

Financial Highlights of CDSL Ventures Limited since inception (As on 31st March)											(C) In Lacs	
P & L account	2007	2008	2009	2010	2011	2012	2013	2014	2015			
Income from Operations	0.00	216.31	338.66	308.66	891.42	1798.48	1539.66	1349.90	1949.50			
Other Income	0.81	0.35	0.41	19.75	6.52	42.58	276.20	279.37	55.49			
Total Income	0.81	216.66	339.07	328.41	897.94	1841.06	1815.86	1629.27	2004.99			
Total Expenditure	116.69	304.37	404.79	208.94	533.27	661.23	734.11	597.71	616.18			
PBDIT	-91.82	78.11	56.78	131.28	378.15	1227.29	1157.67	1087.87	1420.32			
Profit Before Tax	-115.88	-87.71	-65.72	119.47	364.67	1179.83	1081.75	1031.56	1388.81			
Provision for Taxation	0.00	0.03	0.05	0.00	59.97	398.18	288.11	259.44	465.01			
Profit After Tax	-115.88	-87.74	-65.77	119.47	304.70	781.65	793.64	772.12	923.80			
Share capital	100.00	100.00	100.00	100.00	100.00	300.00	300.00	300.00	300.00			
Reserves & Surplus	-115.88	-203.62	-269.39	-149.94	154.76	2736.42	3530.05	4302.17	5225.97			
Net worth	-15.88	-103.62	-169.39	-49.94	254.76	3036.42	3830.05	4602.17	5525.97			
Earning Per Share (Rs)	-11.59	-8.77	-6.58	11.95	30.47	49.02	26.45	25.74	30.79			
Book Value Per Share (Rs)	-1.59	-10.36	-16.94	-4.99	25.48	101.21	127.67	153.41	184.20			
Return on Net Worth (%)	-	-	-	-	119.60%	25.74%	20.72%	16.78%	16.72%			

## CDSL VENTURES LIMITED

### Board of Directors

Shri N. Rangachary	Chairman
Dr. R. N. Nigam	Director
Shri P. S. Reddy	Director
Shri Nayan Mehta	Director [Appointed on 19 <sup>th</sup> March, 2015]
Smt. Nayana Ovalekar	Director
Shri Cyrus Khambata	Managing Director

### Management

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

### Auditors

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

### Bankers

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

### Registered Office

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

## Directors' Report

Your Directors are pleased to present the Ninth Annual Report along with Audited Financial Statements of Accounts of your Company for the year ended 31<sup>st</sup> March, 2015.

### Financial Highlights

Particulars	Year ended 31 <sup>st</sup> March, 2015 (Rs. in lakhs)	Year ended 31 <sup>st</sup> March, 2014 (Rs. in lakhs)
Income	2004.99	1629.27
Expenditure	584.67	541.40
Profit/ (Loss) before Depreciation and Taxation	1420.32	1087.87
Depreciation	31.51	56.31
Profit / (Loss) before Tax	1388.81	1031.56
Provision for MAT / Tax	460.00	270.00
Deferred Tax	5.01	(10.56)
Profit/ (Loss) after Tax	923.80	772.12
Balance from previous year	2502.17	1730.05
Balance carried forward to Balance Sheet	3425.97	2502.17

In the current financial year, the total income of the company has substantially increased compared to the previous year. Your company has achieved an all-time high operational income of ` 1949.50 lakhs and posted the total receipts of ` 2004.99 lakhs with a profit after tax of ` 923.80 lakhs as against ` 1629.27 lakhs and ` 772.12 lakhs respectively in the previous year. This is mainly due to the multiple use of a KYC record by MFs as investments in multiple funds by an investor has increased.

### Know Your Client (KYC) Project:

The KYC Project is the first venture of the company and it relates to Centralized Record Keeping of KYC documents of Capital Market investors. The Company had registered 1822 intermediaries and verification of KYC documents from investors takes place through their 18000 plus branches spread across 246 cities. The net no. of KYC records held as on 31<sup>st</sup> March, 2015 is 1.31 crores.

### Future Outlook:

The Indian Capital market has been docile for the last few years. The Retail client participation which had almost dried up has started picking up this year. The mutual funds have witnessed inflow of new investors but this has not been noticed in the equity market. With the rise in

investors' interest in the capital market the number of KYCs created and used have increased substantially. This has resulted in the highest recorded operation income of ` 20.05 crore and the highest operational profit before tax of ` 13.89 crore.

### Audit Committee:

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

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

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

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

### Dividend:

Keeping in view the need to fund capital expenditure for IT infrastructure of the company through internal accruals, especially in relation to new projects that may be undertaken, your directors do not recommend any dividend for the year ended 31st March, 2015.

### 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 Ninth Annual General Meeting and offer himself for reappointment. During the year under review Shri V. Balasubramaniam resigned with effect from 5th March, 2015 and Shri Nayan Mehta was appointed as an additional director and will hold office till commencement of the Ninth Annual General Meeting. Brief profile of the director is Given in Annex A

The Board has placed on record appreciation of the valuable services rendered by Shri V. Balasubramaniam during his tenure as director of the company.

### Auditors:

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

### Conservation of Energy, Technology Absorption:

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

### Details of foreign exchange earnings and outgo:

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

### Corporate Social Responsibility:

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

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

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

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

For the financial year 2013-14 your company was required to spend ` 21.96 lakhs on CSR activities. However, your company contributed ` 5 lakhs, to Swachh Bharat Fund for Swachh Bharat Abhiyan undertaken by the Government of India as a CSR activity. The balance amount ` 16.96 lakhs alongwith contributions for the year 2015-16 will be spent on CSR activities.

For the financial year 2015 – 16, your company has identified a registered Charitable Trust viz. Association of Parents of Mentally Retarded Children, Mumbai named as ADHAR for the CSR activity. ADHAR offers a lifetime shelter and vocational training to the Mentally Challenged adults. Currently they have 200 differently abled Children (145 males and 55 females) aged between 18 yrs to 75 years under their care at ADHAR in Badlapur and 51 male at their Nashik Site. Your Company along with CDSL, parent company, has decided to fund their current needs viz. generator set of 40 KVA, 36 Seater Bus and for construction of New Building of Vocational Training Centre and Administrative office. Accordingly the Board, on recommendation of CSR committee, had approved an amount of ` 40.30 lakhs towards the ADHAR Project. The report on CSR activities as required under companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annex B.

### Directors' Responsibility Statement:

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations relating to material departure, if any, have been provided;
- ii) accounting policies have been selected and applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going-concern basis;
- v) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Particulars of Employees:

Information as required under Rule (5) (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, is enclosed to this report as Annex C.

### Report by Internal Complaints Committee

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

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

### Extract of Annual Return:-

The Extract of Annual Return pursuant to Section 92 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2013 in the prescribed Form MGT-9 is hereby attached with this Report in Annex C 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, the Board met four times i.e. on 2nd May, 2014, 21st July, 2014, 10th October, 2014, and 20th January, 2015, Details of attendance of the Directors at the Board meetings and the last Annual General Meeting are given hereunder:

Sr. No.	Date & Time of Meetings	Venue of the meetings	Names of Directors present	Names of Directors to whom Leave of absence was granted
1	2nd May, 2014, 11.00 a.m.	16th Floor, P.J.Towers, Dalal Street, Mumbai 400 001.	Shri N. Rangachary Dr. R. N. Nigam Shri P. S. Reddy Smt. Nayana Ovalekar Shri Cyrus Khambata	Shri V. Balasubramaniam
2	21st July, 2014, 11.00 a.m.	16th Floor, P.J.Towers Dalal Street, Mumbai 400 001.	Shri P. S. Reddy Shri N. Rangachary Dr. R. N. Nigam Shri P. S. Reddy Shri V. Balasubramaniam Shri Cyrus Khambata Smt. Nayana Ovalekar	-
3	10th October, 2014 11.30 a.m.	16th Floor, P.J.Towers, Dalal Street, Mumbai 400 001.	Shri N. Rangachary Dr. R. N. Nigam Shri P. S. Reddy Smt. Nayana Ovalekar Shri V. Balasubramaniam Shri Cyrus Khambata	-
4	20th January, 2015 4.30 p.m.	16th Floor, P.J.Towers, Dalal Street, Mumbai 400 001.	Shri N. Rangachary Dr. R. N. Nigam Shri P. S. Reddy Smt. Nayana Ovalekar Shri V. Balasubramaniam Shri Cyrus Khambata	-

### Human Resources:

Your Company has as on 31<sup>st</sup> March, 2015 two employees on deputation from CDSL and the rest of the employees are on its payroll to manage the operations. They are well versed in their respective areas. Industrial relations during the year remained cordial.

### Related Party Transactions:

The Members of the Company have, vide Special Resolution passed in the 8<sup>th</sup> Annual General Meeting held on 5<sup>th</sup> June, 2014, consented to the Company entering into Related Party Transactions to the extent of ` 3 crores during the year 2014-15. In accordance with the Members' consent your company has entered into transactions with related party within the

aforesaid limit. All such transactions were in the ordinary course of business and on an arm's length basis. Although the provisions of Section 188 of the Companies Act, 2013 are not attracted, your company had sought Members' approval for all related party transactions as a measure of good corporate governance. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. Similarly, a Special Resolution has also been proposed in the Notice convening 9<sup>th</sup> Annual General Meeting seeking Members' approval for related party transactions to the extent of ₹ 175 lakhs to be entered into with related parties during the financial year 2015-16.

### 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/-  
N. Rangachary  
Chairman  
DIN 00054437

Place : Mumbai

Date : 24<sup>th</sup> April, 2015

## 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 CDSL, Mr. Reddy worked in Bombay Stock Exchange Limited (BSE) for about eighteen years looking after various functions such as Listing, Surveillance, Inspection, Investor Relations, General Administration, Security, HRD, etc. Mr. Reddy is a Post Graduate in Economics from Central University of Hyderabad and has worked as a Research Assistant in Gokhale Institute of Politics & Economics, Pune before joining BSE Ltd. in 1988.

### Shri Nayan Mehta

Mr. Nayan Mehta is the Chief Financial Officer of BSE Ltd. He has extensive experience of over 23 years in financial and securities market, especially in Exchange and its ecosystem businesses. Prior to joining BSE Ltd., Mr. Nayan Mehta has worked with National Stock Exchange of India Ltd. (NSE), Multi Commodity Exchange of India Ltd. (MCX) and Credit Analysis & Research Ltd. (CARE Ratings).

He was instrumental in setting up accounting and investment processes and controls at NSE. As Chief Financial Officer of the MCX, in addition to overseeing finance, treasury and taxation, he handled various strategic issues relating to eco-system ventures of its group companies.

Mr. Nayan Mehta is a member of Executive Management Committee and other committees of BSE Ltd. He is also a Director and a member in various committee of BSE's subsidiaries and associate companies.

He is also a Member of the Qualified Audit Review Committee of Securities & Exchange Board of India (SEBI). He is a member of the Executive Board of South Asian Federation of Exchanges (SAFE). He is also a member of the Committee on Financial Markets and Investors' Protection of the Institute of Chartered Accountants of India (ICAI).

Mr. Nayan Mehta is a Chartered Accountant and a Cost & Management Accountant by qualification.

### 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 at its meeting held on 21st July, 2014 consisting of following members:
  - i. Shri N. Rangachary, chairman
  - ii. Dr. R. N. Nigam (Independent Director)
  - iii. Shri Nayan Mehta
  - iv. Shri P. S. Reddy

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

3. The average of the Net Profit of the company for last three financial years: ` 10.98 crores.
4. Prescribed CSR expenditure: ` 21.96 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: ` 21.96 lakhs
  - b. Amount Unspent: ` 16.96 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 up to the reporting period	Amount Spent Direct or through implementing agency
1.	Swachh Bharat Kosh	Fund Set up by Central Government	-	5	5	5	5
	Total			5	5	5	5

6. Since company could not identify any suitable projects during the year, company could not spend ` 21.96 lakhs. However, the company has decided the aforesaid amount of ` 21.96 lakhs on CSR project that will be undertaken in the year 2015-16. Your company has already identified a registered Charitable Trust viz Association of Parents of Mentally Retarded Children, Mumbai named as ADHAR which offers a lifetime shelter and vocational training to the Mentally Challenged adults for the CSR activity.

Your Company along with CDSL, parent company, has decided to fund their current needs viz. generator set of 40 KVA, 36 Seater Bus and for construction of New Building of

Vocational Training Centre and Administrative office. Accordingly the Board, on recommendation of CSR committee, has approved an amount of ₹ 40.31 lakhs towards the ADHAR Project.

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

Sd/-

Cyrus Khambata  
Managing Director

Sd/-

N. Rangachary  
Chairman of the CSR Committee

Place: Mumbai

Date : 24<sup>th</sup> April, 2015

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 and SEBI

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	59	Managing Director	66,76,602	38	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 executives is not relative of any Directors of the company.

## MGT 9 EXTRACT OF ANNUAL RETURN

## I. REGISTRATION AND OTHER DETAILS

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
	Central Depository Services (India) Limited 17th 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 shareholding

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 shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF		7	7	-		7	7	-	0
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	2999993	0	2999993	100	2999993	0	2999993	100	0
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1):-	2999993	7	3000000	100	2999993	7	3000000	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)	2999993	7	3000000	100	2999993	7	3000000	100	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total PublicShareholding									
(B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2999993	7	3000000	100	2999993	7	3000000	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	3000000	100	0	3000000	100	0	0
	<b>Total</b>	<b>3000000</b>	<b>100</b>	<b>0</b>	<b>3000000</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	3000000	100	3000000	100
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):				
	At the End of the year	3000000	100	3000000	100

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year ( or on the date of separation, if separated during the year)	0	0	0	0

(v) Shareholding of Directors and Key Managerial Personnel:

Sr No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3	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):	1	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 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
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
Net Change	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			
1	Gross salary	6644202			6644202
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32400			32400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-			-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-			-
2	Stock Option	-			-
3	Sweat Equity	-			-
4	Commission	-			-
	- as % of profit	-			-
	- others, specify...	-			-
5	Others, please specify				
	Total (A)	6676602			6676602
	Ceiling as per the Act	5% of net profit of the company			

### B. Remuneration to other directors:

Sr. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Dr. R. N. Nigam	Shri N. Rangachary	Shri V. Balasubramaniam	
	3. Independent Directors-Fee for attending board / committee meetings				
	-Commission				
	-Others, please specify	190000			190000
	Total (1)				190000
	4. Other Non-Executive Directors				
	• Fee for attending board / committee meetings				
	• Commission				
	• Others, please specify		370000	75000	445000
	Total (2)				445000
	Total (B)=(1+2)				635000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0		0	
2	Stock Option	0		0	
3	Sweat Equity	0		0	
4	Commission- as % of Profit- others, specify...	0		0	
5	Others, please specify	0	17076*	0	
	Total	0	17076*	0	

Note:- \*Deputation allowance paid.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding/ fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFIERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CDSL VENTURES LIMITED

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of CDSL Ventures Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) In case of the Statement of Affairs, of the state of affairs of the Company as at 31st March, 2015;
- (b) In case of the Statement of Profit and Loss, of the Profit of the company for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to other matter to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - I. The Company does not have any pending litigation which would impact its financial position.

- II. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- III. There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

For Lodha & Co.

Chartered Accountants

Firm's Registration Number : 301051 E

A M Hariharan

(Partner)

Membership Number: 38323

Place : Mumbai

Date : 24<sup>th</sup> April, 2015

## ANNEXURE REFERRED TO IN AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015 OF CDSL VENTURES LIMITED

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

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) The Company has carried out physical verification of all its fixed assets during the year. In our opinion, the frequency of verification is reasonable considering the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
c) No substantial part of the fixed assets has been disposed off during the year
2. The company does not have any inventory. Therefore, the provisions of clause 4(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 or other parties covered in the register maintained under section 189 of the Companies Act.
4. There is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of fixed assets. The company has neither purchased any inventory nor sold any goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
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. In our opinion, the company's activities, the central government has not prescribed maintenance of cost records under section 148(1) of the Companies Act.
7. a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and 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) There are no dues of Income Tax, Sales Tax, Service tax, Wealth Tax, Cess which have not been deposited on account of any dispute except income tax demand of Rs 38.95 Lacs for assessment year 2010-11 and company's appeal before CIT (Appeals), Mumbai. As explained, in view of company's rectification application filed consequent to ITAT order in favour of the Company, there will be no demand for this assessment year.  
c) There is no amount required to be transferred to investor education and protection fund in accordance with relevant provisions of the Companies Act and rules made thereunder.

8. The Company has no accumulated losses as at 31st March, 2015 and it has not incurred any cash losses in the Current year ended and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to any financial institution or bank or debenture holders.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
11. The Company has not taken any Term loan during the year.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For LODHA & COMPANY

Chartered Accountants

Firm Registration No: 301051E

A.M. Hariharan

Partner

Membership No: 38323

Place : Mumbai

Dated : 24<sup>th</sup> April, 2015



**CDSL VENTURES LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2015**

Particulars	Note No.	As at 31st March 2015 ( ) In Lacs	As at 31st March 2014 ( ) In Lacs
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	2	300.00	300.00
(b) Reserves and Surplus	3	5,225.97	4,302.17
(2) Non-Current Liabilities			
Long Term Provisions	4	1.61	1.06
(3) Current Liabilities			
(a) Trade Payables	5	81.44	68.22
(b) Other Current Liabilities	6	6.60	11.13
(c) Short-Term Provisions	7	20.44	17.90
	<b>Total</b>	<b>5,636.06</b>	<b>4,700.48</b>
<b>II. ASSETS</b>			
(1) Non-Current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		29.36	24.41
(ii) Intangible Assets		8.05	7.52
(b) Non Current Investments	9	2,474.86	195.00
(c) Deferred Tax Assets (Net)	11	8.97	13.98
(2) Current Assets			
(a) Current Investments	10	2,704.40	4,056.47
(b) Trade Receivables	12	313.81	285.78
(c) Cash & Cash Equivalents	13	34.23	15.77
(d) Short-term Loans and Advances	14	62.38	101.55
	<b>Total</b>	<b>5,636.06</b>	<b>4,700.48</b>
Significant Accounting Policies	1		
Other notes accompanying the financial Statements	19-28		
The accompanying notes are an integral part of the financial statements.			

As per our attached report of even date

For and on behalf of the Board of Directors

For Lodha & Company  
Chartered Accountants

N Rangachary  
Chairman

C. D. Khambata  
Managing Director

A. M. Hariharan  
Partner

P. S. Reddy  
Director

Mohini Kharpude  
Company Secretary

Place : Mumbai,  
Date : 24th April, 2015

**CDSL VENTURES LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2015**

Particulars	Note No.	01st April 2014 to 31st March 2015 ( ) In Lacs	01st April 2013 to 31st March 2014 ( ) In Lacs
<b>I. EQUITY AND LIABILITIES</b>			
I. Revenue from operations	15	1,949.50	1,349.90
II. Other Income	16	55.49	279.37
<b>III. Total Revenue (I +II)</b>		<b>2,004.99</b>	<b>1,629.27</b>
<b>IV. Expenses:</b>			
Employee benefit expenses	17	134.73	114.74
Depreciation and amortization expenses	8	31.51	56.31
Other operating & administrative expenses	18	449.94	426.66
<b>Total Expenses</b>		<b>616.18</b>	<b>597.71</b>
<b>V. Profit before tax (III - IV)</b>		<b>1,388.81</b>	<b>1,031.56</b>
<b>VI. Tax expense:</b>			
Current tax		460.00	270.00
Deferred tax		5.01	(10.56)
<b>VII. Profit after tax (V-VI)</b>		<b>923.80</b>	<b>772.12</b>
<b>VIII. Earning per equity share of face value of ` 10 each (Amount in ` )</b>			
Basic & Diluted		30.79	25.74
Significant Accounting Policies	1		
Other notes accompanying the financial Statements	19-28		
The accompanying notes are an integral part of the financial statements.			

As per our attached report of even date

For and on behalf of the Board of Directors

For Lodha & Company  
Chartered Accountants

N Rangachary  
Chairman

C. D. Khambata  
Managing Director

A. M. Hariharan  
Partner

P. S. Reddy  
Director

Mohini Kharpude  
Company Secretary

Place : Mumbai,  
Date : 24th April, 2015

**CDSL VENTURES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

Particulars	01st April 2014 to 31st March 2015 ( ) In Lacs	01st April 2013 to 31st March 2014 ( ) In Lacs
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
PROFIT BEFORE TAX	1,388.81	1,031.56
Net Profit for non-cash items to be disclosed separately		
Depreciation	31.51	56.31
Provision for Doubtful Debts	(13.46)	15.67
Adjustments for:		
Dividend from Current Investments	(41.03)	(27.89)
Profit on sale of Investments	-	(249.93)
Loss on sale of Fixed Assets	-	(1.54)
	<u>(22.98)</u>	<u>(207.38)</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	1,365.83	824.18
Adjustment for changes in working capital		
Trade Receivables	(14.58)	202.65
Short-term loans and advances	32.25	(1.89)
Current Liabilities and Provisions	<u>11.78</u>	<u>(25.46)</u>
	29.45	175.30
<b>CASH GENERATED FROM OPERATIONS</b>	<u>1,395.28</u>	<u>999.48</u>
Less : Taxes Paid(Net of Income tax Refund and TDS Receivable)	(453.09)	(309.09)
	<u>942.19</u>	<u>690.39</u>
<b>A) NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>942.19</u>	<u>690.39</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	36.99	26.60
Purchase/(Sale) Of Investments(Net)	927.79	698.51
Dividend Income	(41.03)	(27.89)
Misc. Income Received		(1.54)
<b>B) NET CASH GENERATED / (USED) IN INVESTING ACTIVITIES</b>	<u>(923.75)</u>	<u>695.68</u>
<b>C) NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A-B+C)</b>	<u>18.44</u>	<u>(5.29)</u>
Cash and Cash Equivalents at the begininng of the year	15.77	21.06
Cash and Cash Equivalents at the end of the year	<u>34.23</u>	<u>15.77</u>
	18.44	(5.29)

Notes :

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

As per our attached report of even date

For and on behalf of the Board of Directors

For Lodha & Company  
Chartered Accountants

N Rangachary  
Chairman

C. D. Khambata  
Managing Director

A. M. Hariharan  
Partner

P. S. Reddy  
Director

Mohini Kharpude  
Company Secretary

Place : Mumbai,  
Date : 24th April, 2015

## Corporate Information

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

### NOTE 1

#### Significant Accounting Policies:

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

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

#### ii. Revenue Recognition

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

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

#### iii. Fixed Assets

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

#### iv. Software Costs

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

#### v. Depreciation/Amortization/Impairment

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

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

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

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

Leasehold premises is amortized over a period of 10 years.

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

#### vi. Investments

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

## vii. Employees Benefits

Short term Employee Benefits are estimated and provided for.

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

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

### (i) Defined Contribution Plans:

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

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

### (ii) Defined Benefits Plans:

- (a) **Gratuity :** Gratuity for employees is covered by Gratuity Scheme with Life Insurance Corporation of India and the contribution thereof is paid / provided for. Provision for Gratuity is made on the basis of actuarial valuation on Projected Unit Credit Method as at the end of the period.
- (b) **Long term compensated absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 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 period accrued to the defined benefit plans are taken to Statement of Profit and Loss for the respective financial year.

## viii. Income Tax

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

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

#### ix. Provisions and Contingent Liabilities

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

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

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

Contingent Liability is disclosed in the case of

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

NOTE 2				
SHARE CAPITAL	As at 31st March 2015		As at 31st March 2014	
	Number	( ` ) In Lacs	Number	( ` ) In Lacs
<u>Authorised</u>				
Equity Shares of ` 10 each	5,000,000	500.00	5,000,000	500.00
<u>Issued, Subscribed &amp; Paid up</u>				
Equity Shares of ` 10 each fully paid up	3,000,000	300.00	3,000,000	300.00

Terms/rights attached to equity shares

- The Company has only one class of equity shares having face value of ` 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

- b) 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.
- c) As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Shares held by Holding Company and its subsidiaries

Name of the Shareholders	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	( ` ) In Lacs	No. of Shares	( ` ) In Lacs
Central Depository Services (India) Limited, Holding Company and its nominees	3,000,000	300.00	3,000,000	300.00

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

Name of the Shareholders	As at 31.03.2015		As at 31.03. 2014	
	No. of Shares	( ` ) In Lacs	No. of Shares	( ` ) In Lacs
At the beginning of the year	3,000,000	300.00	3,000,000	300.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	3,000,000	300.00	3,000,000	300.00

NOTE 3 RESERVES & SURPLUS	As at 31st March 2015 ( ` ) In Lacs	As at 31st March 2014 ( ` ) In Lacs
Securities Premium Account		
Balance as per the last Balance sheet	1,800.00	1,800.00
Add : Additions during the year	-	-
Closing Balance	<u>1,800.00</u>	<u>1,800.00</u>
Surplus in Profit & Loss A/c		
Balance as per last Balance Sheet	2,502.17	1,730.05
Add : Profit for the year	923.80	772.12
Closing Balance	<u>3,425.97</u>	<u>2,502.17</u>
Total Reserves & Surplus	<u>5,225.97</u>	<u>4,302.17</u>

NOTE 4 LONG-TERM PROVISIONS	As at 31st March 2015 ( ` ) In Lacs	As at 31st March 2014 ( ` ) In Lacs
Provision for employee benefits For leave entitlement	1.61 <u>1.61</u>	1.06 <u>1.06</u>
<b>NOTE 5 TRADE PAYABLES</b>		
Related Parties	28.12	-
Others	53.32 <u>53.32</u>	68.22 <u>68.22</u>
<b>NOTE 6 OTHER CURRENT LIABILITIES</b>		
Deposits from customers	3.00	3.00
Statutory Dues Payable	2.13	6.98
Others	1.47 <u>1.47</u>	1.15 <u>1.15</u>
	<u>6.60</u>	<u>11.13</u>
<b>NOTE 7 SHORT-TERM PROVISIONS</b>		
Provision for gratuity & Leave encashment	1.00	0.03
Provision for Ex-Gratia & performance linked bonus	19.44 <u>19.44</u>	17.87 <u>17.87</u>
	<u>20.44</u>	<u>17.90</u>

## NOTE 8

## FIXED ASSETS

( ) In Lacs

DESCRIPTION	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK			
	As on 1st April 2014	Additions	Deductions	As on 31.03.2015	Upto 31st March 2014	For the year	Deductions	Upto 31st March 2015	As on 31st March 2015	As on 31st March 2014
Computer Hardware	284.51 (264.77)	29.09 (19.74)	-	313.60 (284.51)	264.59 (234.31)	19.88 (30.28)	-	284.47 (264.59)	29.13 (19.92)	19.92 (30.46)
Furniture & fixtures	0.89 (0.89)	-	-	0.89 (0.89)	0.73 (0.64)	0.09 (0.09)	-	0.82 (0.73)	0.07 (0.16)	0.16 (0.25)
Office Equipment	45.37 (45.37)	0.04	-	45.41 (45.37)	41.04 (19.87)	4.21 (21.17)	-	45.25 (41.04)	0.16 (4.33)	4.33 (25.50)
<b>Total (I)</b>	<b>330.77 (311.03)</b>	<b>29.13 (19.74)</b>	<b>-</b>	<b>359.90 (330.77)</b>	<b>306.36 (254.82)</b>	<b>24.18 (51.54)</b>	<b>-</b>	<b>330.54 (306.36)</b>	<b>29.36 (24.41)</b>	<b>24.41 (56.21)</b>
(II) INTANGIBLE ASSETS										
Computer Software	160.44 (153.58)	7.86 (6.86)	-	168.30 (160.44)	152.92 (148.15)	7.33 (4.77)	-	160.25 (152.92)	8.05 (7.52)	7.52 (5.43)
<b>Total (II)</b>	<b>160.44 (153.58)</b>	<b>7.86 (6.86)</b>	<b>-</b>	<b>168.30 (160.44)</b>	<b>152.92 (148.15)</b>	<b>7.33 (4.77)</b>	<b>-</b>	<b>160.25 (152.92)</b>	<b>8.05 (7.52)</b>	<b>7.52 (5.43)</b>
<b>Total (I + II)</b>	<b>491.21 (464.61)</b>	<b>36.99 (26.60)</b>	<b>-</b>	<b>528.20 (491.21)</b>	<b>459.28 (402.97)</b>	<b>31.51 (56.31)</b>	<b>-</b>	<b>490.79 (459.28)</b>	<b>37.41 (31.93)</b>	<b>31.93 (61.64)</b>
Previous Year										

Note : Figures disclosed in bracket pertains to previous year.



NOTE 9	As at 31st March 2015			As at 31st March 2014		
	Face Value (₹)	No. of Units/Shares	Book Value (₹) in Lacs	Face Value (₹)	No. of Units/Shares	Book Value (₹) in Lacs
<b>Non Current Investments</b>						
<b>Investment in Associates (at cost)</b>						
<b>(Non Trade, Unquoted &amp; Fully Paid up)</b>						
<b>Equity shares of Central Insurance</b>						
Repository Limited	10	975,001	97.50	10	1,950,001	195.00
<b>Total</b>			<u>97.50</u>			<u>195.00</u>
<b>Investment in Mutual Funds</b>						
Birla Fixed Term Plan Series JY - Direct - Gr	10.00	3,544,730	354.47	-	-	-
Birla Fixed Term Plan Series KI - Direct - Gr	10.00	5,630,000	563.00	-	-	-
Birla Fixed Term Plan Series KQ - Direct - Gr	10.00	5,036,298	503.63	-	-	-
Birla Fixed Term Plan Series HL - Direct - Gr	10.00	2,562,575	256.26	-	-	-
Reliance Fixed Horizon Fund Sr 15- Direct Plan - Growth	10.00	3,000,000	300.00	-	-	-
Reliance Fixed Horizon Fund XXV Sr 26 - Direct Plan - Growth	10.00	4,000,000	400.00	-	-	-
			<u>2,377.36</u>			-
			<u>2,474.86</u>			<u>195.00</u>
		<b>No. Units /Shares</b>	<b>Value (₹) in Lacs</b>	<b>No. Units/ Shares</b>		<b>Value (₹) in Lacs</b>
Aggregate Amount of Unquoted Investments		975,001	97.50	1,950,001		195.00
Aggregate Amount of Quoted Investments		23,773,603	2,377.36	-		-
Market Value/ Repurchase Price of Quoted Investments		23,773,603	2,665.26	-		-

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

NOTE 10 Current Investments	As at 31st March 2015			As at 31st March 2014		
	Face Value (₹)	No. of Units/Shares	Book Value (₹) in Lacs	Face Value (₹)	No. of Units/Shares	Book Value (₹) in Lacs
<b>Investment in Mutual Funds</b>						
<b>(Non Trade, Quoted and fully paid up)</b>						
Birla Fixed Term Plan Series JY - Direct - Gr	-	-	-	0.00	3,544,730	354.47
Birla Fixed Term Plan Series KI - Direct - Gr	-	-	-	10.00	5,630,000	563.00
Birla Fixed Term Plan Series KQ - Direct - Gr	-	-	-	10.00	5,036,298	503.63
Birla Fixed Term Plan Series HL - Direct - Gr	-	-	-	10.00	2,562,575	256.26
Reliance Yearly Interval Fund Sr 2 367 days	10.00	3,995,528	436.00	10.00	3,995,528	436.00
Reliance Yearly Interval Fund-Sr-5-Direct Plan - Growth	10.00	3,257,927	355.00	10.00	3,257,927	355.00
Reliance Fixed Horizon Fund Sr 15-Direct Plan - Growth	-	-	-	10.00	3,000,000	300.00
Reliance Fixed Horizon Fund XXV Sr 26 - Direct Plan - Growth	-	-	-	10.00	4,000,000	400.00
Reliance Yearly Interval Fund Sr 4 - Direct Plan - Growth	10.00	4,567,712	500.00	10.00	4,567,712	500.00
Reliance Fixed Horizon Fund XXVI Sr 31 - Direct Plan - Growth	10.00	4,000,000	400.00	-	-	-
<b>Sub Total (A)</b>			<u>1,691.00</u>			<u>3,668.36</u>
<b>(Non Trade, Unquoted &amp; Fully Paid up)</b>						
Birla Sunlife Cash Plus Direct Plan DD	10.00	285,321	515.09	10.00	98,172	98.36
Birla Sunlife Saving Fund Direct Plan DD	10.00	380,008	498.32	10.00	151,834	152.28
Kotak Floater Short Term Fund-Direct DD	-	-	-	1000.00	13,590	137.47
<b>Sub Total (B)</b>			<u>1,013.41</u>			<u>388.11</u>
<b>Aggregate amount of investment in Units of Mutual Funds (A+B)</b>			<u>2,704.40</u>			<u>4,056.47</u>
		<b>No. of Units</b>	<b>Value (₹) in Lacs</b>		<b>No. of Units</b>	<b>Value (₹) In Lacs</b>
Aggregate Amount of Quoted Investments		15,821,167	1,691.00		35,594,770	3,668.36
Aggregate Amount of Unquoted Investments		665,329	1,013.40		263,595	388.11
Market Value/ Repurchase Price of Quoted Investments		15,821,167	1,853.27		35,594,770	3,739.90

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

NOTE 11 DEFERRED TAX ASSETS\LIABILITY	As at 31st March 2015 ( ` ) In Lacs	As at 31st March 2014 ( ` ) In Lacs
Expenses allowed on Payment Basis	8.41	11.77
Depreciation	0.56	2.21
	<u>8.97</u>	<u>13.98</u>
<b>NOTE 12 TRADE RECEIVABLES</b>		
Due for a period exceeding six months from the date they are due for payment		
Considered doubtful	2.21	15.67
Due for a period not exceeding six months from the date they are due for payment		
Considered good	313.81	285.78
Less: Provision for doubtful debts	(2.21)	(15.67)
	<u>313.81</u>	<u>285.78</u>
<b>NOTE 13 CASH AND CASH EQUIVALENTS</b>		
Balance with a bank	34.18	10.73
Cheques on hand	-	5.00
Cash on hand	0.05	0.04
	<u>34.23</u>	<u>15.77</u>
<b>NOTE 14 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances	1.11	4.80
Advances receivable from related parties	-	10.69
Income Tax	35.82	42.75
(Net of Provision ` 460 Lacs; Previous year ` 270 Lacs)		
Prepaid Expenses	9.38	10.18
Cenvat Credit Receivable	16.07	33.13
	<u>62.38</u>	<u>101.55</u>

NOTE 15	1st April 2014 to 31st March 2015 ( ` ) In Lacs	01st April 2013 to 31st March 2014 ( ` ) In Lacs
<b>REVENUE FROM OPERATIONS</b>		
On Line Data Charges	1,466.27	893.35
Documents Storage Charges	<u>483.23</u>	<u>456.55</u>
	<u><u>1,949.50</u></u>	<u><u>1,349.90</u></u>
<b>NOTE 16</b>		
<b>OTHER INCOME</b>		
Income From Current Investment:		
Dividend	41.03	27.89
Net Gain or loss on sale	-	249.94
Reversal of provision for Doubtful debts	13.46	-
Miscellaneous Income	<u>1.00</u>	<u>1.54</u>
	<u><u>55.49</u></u>	<u><u>279.37</u></u>
<b>NOTE 17</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and other allowances	63.25	56.12
Contribution to PF and other funds	2.78	3.65
Staff welfare expenses	2.09	3.30
Reimbursement of Salaries to staff on deputation from Holding Company	<u>66.61</u>	<u>51.67</u>
	<u><u>134.73</u></u>	<u><u>114.74</u></u>
<b>NOTE 18</b>		
<b>OTHER EXPENSES</b>		
Point Of Service (POS) charges**	260.77	135.89
Communication, telephone & Courier Charges	32.75	41.18
Insurance expenses	0.44	0.82
Rent	16.63	79.15
Rates & Taxes	0.03	0.28
Electricity & Water Charges	0.06	13.73
Legal & Professional charges	11.06	10.66
Auditors' Remuneration:( net of service tax )		
-Audit Fees	0.60	0.45
-Tax Audit Fees	0.25	0.25
-Out of Pocket Expenses	0.19	0.15
Directors Sitting fees	6.35	1.50
Travelling & Conveyance	0.06	0.05
SEBI fees	2.00	1.00
Computer Maintenance Charges	57.63	40.12
Printing & Stationery	1.44	1.76
Business Development charges	0.12	0.77
Repairs & Maintenance	0.05	20.36
Administrative expenses	30.00	30.00
Provision for doubtful debts	-	15.67
Miscellaneous Expenses	24.51	32.87
Contribution towards Corporate Social Responsibility	<u>5.00</u>	<u>-</u>
	<u><u>449.94</u></u>	<u><u>426.66</u></u>
** POS charges include charges towards Data Entry , Verification , Scanning & Storage of Documents		

**NOTE 19**

Contingent Liabilities (to the extent not provided for) :

	1st April 2014 to 31st March 2015 ( ) In Lacs	01st April 2013 to 31st March 2014 ( ) In Lacs
Income Tax demand disputed in appeal.	NIL	48.95

**NOTE 20****Capital & Other Commitments**

Estimated amount of contract to be executed on capital & revenue account ` 12.48 Lacs (net of advances) as on 31.03.2015 (as on 31.03.2014 ` 39.05 Lacs) plus applicable taxes.

**NOTE 21**
**Related Party Disclosures:**
**(a) List of related parties and their relationship:**
**(i) Entity where control exists:**

BSE Limited- Ultimate Holding Company

Central Depository Services (India) Limited- Holding Company

**(ii) Fellow subsidiaries**

CDSL Insurance Repository Limited

Marketplace Technologies Pvt Ltd

BOI Shareholding Limited

**(iii) Key Managerial Personnel:**

Shri C.D. Khambata - Managing Director

**(b) Transactions during the year:**

	01st April 2014 to 31st March 2015 ( ` ) In Lacs	1st April 2013 to 31st March 2014 ( ` ) In Lacs
BSE Limited		
Expenses for Director Sitting Fees & Identity Cards	0.85	0.35
Central Depository Services (India) Limited:		
Reimbursement made for rent, administrative expenses & staff on deputation etc (Net of Income received)	126.24	196.65
Central Insurance Repository Limited:		
Reimbursement of Professional expenses	-	(1.40)
Marketplace Technologies Pvt Ltd		
Expenses for Software Maintenance & License for Software	12.46	6.52
BOI Shareholding Limited		
Income for KRA Charges	1.12	0.21
Managerial remuneration :		
Shri C.D.Khambata - Managing Director	66.44	51.48
<b>(c) Balances at</b>	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>( ` ) In Lacs</b>	<b>( ` ) In Lacs</b>
BSE Limited		
Amount Payable/ (Receivable)	-	(0.02)
Central Depository Services (India) Limited:		
Amount Payable/ (Receivable)	28.12	(10.69)
Marketplace Technologies Pvt Ltd		
Amount Payable/ (Receivable)	0.32	-
BOI Shareholding Limited		
Amount Payable/ (Receivable)	(0.02)	(0.03)

**Notes :**

- No amounts in respect of the related parties has been provided for as doubtful debts or written off/back during the period.
- 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

## NOTE 22

The Companies Act, 2013 has prescribed the useful life of fixed assets. Depreciation on fixed assets is provided on the straight line method over the useful lives of the fixed assets as estimated by the management. Based on internal assessment and internal technical evaluation, the management believes that the existing useful lives best represent the period over which the management expects to use these fixed assets.

## NOTE 23

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

## NOTE 24

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

## NOTE 25

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

## NOTE 26

The company has determined the liability for Employee Benefits as on 31st March 2015 in accordance with the revised Accounting Standard 15 on "Employee Benefits" prescribed in Companies (Accounting Standards) Rules, 2006.

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

	( In Lacs) 31st March 2015	( In Lacs) 31st March 2014
A Expenses Recognized in the statement of Profit & Loss Account for the year ended		
1 Current Service Cost	0.64	0.50
2 Past Service Cost	-	-
3 Interest Cost	0.19	0.14
4 Expected Return on Plan Assets	(0.29)	(0.23)
5 Net Actuarial (Gain)/ Loss recognized for the period	0.18	(0.23)
6 Expenses recognized in statement of P&L A/c	0.73	0.18

	(` In Lacs) 31st March 2015	(` In Lacs) 31st March 2014
<b>B Net Asset / (Liability) recognized in the Balance Sheet</b>		
1 Present Value of Obligation	3.21	2.19
2 Fair Value of Plan Assets	3.49	3.16
3 Funded Status	0.28	0.98
4 Unrecognised Actuarial Gain/ (Loss)	-	-
5 Net Assets / (Liability) recognized in the Balance Sheet	0.28	0.98
<b>C Changes in present value of obligations</b>		
1 Present Value of Obligation as at April 01, 2014	2.19	1.79
2 Interest Cost	0.19	0.14
3 Current Service Cost	0.64	0.50
4 Past Service Cost (non vested benefits)	-	-
5 Past Service Cost (vested benefits)	-	-
6 Benefits Paid	-	-
7 Actuarial (Gain)/Loss on Obligation	0.18	(0.25)
8 Present Value of Obligation as at March 31, 2015	3.21	2.19
<b>D Changes in Fair Value of Plan Assets</b>		
1 Fair Value of Plan Assets as at April 01, 2014	3.16	2.38
2 Expected Return on Plan Assets	0.29	0.23
3 Contributions	0.04	0.57
4 Benefits Paid	-	-
5 Actuarial Gain / (Loss) on plan assets	(0.00)	(0.02)
6 Fair Value of Plan Assets as at March 31, 2015	3.49	3.16
<b>E Fair Value of Plan Assets</b>		
1 Fair Value of Plan Assets as at April 01, 2014	3.16	2.38
2 Actual Return on Plan Assets	0.28	0.21
3 Contributions	0.04	0.57
4 Benefits Paid	-	-
5 Fair Value of Plan Assets as at March 31, 2015	3.49	3.16
6 Funded Status	0.28	0.98
7 Excess of Actual over estimated return on Plan Assets	(0.00)	(0.02)
<b>F Actuarial Gain / (Loss) Recognized</b>		
1 Actuarial Gain/(Loss) for the period (Obligation)	(0.18)	0.25
2 Actuarial Gain / (Loss) for the period (Plan Assets)	(0.00)	(0.02)
3 Total Gain / (Loss) for the period	(0.18)	0.23
4 Actuarial Gain / (Loss) recognized for the period	(0.18)	0.23
5 Unrecognized Actuarial Gain / (Loss) at March 31, 2015		
<b>G Movements in the Liability recognized in Balance Sheet</b>		
1 Opening Net Liability	(0.98)	(0.59)
2 Expenses recognized in Profit & Loss A/c	0.73	0.18
3 Contribution Paid	(0.04)	(0.57)
4 Closing Net Liability	(0.28)	(0.98)
<b>H Actuarial Assumptions</b>		
1 Mortality	IALM(2006-08) Ult	LIC(1994-96)Ult
2 Discount Rate as at March 31, 2015	7.77%	8.82%
3 Rate of Increase in Compensation	4.00%	4.00%

## NOTE 27

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

	1st April 2014 to 31st March 2015	1st April 2013 to 31st March 2014
Numerator - Net Profit as per Profit & Loss Account (Amount in Lacs.)	923.80	772.12
Denominator - Weighted Average Number of Equity Shares outstanding during the period	3,000,000	3,000,000
Nominal Value of Shares (₹)	10	10
Basic and Diluted Earning Per Share (Amount in ₹)	30.79	25.74

## NOTE 28

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

Signature to Notes 1 to 28

For and on behalf of the Board of Directors

N Rangachary  
Chairman

C. D. Khambata  
Managing Director

P. S. Reddy  
Director

Mohini Kharpude  
Company Secretary

Place : Mumbai,  
Date : 24th April, 2015

## NOTE

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