b>	1-3		
	<b>See accompanying notes to the financial statements</b>			

As per our attached report of even date

**For Lodha & Company**  
Chartered Accountants

**A.M. Hariharan**  
Partner  
Membership No. 038323  
Place : Mumbai,  
Date : April 24, 2017

For and on behalf of the Board of Directors

**T. S. Krishna Murthy**  
Chairman  
DIN:00279767

**C.D. Khambata**  
Managing Director  
DIN: 00553813

**Mohini Kharpude**  
Company Secretary  
M No. A31814

## CDSL VENTURES LIMITED

CIN: U93090MH2006PLC164885

### Cash Flow Statement for year ended March 31, 2017

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before Extraordinary Items and Tax (as restated)</b>	<b>2,349.00</b>	<b>1,979.42</b>
<b>Adjustments for</b>		
Depreciation and Amortisation Expenses	7.17	27.39
Provision for Gratuity and Leave encashment	4.00	-
Loss / (Profit) on Sale of Investments (Net)	(202.00)	0.13
Interest Income	(93.10)	(61.19)
Dividend Income	(76.63)	(40.16)
Actuarial Liability Recognized	(3.13)	(0.15)
Fair Value Changes	(161.81)	(387.86)
Provision for Diminution in Value of Long Term Investment		
Provision for Diminution in Value of Current Investment		
Provision for Doubtful Trade Receivables and Bad Debts written off	1.50	1.71
Provision for Compensated Absences		
<b>Operating profit before working capital changes (as restated)</b>	<b>1,825.00</b>	<b>1,519.29</b>
<b>Movements in Working Capital</b>		
(Increase) / Decrease in Trade Receivables	(109.62)	(8.65)
(Increase) / Decrease in Loans and Advances	0.32	0.32
(Increase) / Decrease in Other Assets	0.34	2.40
Increase / (Decrease) in Trade Payables	5.30	(25.78)
Increase / (Decrease) in Other Liabilities	17.51	14.54
<b>Cash Generated from / (used in) Operations</b>	<b>1,738.85</b>	<b>1,502.13</b>
Direct taxes paid (net of refunds)	(688.31)	(520.84)
<b>Net Cash from / (used in) Operating Activities</b>	<b>1,050.54</b>	<b>981.29</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Fixed Assets</b>		
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(23.08)	(0.10)
Proceeds from sale of fixed assets	-	5.25
Net Decrease / (Increase) in investment	(1,224.61)	(1,017.12)
Net Decrease / (Increase) in Fixed Deposits with Banks	(2.00)	-
Interest Received	83.24	12.52
Dividend Received	76.63	40.16
<b>Net Cash generated from / (used in) Investing Activities</b>	<b>(1,089.82)</b>	<b>(959.29)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
	-	-



**CDSL VENTURES LIMITED**  
**CIN: U93090MH2006PLC164885**  
**Cash Flow Statement for year ended March 31, 2017**

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Net Cash from / (used in) Financing Activities	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(39.28)	22.00
Cash and Cash Equivalents at the beginning of the year	56.23	34.23
Add : Bank Balance transferred under scheme of arrangement (refer		
Cash and Cash Equivalents at the end of the year	16.95	56.23
Cash and cash equivalents at the end of the year comprises (Refer note 19)		
i) Cash on Hand	0.08	0.14
ii) Cheques in Hand	-	30.73
ii) Balances with Banks-Current Accounts	16.87	25.36

**See accompanying notes to the financial statements**

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".
2. Previous years' audited figures have been regrouped wherever necessary.

As per our attached report of even date

For and on behalf of the Board of Directors

**For Lodha & Company**  
Chartered Accountants

**A.M. Hariharan**  
Partner  
Membership No. 038323  
Place : Mumbai,  
Date : April 24, 2017

**T. S. Krishna Murthy**  
Chairman  
DIN:00279767

**Mohini Kharpude**  
Company Secretary  
M No. A31814

**C.D. Khambata**  
Managing Director  
DIN: 00553813



## CDSL VENTURES LIMITED

CIN: U93090MH2006PLC164885

Statement of Changes in Equity for the year ended March 31, 2017

(₹ in Lakh)

A. Equity Share Capital	Amount
Balance as at April 1, 2015	300.00
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2016</b>	<b>300.00</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2017</b>	<b>300.00</b>

### B. Other Equity

(₹ in Lakh)

Particulars	Reserve and surplus		Total
	Securities Premium	Retained Earnings	
Balance as at March 31, 2015	1,800.00	3,425.97	5,225.97
<b>Ind AS Adjustments</b>			
Effect of measuring investments in mutual fund units at fair value through profit or loss	-	450.17	450.17
Deferred tax on Ind AS adjustments	-	(102.01)	(102.01)
<b>Effect of Ind AS adjustment</b>	-	<b>348.16</b>	<b>348.16</b>
<b>Balance as at April 1, 2015 as per Ind AS</b>	<b>1,800.00</b>	<b>3,774.13</b>	<b>5,574.13</b>
Profit for the year	-	1,400.79	1,400.79
Other comprehensive income for the year	-	(0.10)	(0.10)
Less: Bonus share issued during the year	(150.00)	-	(150.00)
<b>Balance at March 31, 2016 as per Ind AS</b>	<b>1,650.00</b>	<b>5,174.82</b>	<b>6,824.82</b>
Profit for the year	-	1,749.63	1,749.63
Other comprehensive income for the year	-	(2.05)	(2.05)
<b>Balance at March 31, 2017 as per Ind AS</b>	<b>1,650.00</b>	<b>6,922.40</b>	<b>8,572.40</b>

### See accompanying notes to 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

#### A.M. Hariharan

Partner

Membership No. 038323

Place : Mumbai,

Date : April 24, 2017

#### T. S. Krishna Murthy

Chairman

DIN:00279767

#### Mohini Kharpude

Company Secretary

M No. A31814

#### C.D. Khambata

Managing Director

DIN: 00553813



## **CDSL VENTURES LIMITED**

**CIN: U93090MH2006PLC164885**

**Notes forming part of the Financial Statements for the year ended 31st March, 2017**

### **1. Corporate Information**

CDSL Ventures Limited (“CVL” or “the Company”) is a wholly owned subsidiary of Central Depository Services (India) Limited, incorporated on 25th 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.

### **2. Significant Accounting Policies:**

#### **a) Statement of compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous year numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS of Shareholders’ equity as at March 31, 2016, March 31, 2017 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2017.

#### **b) Basis of preparation**

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### **c) Functional and presentation currency**

The financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

**d) Use of Estimates:**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the years presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future years are affected.

**e) Property, plant & equipments**

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and impairment loss, if any.

**f) Intangible assets**

Intangible assets purchased are measured at cost as of the date of acquisition less accumulated amortisation and accumulated impairment, if any.

Intangible assets are amortised on a straight line basis.

Intangible assets consist of computer software.

**g) 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

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.

#### **h) Employee 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) **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 12 months 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.

Actuarial gains/losses at the end of the year accrued to the defined benefit plans are taken to Other Comprehensive Income for the respective financial year .

#### **i) Current tax and deferred tax**

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

other applicable tax laws. Deferred tax is recognised using balance sheet approach. The deferred tax for timing differences between the book and tax profits for the year is accrued for, using the tax rates and laws those have been substantively enacted as of the balance sheet date. Deferred tax assets arising from differences are recognised to the extent that there is reasonable certainty that these would be realised in future.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

#### **j) Foreign Currency Translation**

The functional currency of CDSL Ventures Limiteds Indian rupees

All foreign currency transactions are recorded at exchange rate prevailing on the date of the transaction. All foreign currency current assets/liabilities are translated at the rates prevailing on the date of the Balance Sheet. Foreign exchange rate difference arising on settlement/conversion is recognized in the Statement of Profit and Loss.

#### **k) 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.

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.

#### **l) Provisions and Contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the 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. Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognized nor disclosed in the financial statements.

#### **m) Cash and cash equivalents (for the purpose of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short - term balances (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 changes in value.

#### **n) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **o) Earnings per share**

Basic earnings per share are computed by dividing the profit for the year by the weighted average number of equity shares outstanding during the year.

#### **p) Current / Non- current classification**

The company present assets and liabilities to be classified as either Current or Non - current.

**Assets:** An asset is classified as current when it satisfies any of the following criteria:

1. it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
2. it is held primarily for the purpose of being traded;
3. it is expected to be realised within twelve months after the balance sheet date; or
4. it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the balance sheet date
5. All other assets are classified as non - current.

**Liabilities** A liability is classified as current when it satisfies any of the following criteria:

1. it is expected to be settled in, the entity's normal operating cycle;
2. it is held primarily for the purpose of being traded; it is due to be settled within twelve months after the balance sheet date; or
3. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.
4. All other liabilities are classified as non-current.

#### **q) Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### **r) New standards and interpretations not yet adopted**

##### **Ind AS 115 Revenue from Contracts with Customers:**

Ind AS 115, Revenue from Contracts with Customers was initially notified under the Companies (Indian Accounting Standards) Rules, 2015.

The standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced

disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions- and retrospectively adjust each comparative year. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The standard has been currently deferred. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

### s) Segment Reporting

The Company is engaged in the business of providing common KYC for investor in the Capital Market and the operations are carried out within India and hence there is no separate reportable segment as per Indian Accounting Standard 108 on "Operating Segment" prescribed in Companies (Accounting Standards) Rules, 2015.

## 3) EXPLANATION OF TRANSITION TO Ind AS

The transition as at April 1, 2015 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

### Exemptions from retrospective application:

#### Deemed Cost

The Company has elected to measure an item of property, plant and equipment, intangible assets and investment properties at the date of transition to Ind ASs at its fair value and use that fair value as its deemed cost at that date.

#### Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (transition date).

#### Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existing as of transition date.

## Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and April 1, 2015 is as follows:

(₹in Lakhs)

Particulars	Carrying Value		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>i) Financial assets</b>			
<b>a) Amortised Cost</b>			
Investment in debt instruments	-	-	-
Trade receivable	428.85	320.73	313.81
Cash and cash equivalents	16.95	56.23	34.23
Bank balances other cash and cash equivalents	2.00	-	-
Loans	0.47	0.79	1.11
Other financial assets	58.53	48.67	-
<b>Total</b>	<b>506.80</b>	<b>426.42</b>	<b>349.15</b>
<b>b) FVTPL</b>			
Investment in equity instruments	97.50	97.50	97.50
Investment in mutual funds	8,525.17	6,936.76	5,531.94
<b>Total</b>	<b>8,622.67</b>	<b>7,034.26</b>	<b>5,629.44</b>
<b>c) At Cost</b>			
Investment in subsidiaries, joint ventures and associates	-	-	-
<b>ii) Financial liabilities</b>			
<b>a) Amortised Cost</b>			
Trade payables	60.96	55.66	81.44
Other financial liabilities	6.00	3.00	3.00
<b>Total</b>	<b>66.96</b>	<b>58.66</b>	<b>84.44</b>

The management assessed that fair value of cash and short - term deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short - term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(a) The fair value of the quoted bonds and mutual fund are based on price quotations at reporting date. The fair value of unquoted instruments and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

(b) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

### **Fair value hierarchy**

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

### **A) Financial Instruments General**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **Financial Assets**

Under Indian GAAP, Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

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

As per IndAS company has classified and measured Financial Assets (Investment in Mutual Funds, Non- Convertible Debentures, Bonds) into following:

- i. **Amortized cost** if both of the following conditions are met:
  - a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
  - b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- ii. **fair value through other comprehensive income** if both of the following conditions are met:
  - a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
  - b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Assets under this category are measured at fair value and gains and losses arising out of such measurement are carried through other comprehensive income

- iii. **fair value through profit or loss** if asset is not classified at amortized cost or fair value through other comprehensive income

Assets under this category are measured at fair value and gains and losses arising out of such measurement are carried through transitional reserve in opening balance sheet

The company has tested its investment in subsidiaries for impairment in accordance with Ind AS 36 at the date of transition to Ind AS. No impairment was deemed necessary at 1<sup>st</sup> April 2015.

### Financial Liabilities

Financial liabilities are classified as subsequently measured at amortised cost, except for

- i. Financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

### B) Property, Plant and Equipment

The company has elected as carrying value for all Property, Plant and Equipment measured as per the Indian GAAP, to be used as deemed cost on the date of transition.

### C) Depreciation of property, plant and equipment

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	Assessed useful life
Building	60	10
Computer Hardware/software	3	2
Office Equipment	5	3-5
Furniture and Fixtures	10	5
Vehicles	8	4

No change has been made in IndAS opening balance sheet, since depreciation provided by the Company is requirement of statute.

### D) Provisions

Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. The discount rate(s) should not reflect risks for which future cash flow estimates have been adjusted. Ind AS 37 also provides that where discounting is used, the carrying amount of a provision increases in

each period to reflect the passage of time. This increase is recognized as borrowing cost. However the Company has determined that time value of money is not material in respect of provisions made hence those are presented undiscounted.

#### **E) Deferred Tax**

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has not resulted in recognition of deferred tax on any new temporary differences, since company follows same policy as required by Ind AS.

In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

#### **F) Other Comprehensive Income**

Under Indian GAAP, the Company hadnot presented other comprehensive income (OCI) separately. Ind AS profit or loss is reconciled to total comprehensive income as per Ind AS in statement of changes in equity.

#### **H) Statement of Cash Flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash Flows.

#### **Financial risk management**

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short - term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

#### **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

## Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The demographics of the customer, including the default risk of the industry in which the customer operates, also has an influence on credit risk assessment.

Company provides the stock exchange services to its listed customers and registered members (who have provide the collaterals and other securities for trading done on its platform), hence company operates with large number of customers portfolio and its revenue is not concentrated on small number of customers.

None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2017. None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2016.

## Investments

The Company limits its exposure to credit risk by making investment as per the investment policy. Further investment committee of company review the investment portfolio on monthly basis and recommend or provide suggestion to the management. The company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

## Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

## Foreign Currency risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars and euros). Company's revenues insignificant portion are in these foreign currencies, while a significant portion of its costs are in Indian rupees.

As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Due to lesser quantum of revenue and expenses from foreign currencies company is not much exposed to foreign currency risk.

### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term / short-term investment with floating interest rates.

Interest rate risk primarily arises from floating rate investment. The Company's investments in floating rate are primarily short-term, which do not expose it to significant interest rate risk.

### **Market risk**

The Company's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of financial assets traded, the number of listed securities, the number of new listings and subsequent issuances, liquidity and similar factors, as a significant portion of our revenue depends, either directly or indirectly, on trading, listing, clearing and settlement transaction-based fees.

The Company's financial condition and results of operations are also dependent upon the success of our clearing, settlement and other issuer services, which, in turn, are directly dependent on the liquidity and financial strength of our customers, namely financial intermediaries such as brokers, and their respective clients.

### **Investment price risk**

The Company is mainly exposed to the investment price risk due to its investment in mutual funds and exchange traded investments. The price risk arises due to uncertainties about the future market values of these investments.

In order to manage its price risk arising from above, the Company diversifies its portfolio in accordance with the limits set by the risk management policies. Further, the treasury department reviews the investments made in order to ensure compliance with its investment policy for the exposure and credit category of its mutual fund portfolios.

### **Regulatory risk**

The Company requires a number of regulatory approvals, licenses, registrations and permissions to operate our business, including at a corporate level as well as at the level of each of its components. For example, the Company has licenses from SEBI in relation to, among others, introducing derivatives contracts on various indices of the exchange, introduction of futures and options contracts on various indices of the exchange, setting up an SME platform and trading in government securities. Some of these approvals are required to be renewed from time to time. The Company operations are subject to continued review and the governing regulations may change. The Company regulatory team constantly monitors the compliance with these rules and regulations.

## Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

(₹in Lakhs)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Total equity attributable to the equity shareholders of the company	9,022.40	7,274.82	5,874.13
<b>As percentage of total capital</b>			
Current borrowings	-	-	-
Non-current borrowings	-	-	-
Total borrowings	-	-	-
As percentage of total capital	-	-	-
Total Capital (borrowings and equity)	9,022.40	7,274.82	5,874.13

#### 4. Reconciliations between Previous GAAP and Ind AS Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016 and April 1, 2015

(₹ in Lakh)

PARTICULARS	Note No.	As at March 31, 2016 (End of last period presented under previous GAAP)			As at April 1, 2015 (Date of transition)		
		Previous GAAP	Effect of Ind AS Transition	AS per Ind AS Balance Sheet	Previous GAAP	Effect of Ind AS Transition	AS per Ind AS Balance Sheet
<b>ASSETS</b>							
<b>1 Non-current assets</b>							
a. Property, plant and equipment		4.87	-	4.87	29.36	-	29.36
b. Other intangible assets		-	-	-	8.05	-	8.05
c. Financial assets							
i. Investments							
a. Investment in subsidiaries		97.50	-	97.50	97.50	-	97.50
b. Other investments	i	2,100.77	145.02	2,245.79	2,377.36	287.91	2,665.27
d. Deferred tax assets (net)	ii	14.56	(14.56)	-	8.97	(8.97)	-
<b>Total Non-Current Assets</b>		<b>2,217.70</b>	<b>130.46</b>	<b>2,348.16</b>	<b>2,521.24</b>	<b>278.94</b>	<b>2,800.18</b>
<b>2 Current assets</b>							
a. Financial assets							
i. Investments	iii	3,997.96	693.01	4,690.97	2,704.40	162.27	2,866.67
ii. Trade receivables		320.73	-	320.73	313.81	-	313.81
iii. Cash and cash equivalents		56.23	-	56.23	34.23	-	34.23
iv. Bank balances other than (iii) above		-	-	-	-	-	-
v. Loans	iv	84.25	(83.46)	0.79	62.38	(61.27)	1.11
vi. Other financial assets	v	-	48.67	48.67	-	-	-
b. Current Tax Assets (Net)	iv	-	60.41	60.41	-	35.82	35.82
c. Other current assets	iv & v	48.67	(25.62)	23.05	-	25.45	25.45
<b>Total Current Assets</b>		<b>4,507.84</b>	<b>693.01</b>	<b>5,200.85</b>	<b>3,114.82</b>	<b>162.27</b>	<b>3,277.09</b>
<b>Total Assets (1+2)</b>		<b>6,725.54</b>	<b>823.47</b>	<b>7,549.01</b>	<b>5,636.06</b>	<b>441.21</b>	<b>6,077.27</b>
<b>EQUITY AND LIABILITIES</b>							
<b>1 Equity</b>							
a. Equity share capital		450.00	-	450.00	300.00	-	300.00
b. Other equity	vi	6,176.69	648.13	6,824.82	5,225.97	348.16	5,574.13
<b>Total</b>		<b>6,626.69</b>	<b>648.13</b>	<b>7,274.82</b>	<b>5,525.97</b>	<b>348.16</b>	<b>5,874.13</b>
<b>LIABILITIES</b>							
<b>2 Non-current liabilities</b>							
a. Deferred tax liabilities (Net)	ii	-	175.34	175.34	-	93.04	93.04
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>175.34</b>	<b>175.34</b>	<b>-</b>	<b>93.04</b>	<b>93.04</b>
<b>3 Current liabilities</b>							
a. Financial liabilities							
i. Trade payables							
a. Total outstanding dues of micro enterprises and small enterprises		55.66	-	55.66	81.44	-	81.44
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-	-
ii. Other financial liabilities	vii	-	3.00	3.00	-	3.00	3.00
b. Other current liabilities	vii	14.05	22.53	36.58	6.60	16.44	23.04
c. Provisions	vii	29.14	(25.53)	3.61	22.06	(19.45)	2.61
<b>Total Current Liabilities</b>		<b>98.85</b>	<b>-</b>	<b>98.85</b>	<b>110.10</b>	<b>(0.01)</b>	<b>110.09</b>
<b>Total Equity and Liabilities (1+2+3)</b>		<b>6,725.54</b>	<b>823.47</b>	<b>7,549.01</b>	<b>5,636.06</b>	<b>441.21</b>	<b>6,077.27</b>

#### Note to Effect of IND AS adoption on condensed balance sheet.

- Current investments have been stated at market value.
- Deferred tax adjustment due to increase in value of investments.
- Non Current investments have been stated at market value.
- Non financial assets have been reclassified as other current assets.
- Advance tax has been reclassified as current tax assets
- Net effect due to increase In investment and deferred tax on same.
- Provision has been reclassified as deposit & other current liabilities as per company policy.



CVL

**4.1 Equity reconciliations as at March 31, 2016 and April 1, 2015**

(₹ in Lakh)

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
<b>As reported under Previous GAAP</b>		<b>6,176.69</b>	<b>5,225.97</b>
Effect of measuring investments in mutual fund units at fair value through profit or loss	a	838.03	450.17
Deferred tax on Ind AS adjustments	b	(189.90)	(102.01)
<b>Equity under Ind AS</b>		<b>6,824.82</b>	<b>5,574.13</b>

**4.2 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2016.**

PARTICULARS	Note No.	For the year ended March 31, 2016 (End of last period presented under previous GAAP)		
		Previous GAAP	Effect of Ind AS Transition	AS per Ind AS Balance Sheet
1 Revenue from operations		2,098.98	-	2,098.98
2 Other income		139.49	387.86	527.35
3 <b>Total revenue (1+2)</b>		<b>2,238.47</b>	<b>387.86</b>	<b>2,626.33</b>
4 <b>Expenses</b>				
Employee benefits expense		156.03	(0.15)	155.88
Depreciation and amortisation expense		27.39	-	27.39
Other expenses		463.64	-	463.64
<b>Total expenses</b>		<b>647.06</b>	<b>(0.15)</b>	<b>646.91</b>
5 <b>Profit before tax (3-4)</b>		<b>1,591.41</b>	<b>388.01</b>	<b>1,979.42</b>
6 <b>Tax expense:</b>				
Current tax		496.28	-	496.28
Deferred tax		(5.59)	87.94	82.35
<b>Total tax expenses</b>		<b>490.69</b>	<b>87.94</b>	<b>578.63</b>
7 <b>Profit for the year (5-6)</b>		<b>1,100.72</b>	<b>300.07</b>	<b>1,400.79</b>
8 <b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
i. Remeasurements of the defined benefit plans;		-	(0.15)	(0.15)
ii. Income tax relating to items that will not be reclassified to profit or loss		-	0.05	0.05
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>(0.20)</b>	<b>(0.10)</b>
9 <b>Total Comprehensive Income for the year (7+8)</b>	4.3	<b>1,100.72</b>	<b>299.87</b>	<b>1,400.69</b>

**4.3 Total Comprehensive Income reconciliation for the year ended March 31, 2016**

(₹ in Lakh)

Particulars	Notes	For the year ended March 31, 2016
<b>Net Profit after tax as reported under previous GAAP</b>		1,100.72
Effect of measuring investments at Fair Value through profit or loss	a	387.86
Deferred taxes adjustments	b	(87.89)
Remeasurement of defined benefit plans recognised in Other Comprehensive Income	c	0.10
<b>Net Profit for the year as per Ind AS</b>		<b>1,400.79</b>
Other Comprehensive Income	c	(0.10)
<b>Total Comprehensive Income for the year as per Ind AS</b>		<b>1,400.69</b>

**4.4 Effect of Ind AS adoption on the Condensed Statement of Cash Flows for the year ended March 31, 2016**

(₹ in Lakh)

Particulars	For the year ended March 31, 2016
Net cash flows from operating activities	981.29
Net cash flows from investing activities	(959.29)
Net cash flows from financing activities	-
<b>Net increase (decrease) in the cash and cash equivalents</b>	<b>22.00</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>34.23</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>56.23</b>

**Notes to Reconciliations**

- a Under previous GAAP, Non interest bearing Non-current investments and current investments in debt instruments were measured at cost less diminution in value under Ind AS, these financial assets have been classified at FVTPL on the date of transition to Ind AS. The fair value changes are recognised in profit or loss and credited to respective earmarked liabilities for investment earmarked against them. On transitioning to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per previous GAAP. The corresponding deferred taxes have also been recognised as at March 31, 2016 and as at April 1, 2015. The effect of this change is an increase in total equity as at March 31, 2016 of Rs. 838.03 lakh (Rs. 450.17 lakh as at April 1, 2015), increase in profit before tax of Rs. 387.86 lakh.
- b Under previous GAAP, deferred taxes are computed for the timing differences in respect of recognition of items of profit or loss for the purpose of financial reporting and for income taxes. Under Ind AS, deferred taxes are computed for the temporary differences between carrying amount of an asset or liability in the statement of financial position and its tax base. On the date of transition, deferred taxes have been calculated as per the approach defined as per Ind AS on financial position as per Ind AS and accordingly difference has been accounted and statement of financial position, profit and loss account and other comprehensive income. The effect of this change is an increase in total equity as at March 31, 2016 of Rs. 189.90 (Rs 102.01 as at April 1, 2015), and decrease in profit after tax Rs 87.89 for the year ended March 31, 2016.
- c Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement 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 profit or loss. The actuarial gains / (loss) for the year ended March 31, 2016 were Rs. (0.15) lakh and the tax effect thereon Rs. 0.05 lakh. This change does not affect total equity, but there is an increase in profit before tax of Rs. 0.10 lakh for the year ended March 31, 2016.

## 5. Property, plant and equipment

(₹ in Lakh)

Particulars	Computer Hardware	Furniture and fixtures	Office equipments	Total
<b>Cost or deemed cost</b>				
Balance as at April 1, 2015	29.13	0.07	0.16	29.36
Additions during the year ended March 31, 2016	-	-	0.10	0.10
Deductions / adjustments	-	-	-	-
<b>Balance as at March 31, 2016</b>	<b>29.13</b>	<b>0.07</b>	<b>0.26</b>	<b>29.46</b>
Balance as at April 1, 2016	29.13	0.07	0.26	29.46
Additions during the year	20.19	-	-	20.19
Deductions / adjustments	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>49.32</b>	<b>0.07</b>	<b>0.26</b>	<b>49.65</b>

Particulars	Computer Hardware	Furniture and fixtures	Office equipments	Total
<b>Accumulated depreciation and impairment</b>				
Balance as at April 1, 2015	-	-	-	-
Depreciation for the year ended March 31, 2016	24.42	0.07	0.10	24.59
Deductions / Adjustments	-	-	-	-
<b>Balance as at March 31, 2016</b>	<b>24.42</b>	<b>0.07</b>	<b>0.10</b>	<b>24.59</b>
Balance as at April 1, 2016	24.42	0.07	0.10	24.59
Depreciation for the year	6.73	-	0.08	6.81
Deductions / Adjustments	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>31.15</b>	<b>0.07</b>	<b>0.18</b>	<b>31.40</b>

Particulars	Computer Hardware	Furniture and fixtures	Office equipments	Total
<b>Net Book Value</b>				
As at March 31, 2017	18.17	-	0.08	18.25
As at March 31, 2016	4.71	-	0.16	4.87
As at April 1, 2015	29.13	0.07	0.16	29.36

## 6. Other intangible assets

(₹ in Lakh)

Particulars	Software	Total
<b>Cost or deemed cost</b>		
Balance as at April 1, 2015	8.05	8.05
Additions during the year ended March 31, 2016	-	-
Deductions / adjustments	7.86	7.86
<b>Balance as at March 31, 2016</b>	<b>0.19</b>	<b>0.19</b>
Balance as at April 1, 2016	0.19	0.19
Additions during the year	2.89	2.89
Deductions / adjustments	-	-
<b>Balance as at March 31, 2017</b>	<b>3.08</b>	<b>3.08</b>

Particulars	Software	Total
<b>Accumulated depreciation and amortisation</b>		
Balance as at April 1, 2015	-	-
Amortisation for the year ended March 31, 2016	2.80	2.80
Deductions / Adjustments	2.61	2.61
<b>Balance as at March 31, 2016</b>	<b>0.19</b>	<b>0.19</b>
Balance as at April 1, 2016	0.19	0.19
Amortisation for the year	0.36	0.36
Deductions / Adjustments	-	-
<b>Balance as at March 31, 2017</b>	<b>0.55</b>	<b>0.55</b>

Particulars	Software	Total
<b>Net Book Value</b>		
As at March 31, 2017	2.53	2.53
As at March 31, 2016	-	-
As at April 1, 2015	8.05	8.05

## 7. Investment in Subsidiaries

(₹ in Lakh)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Units	Amount	Units	Amount	Units	Amount
<b>Un-quoted Investments (all fully paid)</b>						
Investment in Equity Instruments						
- CDSL Insurance Repository Limited (Fully paid up)	15,299,994	97.50	15,299,994	97.50	15,299,994	97.50
<b>Total aggregate un-quoted Investments</b>		<b>97.50</b>		<b>97.50</b>		<b>97.50</b>
<b>Aggregate carrying value of un-quoted investments</b>		<b>97.50</b>		<b>97.50</b>		<b>97.50</b>
<b>Aggregate amount of impairment in value of investments in subsidiaries</b>		<b>-</b>		<b>-</b>		<b>-</b>

## 8. Other Investments

(₹ in Lakh)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Units	Amount	Units	Amount	Units	Amount
<b>Non-current Investments</b>						
<b>Quoted Investments</b>						
<b>Investments in Debentures and Bonds measured at amortised cost</b>						
<b>Owned</b>						
- Bonds and Non-Convertible Debentures		1,300.69		1,300.77		-
		1,300.69		1,300.77		-
<b>Investments in Mutual Funds measured at FVTPL</b>						
<b>Owned</b>						
- Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)		4,279.69		945.02		2,665.27
		4,279.69		945.02		2,665.27
<b>Total Non-current Investments</b>		<b>5,580.38</b>		<b>2,245.79</b>		<b>2,665.27</b>
Aggregate amount of quoted investments		5,580.38		2,245.79		2,665.27
Market value of quoted investments		5,580.38		2,245.79		2,665.27

(₹ in Lakh)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Amount		Amount		Amount
<b>Current Investments</b>						
<b>Unquoted Investments</b>						
<b>Owned Fund</b>						
- Investment in other Mutual Fund		1,470.25		729.60		1,013.40
		1,470.25		729.60		1,013.40
<b>Quoted Investments</b>						
<b>Investments in Mutual Funds measured at FVTPL</b>						
<b>Own Funds</b>						
- Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)		1,474.55		3,961.37		1,853.27
		1,474.55		3,961.37		1,853.27
<b>Total Current Investments</b>		<b>2,944.80</b>		<b>4,690.97</b>		<b>2,866.67</b>
Aggregate amount of quoted investments		1,474.55		3,961.37		1,853.27
Market value of quoted investments		1,474.55		3,961.37		1,853.27
Aggregate amount of unquoted investments		1,470.25		729.60		1,013.40
Aggregate amount of impairment in value of investments		-		-		-



		As at March 31, 2017 (₹) In Lakh	As at March 31, 2016 (₹) In Lakh	As at March 31, 2015 (₹) In Lakh
<b>Current investments</b>				
<b>Investment in units of mutual funds</b>				
d)	(Non Trade, Quoted and fully paid up)			
Quoted	Birla Fixed Term Plan Series HL - Direct - Gr	-	326.63	-
Quoted	Birla Fixed Term Plan Series JY - Direct - Gr	2,562,575	427.80	-
Quoted	Birla Fixed Term Plan Series KI - Direct - Gr	3,544,730	675.29	-
Quoted	Birla Fixed Term Plan Series KQ - Direct - Gr	5,630,000	601.27	-
Quoted	Reliance Fixed Horizon Fund Sr 15-Direct Plan - Growth	3,000,000	382.25	-
Quoted	Reliance Yearly Interval Fund Sr 2,367 days	3,995,528	528.06	485.27
Quoted	Reliance Yearly Interval Fund-Sr-5-Direct Plan - Growth	3,257,927	421.20	388.85
Quoted	Reliance Yearly Interval Fund Sr 4 - Direct Plan - Growth	4,567,712	598.87	551.35
Quoted	Reliance Fixed Horizon Fund XXXV Sr 26 - Direct Plan - Growth	4,000,000	-	-
Quoted	Reliance Fixed Horizon Fund XXXVI Sr 31 - Direct Plan - Growth	4,000,000	-	427.80
		<b>1,474.55</b>	<b>3,961.37</b>	<b>1,853.27</b>
<b>Investment in units of mutual funds</b>				
e)	(Non Trade, Unquoted & Fully Paid up)			
Unquoted	Birla Sunlife Cash Plus Direct Plan DD	-	-	515.09
Unquoted	Birla Sunlife Savings Fund Direct Plan DD	-	-	498.31
Unquoted	Birla Sunlife Savings Fund-Direct-DDR	38.98	-	-
Unquoted	Kotak Floater Short Term- Direct Plan - DDR	221.29	729.60	-
Unquoted	Reliance Floating Rate Fund_Short Term Plan Direct Growth	1,209.98	-	-
		<b>1,470.25</b>	<b>729.60</b>	<b>1,013.40</b>
<b>Diminution in the value of investments</b>				
f)		-	-	-
	<b>Total of current investments (d+e+f)</b>	<b>2,944.80</b>	<b>4,690.97</b>	<b>2,866.67</b>
	<b>Total investments</b>	<b>8,622.68</b>	<b>7,034.26</b>	<b>5,629.44</b>
<b>Particulars</b>				
	Aggregate book value of quoted investments	6,605.20	5,369.13	4,068.36
	Aggregate market value of quoted investments	7,054.93	6,207.16	4,518.54
	Aggregate book value of unquoted investments	1,562.28	827.10	1,110.94

## 9. Trade Receivables

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A. Outstanding (for a period exceeding six months from the date due for payment)			
Secured, considered good	-	-	-
Unsecured, considered good	5.12	3.62	2.21
Unsecured, considered doubtful	-	-	-
Less: Provision for doubtful debts	(5.12)	(3.62)	(2.21)
<b>Total (A)</b>	<b>-</b>	<b>-</b>	<b>-</b>
B. Others			
Secured, considered good	-	-	-
Unsecured, considered good	428.85	320.73	313.81
Unsecured, considered doubtful	-	-	-
Less: Provision for doubtful debts	-	-	-
<b>Total (B)</b>	<b>428.85</b>	<b>320.73</b>	<b>313.81</b>
<b>Total (A+B)</b>	<b>428.85</b>	<b>320.73</b>	<b>313.81</b>

1. Trade receivables are dues in respect of services rendered in the normal course of business.  
 2. The Normal credit period allowed by the company ranges from 0 to 25 days.

## 10. Cash and cash equivalents

For the purpose of statement of cashflows, cash and cash equivalents includes cash on hand, and in banks, cash and cash equivalents at

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
(a) Cash on hand	0.08	0.14	0.05
(b) Cheques, drafts on hand	-	30.73	-
<b>Balance with Banks</b>			
<b>Owned fund</b>			
- In Current Accounts	16.87	25.36	34.18
<b>Total</b>	<b>16.95</b>	<b>56.23</b>	<b>34.23</b>
<b>Bank Balance other than above</b>			
<b>Balance with Banks</b>			
<b>Owned fund</b>			
- In Deposit Accounts	2.00	-	-
<b>Total</b>	<b>2.00</b>	<b>-</b>	<b>-</b>

**11. Loans**

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
Unsecured, considered good	0.47	0.79	1.11
<b>Total</b>	<b>0.47</b>	<b>0.79</b>	<b>1.11</b>

**12. Other Financial assets**

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
(a) Accrued Interest			
Owned			
- On Bank Deposits	0.11	-	-
- On Bonds	58.42	48.67	-
<b>Total</b>	<b>58.53</b>	<b>48.67</b>	<b>-</b>

**13. Current tax assets**

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance Tax	59.43	60.41	35.82
<b>Total</b>	<b>59.43</b>	<b>60.41</b>	<b>35.82</b>

**14. Other current assets**

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Prepaid Expenses	0.86	1.15	9.38
CENVAT Credit Receivable	19.22	21.90	16.07
Advance to Creditors	2.63	-	-
<b>Total</b>	<b>22.71</b>	<b>23.05</b>	<b>25.45</b>



CVL

## 15. Equity Share Capital

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Equity Share Capital</b>			
<b>Authorised share capital:</b>			
Equity Shares of ₹ 10/- each with voting rights	500.00	500.00	500.00
<b>Issued share capital:</b>			
Equity Shares of ₹ 10/- each with voting rights	450.00	450.00	300.00
<b>Subscribed and Paid-up share capital</b> (4500000 equity shares as at March 31, 2016) equity shares of ₹ 10/- each fully paid-up.	450.00	450.00	300.00
<b>Total</b>	<b>450.00</b>	<b>450.00</b>	<b>300.00</b>

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
No. of shares at the beginning of the year	4,500,000	3,000,000	3,000,000
Additions during the year	-	1,500,000	-
No. of shares at the end of the year	<b>4,500,000</b>	<b>4,500,000</b>	<b>3,000,000</b>

### 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

### Shares held by Holding Company and its subsidiaries

Name of the Shareholders	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	(₹) In Lakhs	No. of Shares	(₹) In Lakhs
Central Depository Services (India) Limited, Holding Company and its nominees	4,500,000	450.00	4,500,000	450.00

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

Particular	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	(₹) In Lakhs	No. of Shares	(₹) In Lakhs
At the beginning of the year	4,500,000	450.00	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	4,500,000	450.00
Bonus Shares issued within a period of 5 years immediately preceeding 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	-	-	1,500,000	150.00

## 16. Other equity

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Securities premium	1,650.00	1,650.00	1,800.00
Retained earnings	6,922.40	5,174.82	3,774.13
<b>Total</b>	<b>8,572.40</b>	<b>6,824.82</b>	<b>5,574.13</b>

### 16.1 Securities premium

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance	1,650.00	1,800.00
Less: bonus shares issued during the year	-	(150.00)
<b>Closing balance</b>	<b>1,650.00</b>	<b>1,650.00</b>

### 16.2 Retained earnings

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance	5,174.82	3,774.13
Total Comprehensive Income during the year	1,747.58	1,400.69
<b>Amount available for appropriation</b>	<b>6,922.40</b>	<b>5,174.82</b>

## 17. Deferred tax balances

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax assets	19.93	14.61	8.97
Deferred tax liabilities	104.27	189.95	102.01
<b>TOTAL</b>	<b>(84.34)</b>	<b>(175.34)</b>	<b>(93.04)</b>

**Deferred tax (liabilities) / assets in relation to:**

(₹ in Lakh)

Particulars	Opening balance as at April 1, 2015	Recognised in Profit and loss for year ended March 31, 2016	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2016	Recognised in Profit and loss for period ended March 31, 2017	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2017
<b>1. Deferred tax Assets</b>							
Provision for compensated absences, gratuity and other employee benefits	8.41	2.93	-	11.34	6.91	-	18.25
On difference between book balance and tax balance of fixed assets	0.56	2.66	-	3.22	(2.67)	-	0.55
On Actuarial Valuation	-	-	0.05	0.05	-	1.08	1.13
<b>Total</b>	<b>8.97</b>	<b>5.59</b>	<b>0.05</b>	<b>14.61</b>	<b>4.24</b>	<b>1.08</b>	<b>19.93</b>
<b>2. Deferred Tax Liabilities</b>							
On Changes in Fair Value of Investment	102.01	87.89	-	189.90	(86.76)	-	103.14
On Actuarial Valuation	-	0.05	-	0.05	1.08	-	1.13
<b>Total Liabilities</b>	<b>102.01</b>	<b>87.94</b>	<b>-</b>	<b>189.95</b>	<b>(85.68)</b>	<b>-</b>	<b>104.27</b>
<b>Net Asset/ (Liabilities)</b>	<b>(93.04)</b>	<b>(82.35)</b>	<b>0.05</b>	<b>(175.34)</b>	<b>89.92</b>	<b>1.08</b>	<b>(84.34)</b>



CVL

### 18. Trade Payables

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
(i) Payable to Holding Company	-	-	28.12
(ii) Other trade payables	60.96	55.66	53.32
<b>Total</b>	<b>60.96</b>	<b>55.66</b>	<b>81.44</b>

**Note:**

1. As at March 31, 2017, 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

### 19. Other financial liabilities

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
Other deposits	3.00	3.00	3.00
Others	3.00	-	-
<b>Total</b>	<b>6.00</b>	<b>3.00</b>	<b>3.00</b>

### 20. Other Current Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance from Customers	3.63	1.88	1.47
Statutory Remittances	10.46	9.17	2.13
Accrued Employee benefit Expense	40.00	25.53	19.44
<b>TOTAL</b>	<b>54.09</b>	<b>36.58</b>	<b>23.04</b>

### 21. Provisions

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(a) Provision for employee benefits</b>			
Compensated absences	4.61	3.61	2.61
<b>TOTAL</b>	<b>4.61</b>	<b>3.61</b>	<b>2.61</b>

## 22. Revenue from operations

(₹ in Lakh)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Sale of services (Refer Note (i) below)	2,428.18	2,098.98
<b>Total</b>	<b>2,428.18</b>	<b>2,098.98</b>
<b>Notes</b>		
(i) Sale of services comprise :		
On Line Data Charges	1,872.98	1,536.53
Documents Storage Charges	533.54	536.77
Inter KRA charges	9.97	23.31
E-KYC/C-KYC	11.87	-
Miscellaneous Charges	(0.18)	2.37
<b>Total - Sale of services</b>	<b>2,428.18</b>	<b>2,098.98</b>

## 23. Other income

(₹ in Lakh)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>a) Interest income earned on financial assets that are not designated as at fair value through profit or loss</b>		
Bank deposits (at amortised cost)	0.12	-
Investments in debt instruments (at amortised cost)	92.98	61.19
<b>b) Dividend income</b>		
<b>Dividends from investment in Mutual Funds (designated at cost or at FVTPL)</b>		
Dividend income from others	76.63	40.16
<b>c) Other gains or losses:</b>		
Net gain / (loss) on Sale of Investments through FVTPL	202.00	(0.13)
Net gains / (loss) arising on financial assets measured at FVTPL	161.81	387.86
<b>d) Other non-operating income</b>		
Miscellaneous income	6.68	38.27
<b>TOTAL</b>	<b>540.22</b>	<b>527.35</b>



CVL

**24. Employee benefits expense**

(₹ in Lakh)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, allowances and bonus	114.26	75.71
Contribution to provident and other Funds	5.00	3.61
Staff welfare expenses	2.01	2.08
Reimbursement of Salaries to staff on deputation from Holding Company	83.87	74.48
<b>TOTAL</b>	<b>205.14</b>	<b>155.88</b>

**25. Administration and other expenses**

(₹ in Lakh)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Point Of Service (POS) charges**	228.55	251.09
Communication, telephone & Courier Charges	21.63	24.34
Insurance expenses	0.25	0.27
Rent	22.97	22.97
Rates & Taxes	2.97	1.40
Legal & Professional charges	14.51	14.82
Auditors' Remuneration:( net of service tax )		-
-Audit Fees/ Tax Audit Fees	1.50	1.50
-Tax Audit Fees	-	-
-Out of Pocket Expenses	0.27	0.34
Directors Sitting fees	6.25	9.75
Travelling & Conveyance	0.56	0.12
SEBI fees	2.70	1.00
Computer Maintenance Charges	12.77	35.39
Printing & Stationery	2.81	1.15
Business Development charges	-	1.04
Repairs & Maintenance	-	-
Administrative expenses	30.00	30.00
Provision for doubtful debts	1.50	1.41
Bad Debts Written Off	-	0.30
Miscellaneous Expenses	21.16	27.66
Contribution towards Corporate Social Responsibility	13.78	39.03
Expenses for NAD	22.83	-
Amortization Exp on Bonds / Debentures	0.08	0.06
<b>TOTAL</b>	<b>407.09</b>	<b>463.64</b>

**26. Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016:-**

(Amount in ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	25,000	94	25,094
(+) Permitted receipts	-	19,331	19,331
(-) Permitted payments	-	10,113	10,113
(-) Amount deposited in Banks	25,000	-	25,000
Closing cash in hand as on 30.12.2016	-	9,312	9,312

Above disclosure is pursuant to Notification GSR 308 (E) dated 3003-2017 issued by Ministry of Corporate Affairs, Government of India.

## 27. Related Party Disclosures:

<b>(a) List of related parties and their relationship:</b>			
<b>(i)</b>	<b>Entity where control exists</b>		
	BSE Limited Ultimate Holding Company		
	Central Depository Services (India) Limited Holding Company		
<b>(ii)</b>	<b>Fellow subsidiaries</b>		
	CDSL Insurance Repository Limited		
	Marketplace Technologies Pvt Ltd		
<b>(iii)</b>	<b>Joint Venture / Associates of Ultimate Holding Company</b>		
	BOI Shareholding Limited (upto 11/01/2016)		
<b>(iv)</b>	<b>Key Managerial Personnel:</b>		
	Shri C.D. Khambata-Managing Director		
<b>(b) Transactions during the year:</b>			
		<b>01.04.2016 to 31.03.2017</b>	<b>01.04.2015 to 31.03.2016</b>
		(₹) In Lakh	(₹) In Lakh
	<b>BSE Limited</b>		
	Expenses for Director Sitting Fees & Identity cards	1.18	1.74
	Income for KRA Charges	0.22	-
	<b>Central Depository Services (India) Limited:</b>		
	Reimbursement made for rent, administrative expenses & staff on deputation etc (Net of Income received)	152.35	139.74
	<b>Central Insurance Repository Limited:</b>		
	Reimbursement of Professional expenses	-	-
	<b>Marketplace Technologies Pvt Ltd</b>		
	Expenses for Software Maintenance & License for Software	3.78	5.81
	<b>BOI Shareholding Limited (upto 11/01/2016)</b>		
	Income for KRA Charges	-	0.52
	<b>Managerial remuneration :</b>		
	Shri C.D.Khambata-Managing Director	83.64	74.28

(c) **Closing Balances**

	As at 31.03.2017	As at 31.03.2016
	( ₹ ) In Lakh	( ₹ ) In Lakh
BSE Limited		
Amount Payable/ (Receivable)		
<b>Central Depository Services (India) Limited:</b>	(0.02)	-
Amount Payable/ (Receivable)		
<b>Marketplace Technologies Pvt Ltd</b>	-	-
Amount Payable/ (Receivable)		
<b>BOI Shareholding Limited (upto 11/01/2016)</b>	-	0.32
Amount Payable/ (Receivable)		

**Notes:**

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

**28. Earnings per share (EPS)**

Reconciliation of number of equity shares used in the computation of basic and diluted earnings per share is set out below:

Particulars	For theyear ended	
	March 31, 2017	March 31,2016
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS	45,00,000	45,00,000
Effect of dilutive equity shares outstanding during the year	-	-
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of dilutive EPS	45,00,000	45,00,000
Face Value per Share	10/- Each	10/- Each
Profit after tax before exceptional items (net of tax )	1,749.63	1,400.79
Profit after tax after exceptional items	1,749.63	1,400.79
Basic and Diluted EPS before exceptional items (net of Tax)	38.88	31.13
Basic and Diluted EPS after exceptional items	38.88	31.13

## 29. Contingent liabilities

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
	(₹) In Lakh	(₹) In Lakh
Claims against the company not acknowledged as debt in respect of :		
i) Income tax matters	Nil	Nil
ii) Service tax matters	Nil	Nil

Commitments :	As at March 31, 2017	As at March 31, 2016
	(₹) In Lakh	(₹) In Lakh
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	-	-
Intangible assets	-	-
(b) Other commitments	3.89	4.16
<b>Expenditure in foreign currency :</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
	(₹) In Lakh	(₹) In Lakh
Travelling Expenses	-	-
Others	3.13	-

### Notes:

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

30. The Company has determined the liability for Employee Benefits as at March 31, 2017 in accordance with IND AS19 on “Employee Benefits”.

a) Defined benefit plans -Gratuity–As per Actuarial Valuation on March 31, 2017

(₹ in Lakhs)

Valuation Result as at	31-Mar-17	31-Mar-16
<b>Changes in present value of obligations</b>		
PVO at beginning of year	4.19	3.21
Interest cost	0.30	0.25
Current Service Cost	0.73	0.59
Past Service Cost-(non vested benefits)	-	-
Past Service Cost-(vested benefits)	-	-
Benefits Paid	(0.32)	-
Transfer in	-	-
Transfer out	-	-
Contributions by plan participants	-	-
Business Combinations	-	-
Curtailments	-	-
Settlements	-	-
Actuarial (Gain)/Loss on obligation	2.76	0.14
PVO at end of year	7.66	4.19
<b>Interest Expenses</b>		
Interest cost	0.30	0.25
<b>Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning	5.07	3.49
Interest Income	0.37	0.27
<b>Net Liability</b>		
PVO at beginning of year	4.19	3.21
Fair Value of the Assets at beginning report	5.07	3.49
Net Liability	(0.88)	(0.28)

<b>Net Interest</b>		
Interest Expenses	0.30	0.25
Interest Income	0.37	0.27
Net Interest	(0.07)	(0.02)
<b>Actual return on plan assets</b>	-	0.33
Less Interest income included above	0.37	0.27
Return on plan assets excluding interest income	(0.37)	0.06
<b>Actuarial (Gain)/loss on obligation</b>		
Due to Demographic Assumption	1.74	-
Due to Financial Assumption	0.19	0.15
Due to Experience	0.84	-
Total Actuarial (Gain)/Loss	2.76	0.14
<b>Fair Value of Plan Assets</b>		
Opening Fair Value of Plan Asset	5.07	3.49
Adjustment to Opening Fair Value of Plan Asset	0.52	-
Return on Plan Assets excl. interest income	(0.37)	0.06
Interest Income	0.37	0.27
Contributions by Employer	-	1.24
Contributions by Employee	-	-
Benefits Paid	(0.32)	-
Fair Value of Plan Assets at end	5.27	5.07
<b>Past Service Cost Recognised</b>		
	-	-
Past Service Cost-(non vested benefits)	-	-
Past Service Cost-(vested benefits)	-	-
Average remaining future service till vesting of the benefit	-	-
Recognised Past service Cost-non vested benefits	-	-
Recognised Past service Cost -vested benefits	-	-

Unrecognised Past Service Cost- non vested benefits	-	-
<b>Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</b>		
PVO at end of year	7.66	4.19
Fair Value of Plan Assets at end of year	5.27	5.07
Funded Status	(2.38)	0.88
Net Asset/(Liability) recognized in the balance sheet	(2.38)	0.88
<b>Expense recognized in the statement of P &amp; L A/C</b>		
Current Service Cost	0.73	0.59
Net Interest	(0.07)	(0.02)
Past Service Cost- (non vested benefits)	-	-
Past Service Cost-(vested benefits)	-	-
Curtailement Effect	-	-
Settlement Effect	-	-
Expense recognized in the statement of P & L A/C	0.66	0.57
<b>Other Comprehensive Income (OCI)</b>		
Actuarial (Gain)/Loss recognized for theyear	2.76	0.14
Asset limit effect	-	-
Return on Plan Assets excluding net interest	0.37	(0.06)
Unrecognized Actuarial (Gain)/Loss from previous year	-	-
Total Actuarial (Gain)/Loss recognized in (OCI)	3.13	0.08
<b>Movements in the Liability recognized in Balance Sheet</b>		
Opening Net Liability	(0.88)	(0.28)
Adjustment to opening balance	(0.52)	-
Expenses as above	0.66	0.57
Trasnfer in	-	-
Trasnfer out	-	-



CVL

Contribution paid	-	(1.24)
Other Comprehensive Income(OCI)	3.13	0.08
Closing Net Liability	2.38	(0.88)
<b>Schedule III of The Companies Act 2013</b>		
Current Liability	2.86	0.09
Non-Current Liability	4.80	4.10
<b>Projected Service Cos@0 Sep 2017</b>		
<b>Asset Information</b>		
	<b>Target Allocation</b>	<b>Target Amount</b>
Cash and Cash Equivalents		
Gratuity Fund (LIC)	100%	5.27
Debt Security - Government Bond		
Equity Securities - Corporate debt securities		
Other Insurance contracts		
Property		
Total Itemized Assets	100%	5.27
<b>Assumptions as at</b>		
	31-Mar-17	31-Mar-16
Mortality		
Interest / Discount Rate	6.69%	7.46%
Rate of increase in compensation	4.00%	4.00%
Annual increase in healthcare costs		
Future Changes in maximum state healthcare benefits		
Expected average remaining service	3.77	21.80
Employee Attrition Rate(Past Service (PS) )	PS: 0 to 42 : 19.5%	PS: 0 to 40 : 0.5%

### Sensitivity Analysis

	DR : Discount Rate		ER : Salary Escalation Rate	
	PVO DR+1%	PVO DR-1%	PVO ER+1%	PVO ER-1%
PVO	7.41	7.91	7.89	7.43

### Expected Payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten Years
PVO payouts	2.86	3.19	4.15	4.98	5.69	8.96

### Asset Liability Comparisons

Year	31-03-2013	31-03-2014	31-03-2015	31-03-2016	31-12-2016
PVO at end of year	1.79	2.19	3.21	4.19	7.66
Plan assets	2.38	3.16	3.49	5.07	5.27
Surplus/ (Deficit)	0.59	0.97	0.28	0.88	(2.38)
Experience adjustments on plan assets	(0.04)	(0.02)	-	(0.01)	(0.37)

b) Gratuity is administered through Group Gratuity Scheme with Life Insurance Corporation of India. The LIC raises demand for annual contribution for gratuity amount based on its own computation without providing entire details as required by the IND AS 19. Hence the company obtains separate actuarial valuation report as required under IND AS 19 from an independent Actuary. The maximum amount as per these two valuation reports is recognized as liability in the books of accounts. The expected return on plan assets is based on market expectation at the beginning of the year, for the returns over the entire life of the related obligations.

**31. Previous year's figures have been regrouped wherever necessary.**

**T.S. Krishna Murthy**  
Chairman  
DIN: 00279767

**C.D Khambata**  
Managing Director  
DIN: 00553813

**Mohini Kharpude**  
Company Secretary  
M No. A31814

Place: Mumbai  
Date: April 24, 2017







# CDSL Ventures Limited

... exploring new horizons



# CDSL Ventures Limited

... exploring new horizons

17 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

Phone : 91-22-2272 3333, Fax : 91-22-2272 3199 / 2272 2072

[www.cvindia.com](http://www.cvindia.com)