

17th
Annual Report
2022-23



CDSL Ventures Limited

... exploring new horizons

CDSL VENTURES LIMITED

Board of Directors

Dr. R. K. Kakkar	Chairman
Dr. Ramabhadran Thirumalai	Director
Shri Nayan Mehta	Director
Shri Girish Amesara	Director
Shri Amit Mahajan	Director

Management

Shri Sunil Alvares	Managing Director and Chief Executive Officer
Smt. Sunanda Markande	Senior Vice President, Operations
Shri Arun Narasimhan	Vice President, Information Technology
Shri Niketan Jadhav	Chief Information Security Officer
Smt. Mohini Kharpude	Company Secretary
Smt. Preeti Gogate	Chief Financial Officer

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.

ICICI Bank Limited
Capital Markets Division, 5th
Floor, 163, HT Parekh Marg,
Near All India Radio, Backbay
Reclamation, Churchgate,
Mumbai, Maharashtra 400020

Registered Office

A-Wing, Marathon Futurex, 25th Floor,
Mafatlal Mills Compound, N.M. Joshi Marg,
Lower Parel (E),
Mumbai - 400 013

CIN: U93090MH2006PLC164885

Directors' Report

Your Directors are pleased to present the Seventeenth Annual Report along with Audited Financial Statements of Accounts of your Company for the year ended 31st March, 2023.

Financial Highlights

Particulars	For the Year ended 31 st March, 2023 (₹ in lakhs)	For the Year ended 31 st March, 2022 (₹ in lakhs)
Income	11,486.56	14,721.38
Expenditure	4,485.10	4,891.67
CSR	123.95	77.48
Profit/ (Loss) before Depreciation and Tax	4,609.05	9,752.23
Depreciation	331.57	120.45
Profit /(Loss) before Tax	6,545.94	9,631.78
Deferred Tax/Current Tax	1,664.24	2,322.30
Profit/ (Loss) after Tax	4,881.70	7,309.48
Other comprehensive income (Net of Tax)	(7.26)	(15.59)
Total comprehensive income	4,874.44	7,293.89

Note: Previous year's figures have been regrouped wherever necessary

During the financial year, the total income of the company has dipped as compared to the previous year on the back of a drop in the number of demat and broking accounts added during the year. Your company has achieved an operational income of ₹ 10,294.56 lakh (Previous year ₹13,493.07 lakh) with a profit after tax of ₹4,881.70 lakh (Previous year ₹7,309.48 lakh) in the previous year.

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 has registered 2671 intermediaries. The total no. of KYC records held as on 31st March, 2023 is 5.37 Crores.

As per Regulatory Requirements, KYCs which were only being verified earlier are now required to be validated by KRAs.

Additionally, your Company had taken up various projects which are generating additional revenue. These projects are:

1. C KYC Processing

CKYC has been made mandatory by SEBI for the clients on-boarded from August 2016. Some intermediaries have outsourced to CVL the activity of processing the record for uploading into CKYC. Your Company has introduced a system which enables intermediaries to submit records in CKYC as per the format prescribed by CERSAI.

2. 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 CVL has provided a system for registering all claims made under this scheme to life Insurance Companies. 12 Insurance companies are availing of this service.

3. RTA Activity

Your Company has commenced providing RTA services from November 2018. As of March 31, 2023, over 900 unlisted companies are availing RTA services from CVL.

4. OLAO

CVL has developed an online platform to enable creation of files for opening of DP accounts and broking accounts. 28 intermediaries have gone live and 34 are in the UAT environment. With the increasing demand for this offering, system features are being enhanced to bring ease of use and make the process seamless.

5. GST Suvidha Provider Services

Your Company is providing GST Suvidha Provider services to tax payers and Application Service Providers (ASPs). The operations have been stable during the year.

6. Certifying Authority for eSign

Your Company has obtained the license from the Controller of Certifying Authorities (CCA) to operate as a Certifying Authority for Aadhaar based eSign. Few clients have been onboarded for this service.

7. PACL

Your Company was appointed by Justice R.M. Lodha (Retd.) Committee (in the matter of PACL Ltd.) as an agency for assisting it in calling for claim applications from all the investors who have outstanding claims with PACL Ltd and creating a repository for mapping out the outstanding claim of each investor of PACL Ltd to enable refund.

The contract was renewed for a period of 5 years. Post renewal with effect from April 01, 2022, refund processing to investors for certain claim slabs were handled.

8. Aadhaar based eKYC:

CVL is registered as an AUA/KUA with UIDAI to offer Aadhaar based eKYC. Investors can thus be facilitated to perform eKYC using Aadhaar by OTP or using their biometrics, which is likely to increase the convenience to investors for KYC and account opening. Company is in the process of onboarding of sub KUAs.

9. Accreditation Agency

Your Company has been recognized by Securities and Exchange Board of India (SEBI) as an Accreditation Agency for a period of 3 years with effect from February 01, 2022. CVL issues 'Accredited Investor' Certificates to applicant investors who meet the criteria stipulated by SEBI.

Audit and Finance Committee:

Audit and Finance Committee of the Board of Directors has been constituted and consists of four members.

Dividend:

Looking into the performance of the Company for the year under review and taking note of the increased economic and industrial activity in the present, your directors have recommended a dividend of ₹ 59 per share (590%) for the year ended 31st March, 2023.

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:

Dr. R. K. Kakkar, retires by rotation at the Seventeenth Annual General Meeting and offers himself for reappointment.

Brief profile of the director is given in **Annexure A**.

Auditors:

M/s Lodha & Co., Statutory Auditors of your Company, has been appointed as Statutory Auditors for a period of five years till the conclusion of 18th Annual General Meeting.

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 & e-sign Project referred to earlier in this report. The said projects involve submission of KYC documents only once to the KRA and electronically signing account opening documents thereby replacing paper record with electronic record. 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.

Material changes affecting the financial position which have occurred between the end of the financial year and the date of the report

No material changes affecting the financial position have occurred between the end of the financial year and the date of the report.

Annual Return

In accordance with provisions of section 134(3) (a) of the Companies Act, 2013, the Annual Return referred to in subsection (3) of section 92 is placed on the website of the Company www.cvlindia.com link is as under:
https://www.cvlindia.com/CVLINDIA_DOC/AnnualReturn/Annual_Return_2022-23MGT%207.pdf

Secretarial Standards

The Company has complied with the Secretarial Standards 1 and 2 issued by the ‘Institute of Company Secretaries of India’.

Company has not proposed to carry any amount to any reserve

Corporate Social Responsibility:

Your company is in compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. In accordance with its CSR philosophy and the specified activities under the Act, the CSR activities of the Company has thrust areas including eradicating extreme hunger and poverty; promoting health care, including preventive healthcare & sanitation; promotion of education & vocational skills; promoting gender equality and empowering women, support to children/elderly; reducing child mortality and improving maternal health; combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases; ensuring environmental sustainability;; social business projects; contribution to the Prime Minister’s National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

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.

Further, as per the amendments introduced vide MCA notification dated 22nd January 2021, company had prepared an annual action plan documenting the following:

- The guiding principles for selection of projects
- Recommendation of CSR committee
- Approach and directions for timely implementation and monitoring of activities

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;
- vi. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

Particulars of Employees:

Personnel who are drawing remuneration as prescribed under Rule (5) (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is 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 the said Committee did not receive any complaint during the year under review.

Extract of Annual Return

The extract of the annual return is enclosed to this report as **Annexure D**.

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 seven times i.e. on 25th April, 2022, 12th May, 2022, 20th July, 2022, 17th August, 2022, 14th October, 2022, 2nd December, 2022, and 20th January, 2023. 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 Via Video Conference	CDSL Board Room, A-Wing, Marathon Futurex, 25 th Floor, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E), Mumbai - 400 013							
Meeting date	25 th April, 2022	12 th May, 2022	20 th July, 2022	17 th August, 2022	14 th October, 2022	2 nd December, 2022	20 th January, 2023	AGM 17 th June, 2022
Meeting time	6.00 p.m.	3.30 p.m.	4.45 p.m.	12.00 noon	5.15 p.m.	4.30 p.m.	03.45 p.m.	04.30 p.m.
Name of the Directors								
Dr. R.K. Kakkar	✓	✓	✓	✓	✓	✓	✓	✓
Shri Nayan Mehta	✓	✓	✓	✓	✓	✓	×	×
Shri Amit Mahajan	✓	✓	×	✓	✓	✓	✓	✓
Shri K. V. Subramanian	✓	✓	✓	NA	NA	NA	NA	✓
Shri Girish Amesara	✓	✓	×	✓	✓	✓	✓	✓
Dr. Ramabhadran Thirumalai	NA	NA	NA	NA	✓	✓	✓	NA
Shri Sunil Alvares	✓	✓	✓	✓	✓	✓	✓	✓

Human Resources:

Your Company has, as on 31st March, 2023, 47 employees who are on its payroll to manage the operations. They are well versed in their respective areas and Industrial relations during the year remained cordial.

Related Party Transactions:

All related party transactions entered during FY 2022-23 were in the ordinary course of business and on an arm's length basis. Disclosure of related party transactions pursuant to section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC -2 are attached as **Annexure E**.

General Shareholder Information:

Seventeenth Annual General Meeting

Day & Date	30th June, 2023
Time	4.00 p.m.
Venue	A-Wing, Marathon Futurex, 25 th Floor, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E), Mumbai - 400 013.
Payment of Dividend	590%

Financial Year:

The company's Financial Year commences from 1st April and ends on 31st March of the following year.

Listing on Stock Exchange:

The shares of the company are not listed on any Stock Exchange.

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, Ministry of Human Resources Department and other stakeholders. 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

Place : Mumbai
Date : 24th April, 2023

Sd/-
Chairman

Annexure to Directors' Report

Profile of Additional Director and Director who is liable to retire by rotation and seek reappointment.

Dr. Ramabhadran Thirumalai

Ramabhadran S. Thirumalai is an associate professor (practice) in the Finance area at the Indian School of Business (ISB). He is also the Deputy Dean of Academic Programmes of the Mohali campus. He has been with the ISB since August 2006. He has also held visiting faculty positions at the University of Pittsburgh and Indiana University, Bloomington.

His research interests are broadly in the area of empirical asset pricing with a specific focus on market microstructure. His research has been published in top academic journals like the *Journal of Accounting and Economics*, the *Journal of Futures Markets* and the *Journal of Banking and Finance*. He is currently working on papers that examine the impact of a number of regulatory changes in India on security market liquidity and efficiency as well as how different types of traders impact market efficiency.

He has been awarded research grants from the NSE-NYU Stern Initiative on the Study of Indian Capital Markets several times. He has refereed papers for a number of top academic journals like the *Journal of Banking and Finance* and the *International Review of Finance*. He has also been a consulting associate editor for a special issue of *Decision Sciences*. He is and has been a part of the programme committee of a number of globally reputed academic conferences like the CAF Summer Research Conference, the Asian Finance Association Annual Conference and the IGIDR Emerging Markets Finance Conference.

He teaches introductory finance courses and courses on Derivatives and Security Markets at the ISB. He has also taught courses on Investment Analysis, Corporate Finance and International Finance.

He is currently an external expert on BSE Ltd's Risk Management Committee. He was public interest director of the Indian Clearing Corporation Limited for six years and a member of the BSE's Price Setting Committee. He has also been a member of the BSE's Trading and Surveillance Oversight Committee, a member of the BSE's Governing Council of Derivatives Segment, a member of the BSE's and MCX-SX's Investor Grievance Redressal Council as well as a member of the Common Pool of Arbitrators of all stock exchanges for the Andhra Pradesh and Telangana regions.

He has a PhD in Finance from Indiana University, Bloomington, an MS in Statistics from the University of South Carolina, Columbia and a BE (Honours) in Chemical Engineering from the Birla Institute of Technology and Science, Pilani.

Dr. R. K. Kakkar

Dr. Rakesh Kumar Kakkar is an IRS Officer (retd.) of 1982 batch. He has a Ph.D in Law. He was awarded gold medals in Bachelor of Law & Master of Law (LL.M). His thesis for Ph.D was ‘An Evaluation of Tax Avoidance and Tax Evasion Techniques Adopted in Direct Taxes and Study of Remedies against such Techniques.

He started his career as a Probationary Officer in a Nationalized Bank and worked there for around a year before getting selected in Civil Services Examination. He worked as a Customs Appraiser for around 4 ½ years looking after Import and Export Policy Evasions and Customs Duty Violations. Later, he joined the Income Tax Department as an IRS Officer. He has a rich & varied experience of working in various capacities in Income Tax Department including Assessment, Investigation, Appropriate Authority, Commissioner of Income Tax and Principal Commissioner of Income Tax.

He had been on deputation to SEBI as Chief General Manager (Investigations) for six years. He was associated with various high profile investigations. He also represented SEBI at length before JPC on half a dozen occasions. He has also been involved in drafting various SEBI Regulations and amendments to the SEBI Act.

He has around 39 years of experience in detecting Financial Frauds / Tax Evasions / Securities and Capital Market Violations etc. He retired from the Income-tax Department as Principal Commissioner of Income Tax in 2015. After retirement till recently (September 2022), he was working as Sr. Standing Counsel to the Income-tax Department for Bombay High Court. He is presently associated with various Exchanges as Independent Expert, Arbitrator, Grievance Redressal Committee member etc.

Annual Report on CSR activities.

1. Brief outline on CSR Policy of the Company: Refer Section: Corporate Social Responsibility (CSR) in the Board's Report
2. Composition of CSR committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. R. K. Kakkar	Nominee Director	1	1
2.	Dr. Ramabhadran Thirumalai	Nominee Director	1	1
3.	Shri Nayan Mehta	Nominee Director	1	1
4.	Shri Amit Mahajan	Nominee Director	1	1
5.	Shri Sunil Alvares	Managing Director & CEO	1	1

3. Provide the weblink where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company
Composition of CSR Committee <https://www.cvlindia.com/Compliance/Compliance>
CSR Policy
CSR projects approved by the Board
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)
Not Applicable for the financial year under review
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Lakhs)	Amount required to be set-off for the financial year, if any (₹ in Lakhs)
Not Applicable			
6.	Average net profit of the company as per Section 135 (5)		5,932.11
7.	(a). Two percent of average net profit of the company as per section 135 (5)		118.64
	(b). Surplus arising out of the CSR Projects or programmes or activities of the previous financial years		-
	(c). Amount required to be set off for the financial year, if any		-
	(d). Total CSR obligation for the financial year (7a+7b-7c)		118.64

8. (a) CSR amount spent or unspent for the financial year:

Total Amount spent for the financial year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 123.95			Not Applicable		

8. (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration*	Amount allocated for the project (₹ in Lakhs) **	Amount spent in the current financial year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

8. (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹) Lakhs	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	K.J. Somaiya Hospital – Replacement of Dialysis Machines	Clause (ii) - Promoting Education	Yes	Maharashtra	Mumbai	68.95	No	Rotary Club Bombay Charities Trust No.3	CSR00004479

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹ Lakhs)	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
2.	School Transformation Project – WASH	Clause (i) - Promoting Health	Yes	Maharashtra	Mumbai, Thane	40.00	No	Yuva Unstoppable	CSR00000473
3.	School Transformation Project – Smart Class	Clause (i) - Promoting Health	Yes	Maharashtra	Mumbai, Thane	15.00	No	Yuva Unstoppable	CSR00000473
Total						123.95			

8. (d). Amount spent on Administrative Overheads (₹ in Lakhs) -
- (e). Amount spent on Impact Assessment, if applicable (₹ in Lakhs) -
- (f). Total amount spent for the Financial Year (8b+8c+8d+8e) (₹ in Lakhs) 123.95
- (g). Excess amount for set off, if any 5.31

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	118.64
(ii)	Total amount spent for the financial year	123.95
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5.31
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	5.31

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(1) Sl. No.	(2) Preceding Financial Year	(3) Amount transferred to Unspent CSR Account Under Section 135(6) (₹ in Lakhs)	(4) Amount spent in the reporting Financial Year (₹ in Lakhs)	(5) Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			(6) Amount remaining to be spent in succeeding financial years (₹ in Lakhs)
				Name of the Fund	Amount (₹ in Lakhs)	Date of transfer	
Not Applicable							

9. (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Lakhs)	Amount spent on the project in the reporting Financial Year (₹ in Lakhs)	Cumulative amount spent at the end of reporting Financial Year (₹ in Lakhs)	Status of the project - Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(a)	Date of creation or acquisition of the capital asset (s)	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable

11. Specify the reasons(s), if the company has failed to spend two percent of the average net profit as per Section 135(5).

Not Applicable

12. Details of CSR Committee meeting held

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Attended
1.	Dr. R. K. Kakkar	Nominee Director	1	Yes
2.	Dr. Ramabhadran Thirumalai	Nominee Director	1	Yes
3.	Shri Nayan Mehta	Nominee Director	1	Yes
4.	Shri Amit Mahajan	Nominee Director	1	Yes
5.	Shri Sunil Alvares	Managing Director & CEO	1	Yes

Sunil Alvares
MD & CEO

Dr. R. K. Kakkar
Chairman of the CSR Committee

Place: Mumbai
Date : 24th April, 2023

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 Sunil Alvares	57	Managing Director & CEO	2,32,53,436	34	23 rd July, 1998	Karvy Consultants Ltd. Manager - Marketing

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 are not relatives of any Directors of the company.

Extract of Annual Return

I. REGISTRATION AND OTHER DETAILS

i)	CIN:-	U93090MH2006PLC164885
ii)	Registration Date –	9/25/2006
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	A-Wing, Marathon Futurex, 25 th Floor, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E), Mumbai - 400 013 Contact Numner: 022-23023333
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 compnay
1	Record Keeping of KYC documents of Capital Market investors	66190	80%

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 A-Wing, Marathon Futurex, 25 th Floor, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E), Mumbai - 400 013	L67120MH1997PLC11244	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 1 st April, 2021				No. of Shares held at the end of the year 31 st March, 2022				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF		6	6	0.0001		6	6	0.0001	0
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	49,99,993	1	49,99,994	99.9999	49,99,993	1	49,99,994	99.9999	0
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1):-	49,99,993	7	50,00,000	100	49,99,993	7	50,00,000	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)	49,99,993	7	50,00,000	100	49,99,993	7	50,00,000	100	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									

Category of Share holders	No. of Shares held at the beginning of the year 1 st April, 2021				No. of Shares held at the end of the year 31 st March, 2022				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 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)	49,99,993	7	50,00,000	100	49,99,993	7	50,00,000	100	0

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 1 st April, 2022			Share holding at the end of the year 31 st March, 2023			
		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	% change in share holding during the year
1	Central Depository Services (India) Limited	50,00,000	100	0	50,00,000	100	0	0
	Total	50,00,000	100	0	50,00,000	100	0	0

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

Sr. No.		Shareholding at the beginning of the year 1 st April, 2022		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	50,00,000	100	50,00,000	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	50,00,000	100	50,00,000	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 1 st April, 2022		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 1 st April, 2022		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2	Negligible		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0		
	At the End of the year	2*	Negligible		

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

V. INDEBTEDNESS

Particulars	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 Managing Director /Manager	Total Amount (₹)
		Shri Sunil Alvares Managing Director and CEO	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,15,95,504	2,15,95,504
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,14,212	8,14,212
	(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	651,960	6,51,960
	Total (A)	2,30,61,676	2,30,61,676

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
		Dr. R. K. Kakkar	Shri Nayan Mehta	Dr. Ramabhadran Thirumalai	
1	3. Independent Directors -Fee for attending board / committee meetings -Commission -Others, please specify				Nil
	Total (1)				Nil
2	4. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	7,50,000	3,25,000	1,50,000	1,225,000
	Total (2)	7,50,000	3,25,000	1,50,000	1,225,000
	Total Managerial Remuneration Total (B)=(1+2)	7,50,000	3,25,000	1,50,000	1,225,000

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	Company Secretary	Chief Financial Officer
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	15,84,002	7,88,691
2	Stock Option	0		
3	Sweat Equity	0		
4	Commission - as % of Profit - others, specify...	0		
5	Others, please specify	0	68,604	50,401
	Total	0	16,52,606	*8,39,092

 Note:- * Appointed w.e.f. 1st November, 2022

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			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis
Amount in ₹

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL							

2. Details of material contracts or arrangement or transactions at arm's length basis
Amount in ₹

(a)	(b)	(c)	(d)	(e)	(f)
Name(s) of the related party	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
BSE Limited Associate	Administrative and Other Expenses	As per board approval	3,25,000	Audit Committee & Board Meeting approval dated April 25, 2022 and January 20, 2023	
BSE Limited Associate	Operational Income	As per board approval	35,530	Audit Committee & Board Meeting approval dated April 25, 2022	
India INX Global Access IFSC Limited	Operational Income	As per board approval	5,000	Audit Committee & Board Meeting approval dated October 14, 2022	

(a)	(b)	(c)	(d)	(e)	(f)
Name(s) of the related party	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Central Depository Services (India) Limited (Holding Company)	Operational Income	As per board approval	41,10,700	Audit Committee & Board Meeting approval dated April 25, 2022	
Central Depository Services (India) Limited (Holding Company)	Dividend Paid	As per board approval	41,50,00,000	Approved by Shareholder AGM dated June 17, 2022	
Central Depository Services (India) Limited (Holding Company)	Administrative and Other Expenses	As per board approval	4,56,05,433	Audit Committee & Board Meeting approval dated April 25, 2022	
India International Depository IFSC Limited	Operational Income	As per board approval	6,500	Audit Committee & Board Meeting approval dated April 25, 2022	
CDSL Insurance Repository Limited (Fellow subsidiary)	Operational Income	As per board approval	5,09,000	Audit Committee & Board Meeting approval dated April 25, 2022 and July 20, 2022	

INDEPENDENT AUDITOR'S REPORT

**TO
THE MEMBERS OF
CDSL VENTURES LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **CDSL Ventures Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

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 Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor’s Report thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board’s Report including Annexures to Board’s Report, but does not include the financial statements and our auditor’s report thereon.

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "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, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses.
- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
 - a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- vi. As stated in Note 13.3 of the financial statements:
 - a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

- b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

For Lodha & Co.
ICAI FRN: 301051E
Chartered Accountants

R. P. Baradiya
Partner
Membership No: 44101
UDIN: 23044101BGTQYI6809

Place: Mumbai
Date : 24th April, 2023

ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF CDSL VENTURES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2023.

On the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we state that:

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (PPE).
 - b) The Company has carried out physical verification of all its property, plant and equipment during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable property and accordingly, reporting requirements of paragraph 3(i)(c) of the Order are not applicable to the Company.
 - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not carried out revaluation of its property, plant and equipment and accordingly, reporting requirements of paragraph 3(i)(d) of the Order are not applicable to the Company.
 - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii)
 - a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company does not hold any inventory and accordingly, reporting requirements of paragraph 3(ii)(a) of the Order are not applicable to the Company.
 - b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets accordingly, reporting requirements of paragraph 3(ii)(b) of the Order are not applicable to the Company.
- iii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, 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. Accordingly, the reporting requirements of clause 3(iii) of the Order are not applicable to the Company.

- iv) According to the information and explanations given to us, there are no loans, guarantees and securities given in respect of which provisions of section 185 of the Companies Act, 2013 are applicable. The Company has complied with the provisions of 186 of the Companies Act, 2013 in respect of investments made by the Company.
- v) According to the information and explanation given to us and on the basis of our examination of the records of the Company, 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 thereunder have been accepted by the Company. Accordingly, reporting requirements of paragraph 3(v) of the Order are not applicable to the Company.
- vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, in respect of the services rendered by the Company. Accordingly, reporting requirements of paragraph 3(vi) of the Order are not applicable to the Company.
- vii) a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March, 2023 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and the records of the Company, there are no dues of income tax or goods and services tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax which have not been deposited with the appropriate authorities on account of any dispute.

Name of Statute	Nature of Dues	Amount (In lakhs)	Period to which amount relates	Forum where the dispute is pending
Goods and Service Tax Act, 2017	Tax Liability and Interest	11.19	2018-19	Joint Commissioner of State tax (Appeals) - Maharashtra.

- viii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- ix) a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not taken any loan or other borrowings from any lender during the year and accordingly, reporting requirements of paragraph 3(ix)(a) of the Order are not applicable to the Company.
- b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we report that the Company has not been declared as a willful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loans during the year and there are no outstanding term loans at the beginning of the year and accordingly, reporting requirements of paragraph 3(ix)(c) of the Order are not applicable to the Company.
- d) According to the information and explanation given to us and on the basis of our examination of the records of the Company, and on an overall examination of the financial statements of the Company, we report that the Company has not raised any funds on a short-term basis and accordingly, reporting requirements of paragraph 3(ix)(d) of the Order are not applicable to the Company.
- e) According to the information and explanation given to us and on the basis of our examination of the records of the Company, and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we report that the Company has not raised any loans during the year and hence reporting requirements of paragraph 3(ix)(f) of the Order are not applicable to the Company.
- x) a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and accordingly, reporting requirements of paragraph 3(x)(a) of the Order are not applicable to the Company.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- xi) a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

- b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, no whistle blower complaints have been received during the year by the Company.
- xii) The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards. Refer Note 30 to the Ind AS financial statements.
- xiv) a) In our opinion, the Company has an internal audit system commensurate to the size of the Company and nature of its business.
- b) We have considered, the report of the internal auditors for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with them as per the provisions of Section 192 of the Act. Accordingly, reporting requirements under paragraph 3(xv) of the Order are not applicable to the Company.
- xvi) a) According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the reporting requirements of paragraph 3(xvi)(a) of the Order are not applicable to the Company.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the reporting requirements of paragraph 3(xvi)(c) of the Order are not applicable to the Company.

- d) According to the information and explanation given to us by the management and on the basis of our examination of the records of the Company, the Group does not have any CIC and accordingly, the reporting requirements of paragraph 3(xvi)(d) of the order are not applicable to the Company.
- xvii) The Company has not incurred cash losses during the financial year and the immediately preceding financial year.
- xviii) There has been no resignation of statutory auditors of the Company during the year. Accordingly, reporting requirements under paragraph 3(xviii) of the Order are not applicable to the Company.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing as at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet, will get discharged by the Company as and when they fall due.
- xx) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance with the second proviso to sub-section (5) of Section 135 of the said act. Accordingly, reporting under paragraph 3(xx) of the Order are not applicable to the Company.
- xxi) As our report is not on consolidated financial statements reporting requirements under paragraph 3(xxi) of the Order are not applicable to the Company.

For Lodha & Co.
ICAI FRN: 301051E
Chartered Accountants

R. P. Baradiya
Partner
Membership No: 44101
UDIN: 23044101BGTQYI6809

Place: Mumbai
Date : 24th April, 2023

ANNEXURE B REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF CDSL VENTURES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2023**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **CDSL Ventures Limited** (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes 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.

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

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.

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 authorizations of management and directors of the Company;
- 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; and
- 4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the Company from time to time.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, broadly 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Lodha & Co.
ICAI FRN: 301051E
Chartered Accountants

R. P. Baradiya
Partner
Membership No: 44101
UDIN: 23044101BGTQYI6809

Place: Mumbai
Date : 24th April, 2023

CDSL VENTURES LIMITED

CIN: U93090MH2006PLC164885

Balance Sheet as at March 31, 2023

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
1 Non-current assets			
a. Property, Plant and Equipment	3	863.95	155.57
b. Intangible assets	3	434.66	149.39
c. Right of use assets	3	104.50	-
d. Financial assets			
i. Investments			
a. Investment in fellow subsidiaries	4	97.50	97.50
b. Other investments	5	20,423.36	20,799.45
ii. Loans	6	2.27	0.74
iii. Other financial assets	9	173.59	126.06
e. Income Tax Assets (Net)	10	196.65	-
f. Other assets	11	69.33	14.65
Total Non-Current Assets		22,365.81	21,343.36
2 Current assets			
a. Financial assets			
i. Trade receivables	7	1,426.33	1,757.25
ii. Cash and cash equivalents	8	242.61	116.41
iii. Bank balances other than (ii) above	8	3,631.85	3,211.02
iv. Loans	6	1.61	1.12
v. Others financial assets	9	130.63	58.46
b. Income Tax Assets (Net)	10	-	124.21
c. Other assets	11	277.47	308.27
Total Current Assets		5,710.50	5,576.74
Total Assets (1+2)		28,076.31	26,920.10
EQUITY AND LIABILITIES			
1 Equity			
a. Equity share capital	12	500.00	500.00
b. Other equity	13	26,079.10	25,354.66
Total Equity		26,579.10	25,854.66
LIABILITIES			
2 Non-current liabilities			
a. Financial Liabilities			
i. Lease liabilities	15	16.69	-
b. Provisions		51.08	51.39
c. Deferred tax liabilities (Net)	14	171.66	147.86
d. Other liabilities	18	0.29	-
Total Non-Current Liabilities		239.72	199.25
3 Current liabilities			
a. Financial liabilities			
i. Lease Liabilities	15	96.45	-
ii. Trade payables	16		
a. Total outstanding dues of micro enterprises and small enterprises		-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		671.62	418.12
iii. Other financial liabilities	17	146.37	49.21
b. Other liabilities	18	300.12	359.38
c. Provisions	19	42.93	39.48
Total Current Liabilities		1,257.49	866.19
Total Liabilities (2+3)		1,497.21	1,065.44
Total Equity and Liabilities (1+4)		28,076.31	26,920.10
Significant accounting policies and accompanying notes forming part of the financial statements	1-40		

As per our attached report of even date

For Lodha & Company
Chartered Accountants
ICAI Firm Registration No. 301051E

R.P. Baradiya
Partner
Membership No. 44101
Place : Mumbai
Date : April 24, 2023

**For and on behalf of the Board of Directors of
CDSL Ventures Limited**

Girish Amesara
Director
DIN:08683963

Mohini Kharpude
Company Secretary
M No. A31814

Sunil Alvares
Managing Director & CEO
DIN:08943476

Preeti Gogate
Chief Financial Officer

CDSL VENTURES LIMITED

CIN: U93090MH2006PLC164885

Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lakh)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
1 Revenue from operations	20	10,294.56	13,493.07
2 Other income	21	1,192.00	1,228.31
3 Total income (1+2)		11,486.56	14,721.38
4 Expenses			
Employee benefits expense	22	891.43	561.56
Finance Cost		7.72	-
Depreciation and amortisation expense	3	331.57	120.45
Other expenses	23	3,709.90	4,407.59
Total expenses		4,940.62	5,089.60
5 Profit before tax (3-4)		6,545.94	9,631.78
6 Tax expense:	24		
Current tax		1,638.00	2,280.00
Deferred tax		26.24	67.41
Provision for Income Tax Written Back		-	(25.11)
Total tax expenses		1,664.24	2,322.30
7 Profit for the year (5-6)		4,881.70	7,309.48
8 Other comprehensive income			
Items that will not be reclassified to profit or loss			
i. Remeasurements of the defined benefit plans;		(9.70)	(20.84)
ii. Income tax on above		2.44	5.25
Other comprehensive (loss) / income (net of tax)		(7.26)	(15.59)
9 Total comprehensive Income for the period/ year (7+8)		4,874.44	7,293.89
10 Earnings per equity share(EPS) :			
Basic and Diluted EPS (₹) (not annualised except yearly data)		97.63	146.19
Face value of share (₹)		10.00	10.00
Weighted average number of shares		50,00,000	50,00,000
Significant accounting policies and accompanying notes forming part of the financial statements	1-40		

As per our attached report of even date

For Lodha & Company

Chartered Accountants
ICAI Firm Registration No. 301051E

R.P. Baradiya

Partner
Membership No. 44101

Place : Mumbai
Date : April 24, 2023

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

Managing Director & CEO
DIN:08943476

Preeti Gogate

Chief Financial Officer

CDSL VENTURES LIMITED

CIN: U93090MH2006PLC164885

Statement of Changes in Equity for the year ended March 31, 2023

	₹ in Lakh Amount
A. Equity Share Capital	
Balance as at beginning of April 1, 2021	500.00
Changes in equity share capital during the year	-
Balance as at March 31, 2022	500.00
Changes in Equity Share Capital	-
Balance as at beginning of April 1, 2022	500.00
Changes in equity share capital during the year	-
Balance as at March 31, 2023	500.00

B. Other Equity

(₹ in Lakh)

Particulars	Reserve and surplus		Other Comprehensive Income	Total
	Securities Premium	Retained Earnings		
Balance as at beginning of April 1, 2021	1,600.00	18,810.77	-	20,410.77
Profit for the year	-	7,309.48		7,309.48
Other comprehensive income for the year	-		(15.59)	(15.59)
Dividend payment		(2,350.00)		(2,350.00)
Balance as at March 31, 2022	1,600.00	23,770.25	(15.59)	25,354.66
Changes in accounting policy	-	-	-	-
Balance as at beginning of April 1, 2022	1,600.00	23,770.25	(15.59)	25,354.66
Profit for the year	-	4,881.70	-	4,881.70
Other comprehensive income for the year	-		(7.26)	(7.26)
Dividend payment	-	(4,150.00)	-	(4,150.00)
Balance as at March 31, 2023	1,600.00	24,501.95	(22.85)	26,079.10
Significant accounting policies and accompanying notes forming part of the financial statements		1-40		

As per our attached report of even date

For Lodha & Company

Chartered Accountants
ICAI Firm Registration No. 301051E

R.P. Baradiya

Partner
Membership No. 44101
Place : Mumbai
Date : April 24, 2023

**For and on behalf of the Board of Directors of
CDSL Ventures Limited**

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Managing Director & CEO
DIN:08943476

Preeti Gogate

Chief Financial Officer

CDSL VENTURES LIMITED

CIN: U93090MH2006PLC164885

Cash Flow Statement for the year ended March 31, 2023

(₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per the statement of profit and loss	6,545.94	9,631.78
Adjustments for		
Depreciation and Amortisation Expenses	331.57	120.45
Gain on sale / disposal of property, plant and equipments and intangible assets (Net)	(8.38)	(2.27)
Advances written back	(1.26)	-
Amortisation of premium on Bonds	0.02	-
Interest cost on Lease Liabilities	7.72	-
Interest income recognised on fixed deposit, bonds and STRIPS	(544.18)	(305.38)
Net gain arising on financial assets measured at FVTPL	(617.84)	(704.94)
Provision for Expected credit loss on trade receivables	5.01	6.66
Operating profit before working capital changes	5,718.60	8,746.30
Movements in Working Capital		
(Increase) / Decrease in Trade Receivables	325.91	(460.86)
(Increase) / Decrease in loans	(2.02)	(1.49)
(Increase) / Decrease in Other financial Assets	(45.23)	-
(Increase) / Decrease in Other Assets	(23.88)	(7.63)
Increase / (Decrease) in Trade Payables	253.50	(171.82)
Increase / (Decrease) in provisions	(6.56)	(48.60)
Increase / (Decrease) in Lease Liabilities	185.42	-
Increase / (Decrease) in other financial liabilities	97.16	11.45
Increase / (Decrease) in Other Liabilities	(57.71)	(42.48)
Total working capital changes	726.59	(721.43)
Cash Generated from / (used in) Operations	6,445.19	8,024.87
Direct taxes paid	(1,710.44)	(2,246.50)
Net Cash from / (used in) Operating Activities	4,734.75	5,778.37
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,002.48)	(190.43)
Purchase of intangible assets	(427.24)	-
Proceeds from sale of property, plant and equipment	8.38	2.27
Purchase of investments	(9,160.25)	(10,499.93)
Proceeds from Sale of investments	10,154.16	4,365.72
Investments in fixed deposits with banks	(3,518.69)	(3,722.37)
Proceeds from maturity of fixed deposits with banks	3,120.48	6,188.00
Interest Received	447.09	499.01
Net Cash generated from / (used in) Investing Activities	(378.55)	(3,357.73)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(4,150.00)	(2,350.00)
Payment of lease rental	(80.00)	-
Net Cash from / (used in) Financing Activities	(4,230.00)	(2,350.00)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	126.20	70.64
Cash and Cash Equivalents at the beginning of the year	116.41	45.77
Cash and cash equivalents at the end of the year comprises	242.61	116.41
Cash and cash equivalents at the end of the year comprises		
i) Cash on hand	-	-
ii) Balances with Banks - Current Account	242.61	116.41
Significant accounting policies and accompanying notes forming part of the financial statements	1-40	

1. The Cash Flow Statement has been prepared under the “Indirect Method” as set out in Ind As - 7 “Cash Flow Statement”.
2. Previous year audited figures have been regrouped/rearranged/reclassified wherever necessary.

As per our attached report of even date

For Lodha & Company
Chartered Accountants
ICAI Firm Registration No. 301051E

R.P. Baradiya
Partner
Membership No. 44101
Place : Mumbai
Date : April 24, 2023

**For and on behalf of the Board of Directors of
CDSL Ventures Limited**

Girish Amesara
Director
DIN:08683963

Mohini Kharpude
Company Secretary
M No. A31814

Sunil Alvares
Managing Director & CEO
DIN:08943476

Preeti Gogate
Chief Financial Officer

CDSL VENTURES LIMITED

CIN: U93090MH2006PLC164885

Significant Accounting Policies to the Financial Statements for the year ended March 31, 2023

1 Corporate Information

1.1 CDSL Ventures Limited (“CVL” or “the Company”) is a wholly owned subsidiary of Central Depository Services (India) Limited, incorporated on September 25, 2006. CVL began its journey in 2008 by handling Customer Profiling and Record keeping of Mutual Fund Investors on account of the PMLA Act related KYC requirements. After the introduction of the KRA regulations in 2011, CVL was the first entity to register as a KYC Registration Agency (KRA) with SEBI. As a KRA, CVL provides fully digitized KYC services to all intermediaries in the Capital Markets. CVL is also offering the following services namely CKYC support services, Aadhar based eKYC and e sign services, Register and Transfer Agent services (RTA), PMJJBY services, GST Suvidha Provider Services for filing GST Returns, Processing and handling Refund payments to investors and Academic Depository: Digitizing and hosting academic awards to enable access by Students and Verifiers. CVL is the first KYC Registration Company (“KRA”) appointed by SEBI to do common KYC for investor in the Capital Market, Accordingly, CVL receives client’s 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 and for allied data collection and verification services. 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:

2.1 Statement of compliance

The financial statements as at and for the year ended March 31, 2023 have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under section 133 of the Companies Act 2013, read together with the companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended time to time and the financial statements also complies with presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on April 24,2023.

2.2 Basis of preparation

These financial statements have been prepared and presented on the historical cost convention, except for certain financial instruments which are measured at fair values at the end of each

reporting period as required by the relevant Ind AS, further 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.

- i. Financial assets and liabilities measured at fair value (refer accounting policy at 2.9).
- ii. Employee benefits (Gratuity and Compensated absences) (refer accounting policy at 2.10).

2.3 Functional and presentation currency

The financial statements are presented in Indian rupees, the national currency of India, 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 lakh upto two decimal except share and per share data in terms of Schedule III unless otherwise stated.

2.4 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 judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, disclosure of contingent assets and disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the statement of profit and loss in the year in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- i. Income taxes: The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, deferred tax assets and liabilities including the amount expected to be paid or recovered in connection with uncertain tax positions.
- ii. Employee Benefits: Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.
- iii. Property plant and equipment and Intangible assets: The charge in respect of periodic depreciation/amortization is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual

values of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

- iv. Impairment of trade receivables: The Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.
- v. Fair value measurement of financial instruments: The Company estimates fair values of the unquoted equity shares using 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 (refer note 4).

2.5 Property, Plant & Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Capital work-in-progress, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost includes borrowing costs for long term construction projects if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

2.6 Intangible assets

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

Intangible assets are amortised on a straight line basis over economic useful life of asset and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense on intangible assets is recognized in the Statement of Profit and Loss

Intangible assets consist of computer software.

2.7 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 Company's Act 2013 (Years)	Useful Life as per Company Policy (Years) (W.e.f. Jan 1, 2021)
Computer Hardware	6	6
Computer software – Perpetual	3	3
Computer software – Subscription License	3	3-5
Office Equipment	5	5
Furniture and Fixtures	10	5

Mobiles/tablets provided to employees as per Service Rules of the company is charged to Statement of Profit and Loss. The carrying amounts of assets are reviewed at each Balance Sheet date, 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.

2.8 Fair Value Measurement

The Company measures financial instruments, such as derivatives, at fair value at each Balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

Fair value for measurement and / or disclosure purposes in this financial information is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

2.9 Financial Instruments

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 and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Statement of Profit and Loss.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

a) Classification of financial assets

Company has classified and measured Financial Assets into following:

i) Amortized cost if both of the following conditions are met:

1. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
2. 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:

1. The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
2. 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

b) Classification of Financial Liabilities

Company has classified financial liabilities as subsequently measured at amortized cost. For trade and other payable maturing within one year from the date of Balance Sheet the carrying amount approximate fair value due to short maturity of these instruments.

2.10 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:

a) Defined Contribution Plans:

Provident Fund

The Provident fund plan is operated by Regional Provident Fund Commissioner (RPFC) and the contribution thereof is 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.

b) Defined Benefits Plans:

i) Gratuity

Gratuity for employees is covered by Gratuity Scheme with Life Insurance Corporation of India and the contribution thereof is paid/provided for. The Company's liabilities under Payment of Gratuity Act are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Re-measurement gains or losses arising from experience adjustments changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of changes in Equity and in the Balance Sheet. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

ii) **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.

2.11 Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur in the Statement of Profit and Loss. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.12 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 recognized 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 recognized to the extent that there is reasonable certainty that these would be realized 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.

Current tax and deferred tax relating to items recognized outside Statement of Profit and Loss is recognized outside Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

2.13 Foreign Currency Translation

The functional currency of CDSL Ventures Limited is 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/ translation is recognized in the Statement of Profit and Loss.

2.14 Revenue Recognition

In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognized net of applicable 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.

2.15 Provisions and Contingencies

A provision is recognized 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.

2.16 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.17 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.

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

2.19 Impairment

Financial assets carried at amortised cost and FVTOCI

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- a) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a detailed analysis of trade receivable on individual basis.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense /income in the Statement of Profit and Loss.

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Non-financial assets

The Company assesses at each reporting date whether there is any observable evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.2 Leases

a) As a Lessee:

The Company's lease asset classes primarily consist of leases for space provided by holding company. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i) the contract involves the use of an identified asset;
- ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

b) As a Lessor:

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.21 Current / Non-current classification

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

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

1. it is expected to be realized 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 realized 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 at least twelve months after the balance sheet date
5. All other assets are classified as non-current.

b) 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. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
4. All other liabilities are classified as non-current.

2.22 Dividend

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.23 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization 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.

2.24 Recent accounting pronouncements

A New and amended standards

The Company has applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2022.

B Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- a) A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- b) Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- c) Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company

C Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework

is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS .includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

D Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Company.

E Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of “Recoverable amount” is amended such that the words “the higher of an asset’s fair value less costs to sell and its value in use” are replaced with “higher of an asset’s fair value less costs of disposal and its value in use”. The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

2.25 Segment Reporting

The Company is engaged in the business of providing common KYC for investors 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.

2.26 Rounding off Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III, unless otherwise stated.

3. Property, Plant and Equipment, Intangible Assets, Right of Use Assets

(₹ in Lakh)

Gross Block/Deemed Cost	Property, Plant and Equipment					Other Intangible Assets Software	Right of Use Assets
	Computer Hardware	Furniture and fixtures	Office equipments	Motor vehicles	Total		
Balance as at April 1, 2021	326.49	0.70	28.71	0.50	356.40	405.07	-
Additions during the year ended March 31, 2022	57.96	-	57.70	0.92	116.58	73.85	-
Deductions / adjustments	-	0.34	31.84	-	32.18	-	-
Balance as at March 31, 2022	384.45	0.36	54.57	1.42	440.80	478.92	-
Balance as at April 1, 2022	384.45	0.36	54.57	1.42	440.80	478.92	-
Additions during the year ended March 31, 2023	719.23	0.34	92.56	-	812.13	427.24	190.34
Deductions / adjustments	161.69	-	3.05	1.42	166.16	101.36	-
Balance as at March 31, 2023	941.99	0.70	144.08	-	1,086.77	804.80	190.34

(₹ in Lakh)

Accumulated depreciation, amortisation and impairment	Property, Plant and Equipment					Other Intangible Assets Software	Right of Use Assets
	Computer Hardware	Furniture and fixtures	Office equipments	Motor vehicles	Total		
Balance as at April 1, 2021	265.57	0.26	17.79	0.50	284.12	242.37	-
Depreciation/amortisation for the year ended March 31, 2022	14.69	0.13	17.55	0.92	33.29	87.16	-
Deductions / Adjustments	-	0.34	31.84	-	32.18	-	-
Balance as at March 31, 2022	280.26	0.05	3.50	1.42	285.23	329.53	-
Balance as at April 1, 2022	280.26	0.05	3.50	1.42	285.23	329.53	-
Depreciation/amortisation for the year ended March 31, 2023	56.75	0.14	46.86	-	103.75	141.97	85.84
Deductions / Adjustments	161.69	-	3.05	1.42	166.16	101.36	-
Balance as at March 31, 2023	175.32	0.19	47.31	-	222.82	370.14	85.84



CVL

(₹ in Lakh)

Net Book Value	Property, Plant and Equipment					Other Intangible Assets	Right of Use Assets
Particulars	Computer Hardware	Furniture and fixtures	Office equipments	Motor vehicles	Total	Software	
As at March 31, 2023	766.67	0.51	96.77	-	863.95	434.66	104.50
As at March 31, 2022	104.19	0.31	51.07	-	155.57	149.39	-

4. Investment in Fellow Subsidiaries

(₹ in Lakh)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Units	Amount	Units	Amount
Un-quoted Trade Investments				
Investment in Equity Instruments				
CDSL Insurance Repository Limited (Fully paid up equity shares of ₹ 10 each)	9,75,001	97.50	9,75,001	97.50
Total aggregate un-quoted Investments		97.50		97.50
Aggregate carrying value of un-quoted investments		97.50		97.50
Aggregate amount of impairment in value of investments in fellow subsidiaries		-		-

5. Other Investments

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Non-current Investments (refer note 5A)		
Quoted Non Trade Investments		
Investments in Debentures and Bonds measured at amortised cost		
Bonds and Non-Convertible Debentures	4,296.63	1,300.28
Investments in STRIPS measured at amortised cost		
Investments in STRIPS	3,444.71	-
Investments in Mutual Funds measured at FVTPL		
Own Funds		
Units of Growth Oriented Debt Schemes of Mutual Funds (Quoted)	12,682.02	19,499.17
Total of Quoted Non-Current Investments	20,423.36	20,799.45
Total of Quoted Non-Current Investments	20,423.36	20,799.45

Particulars	As at 31.03.2023	As at 31.03.2022
Aggregate market value of quoted investments	16,978.65	20,799.45
Aggregate market value of unquoted investments	3,444.71	-

5 A Details of Investments

(₹) In Lakh

Name of the Body Corporate / Mutual Fund	No. of Shares / Units			
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Investment in Equity Instruments (Trade, Unquoted & Fully Paid up) CDSL Insurance Repository Limited	9,75,001	9,75,001	97.50	97.50
			97.50	97.50
a Investment in bonds (Non Trade, Quoted and fully paid up)				
7.11% NHAI Tax Free Bonds 18.09.2025	30	30	300.01	300.01
7.16% PFC Tax Free Bonds 17.07.2025	50	50	500.08	500.12
7.17% REC Tax Free Bonds 23.07.2025	50	50	500.10	500.15
7.77% HDFC Ltd Taxable NCD 28.06.2027	50	-	500.43	-
7.89% TCFS Ltd Taxable NCD 26.07.2027	50	-	502.77	-
7.32% REC Taxable Bonds 27.02.2026	50	-	498.51	-
7.40% Nabard Taxable Bond 30.01.2026	50	-	497.07	-
7.82% DME Taxable Bond 24.02.2033	500	-	500.99	-
7.58% Nabard Taxable Bond 31.07.2026	500	-	496.67	-
			4,296.63	1,300.28
b Investment in STRIPS (Non Trade, Unquoted and fully paid up)				
CSTRIP-GS 15-JUN-2027 C	5,00,000	-	369.87	-
CSTRIP-GS 15-DEC-2027 C	5,59,200	-	398.50	-
CSTRIP-GS 16-JUN-2027 C	36,04,900	-	2,676.34	-
			3,444.71	-
c Investment in units of mutual funds (Non Trade, Quoted & Fully Paid up)				
Aditya Birla Sunlife Savings Fund - Direct - Growth	-	2,11,998	-	944.05
Aditya Birla Sunlife Floating Rate Fund - Direct - Growth	-	10,82,378	-	3,069.08
DSP Banking & PSU Debt Fund - Direct - Growth	50,08,487	50,08,487	1,042.89	1,000.28
DSP Floater Fund - Direct - Growth	-	1,38,86,133	-	1,457.78
Invesco India Money Market Fund -Direct - Growth	41,782	47,446	1,115.23	1,205.59
Kotak Banking & PSU Debt Fund - Direct -Growth	-	4,86,541	-	264.10
Kotak Corporate Bond Fund - Direct - Growth	84,249	77,205	2,760.19	2,418.73
Kotak Bond Short Term Fund - Direct - Growth	17,79,458	17,79,458	849.23	813.14
L & T Triple Ace Bond Fund - Direct - Growth	18,79,188	27,67,586	1,222.56	1,739.70
Nippon India Banking and PSU Debt Fund - Direct Growth	-	65,88,959	-	1,136.90
Nippon India Floating Rate Fund - Direct Growth	94,21,370	94,21,370	3,722.90	3,556.04
SBI Banking & PSU Debt Fund - Direct -Growth	28,058	28,058	778.61	748.60
SBI Corporate Bond Fund - Direct -Growth	50,47,703	50,47,703	672.67	644.85
Mirae Asset Nifty SDL Jun 2027 Index Fund - Direct - Growth	49,99,750	49,99,750	517.74	500.33
			12,682.02	19,499.17
Total of non current investments (a+b+c)			20,423.36	20,799.45

6 Loans (at amortised cost)

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Non-current		
Unsecured, considered good		
Loans to staff	2.27	0.74
Total	2.27	0.74
Current		
Unsecured, considered good		
Loans to staff	1.61	1.12
Total	1.61	1.12

7 Trade Receivable

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Secured, considered good	-	-
Unsecured, considered good	561.58	678.23
Trade receivable - credit impaired	0.41	-
Unsecured, considered doubtful	-	1.09
Less: Allowance for doubtful debts	(0.41)	(1.09)
Unbilled Revenue (Includes receivable from Related Party ₹ 12.81 Lakh(P.Y. ₹ 15.48 Lakh)	864.75	1,079.02
Total	1,426.33	1,757.25

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 60 days.
3. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables by operation departments.

Trade receivables ageing schedule as at March 31, 2023

(₹ in Lakh)

Particulars		Outstanding for following periods from due date of payment						Total
		Current	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed trade receivable - considered good	15.54	522.21	23.83	-	-	-	561.58
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables - credit impaired	-	-	-	0.16	0.09	0.16	0.41
(iv)	Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total		15.54	522.21	23.83	0.16	0.09	0.16	561.99

Trade receivables ageing schedule as at March 31, 2022

(₹ in Lakh)

Particulars		Outstanding for following periods from due date of payment						Total
		Current	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed trade receivable - considered good	360.36	308.32	9.50	0.05	-	-	678.23
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables — credit impaired	-	-	-	0.66	0.26	0.17	1.09
(iv)	Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
Total		360.36	308.32	9.50	0.71	0.26	0.17	679.32

Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Balance at beginning of the year	1.09	1.84
Add/(Less) - Trade receivable - credit impaired/recovered (net off bad debts)	(0.68)	(0.75)
Balance at the end of the year	0.41	1.09

8. Cash and cash equivalents

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Current		
Balance with Banks		
Owned fund		
In Current Accounts	242.61	116.41
Total	242.61	116.41
Bank Balance other than above		
Balance with Banks		
Owned fund		
- In Deposit Accounts (including earmarked deposits for Bank Guarantee of ₹ 5.43 Lakhs - Refer Note 31)	3,523.26	3,120.48
- Accrued Interest - On Bank Deposits	108.59	90.54
Total	3,631.85	3,211.02

9. Other Financial Assets

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Non-current		
Sundry Deposits	47.83	2.60
Bank Deposits (Earmarked for Bank Guarantee of ₹ 100 Lakh - Refer Note 31)	100.87	105.44
Accrued Interest - On Bank Deposits	24.89	18.02
Total	173.59	126.06
Current		
Accrued Interest - On Bonds	130.63	58.46
Total	130.63	58.46

10. Income tax asset (Net)

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Non-current tax assets		
Income tax assets (net of provision ₹ 7,519.68 Lakh (Previous year ₹ Nil))	196.65	-
Total	196.65	-
Current		
Income tax assets (net of provision ₹ Nil (Previous year ₹ 5,914.77 Lakh))	-	124.21
Total	-	124.21

11. Other assets

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Non Current		
Prepaid Expenses	69.33	14.65
Total	69.33	14.65
Current		
Prepaid Expenses	129.81	97.10
GST Input Credit Receivable	135.06	196.72
Advance to Creditors	12.44	14.42
Staff Advance	0.16	0.03
Total	277.47	308.27

12. Equity Share Capital

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Equity Share Capital		
Authorised share capital:		
Equity Shares of ₹ 10/- each with voting rights 50,00,000 equity shares of ₹ 10/- each fully paid-up.	500.00	500.00
Issued share capital:		
Equity Shares of ₹ 10/- each with voting rights 50,00,000 equity shares of ₹ 10/- each fully paid-up.	500.00	500.00
Subscribed and Paid-up share capital		
50,00,000 equity shares of ₹ 10/- each fully paid-up.	500.00	500.00
Total	500.00	500.00

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.

Particulars	Opening Balance	Bonus Shares issued during the year	Closing Balance
Equity shares with voting rights			
As at March 31, 2022			
Number of shares	50,00,000	-	50,00,000
Amount (₹) In lakh	500.00	-	500.00
As at March 31, 2023			
Number of shares	50,00,000	-	50,00,000
Amount (₹) In lakh	500.00	-	500.00

Terms/rights attached to equity shares

- a) The Company had allotted 5,00,000 Equity shares as bonus in ratio of (1:9), one share for every nine share held of face value ₹ 10/- per share on May 22, 2018

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	(₹) In Lakh	No. of Shares	(₹) In Lakh
Bonus Shares issued within a period of 5 years immediately preceding the balance sheet date	20,00,000	200.00	20,00,000	200.00
Aggregate number of equity shares of ₹ 10 each allotted at par as fully paid up by way of bonus shares during the six months	-	-	-	-

- a) 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.

Details of Shares held by promoters as at March 31, 2023

Promoters Name	No. of Shares				
	No. of shares held at the beginning of the year	Changes during the year	No. of shares held at the end of the year	% of total shares	% Changes During the year
Central Depository Services (India) Limited, Holding Company and its nominees	50,00,000	-	50,00,000	100.00	-

Details of Shares held by promoters as at March 31, 2022

Promoters Name	No. of Shares				
	No. of shares held at the beginning of the year	Changes during the year	No. of shares held at the end of the year	% of total shares	% Changes During the year
Central Depository Services (India) Limited, Holding Company and its nominees	50,00,000	-	50,00,000	100.00	-

13. Other equity

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	1,600.00	1,600.00
Retained earnings	24,479.10	23,754.66
Total	26,079.10	25,354.66

13.1 Securities premium

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,600.00	1,600.00
Less: Movement during the year	-	-
Closing balance	1,600.00	1,600.00

Securities premium is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

13.2 Retained earnings

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	23,754.66	18,810.77
Profit for the year	4,881.70	7,309.48
Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of income tax) for the year	(7.26)	(15.59)
Dividends on equity shares declared and paid (refer note 13.3)	(4,150.00)	(2,350.00)
Amount available for appropriation	24,479.10	23,754.66

Retained earnings reflect surplus/deficit after taxes in the Statement of Profit and Loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of Companies Act, 2013.

3.3 Distribution made and proposed

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Dividends on equity shares declared and paid:		
Final dividend paid for the year ended on March 31, 2023: Rs. 83 per share (March 31, 2022: Rs. 47 per share)	4,150.00	2,350.00
Total	4,150.00	2,350.00
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on March 31, 2023: Rs. 59 per share (March 31 2022: Rs. 83 per share)	2,950.00	4,150.00
Total	2,950.00	4,150.00

14. Deferred tax balances

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	17.39	41.59
Deferred tax liabilities	189.05	189.45
Total	(171.66)	(147.86)

Deferred tax (liabilities) / assets in relation to:
(₹ in Lakh)

Particulars	Opening balance as at 01.04.2021	Recognised in Profit and loss for year ended 31.03.2022	Recognised in Other Comprehensive Income for year ended 31.03.2022	Closing balance as at 31.03.2022	Recognised in Profit and loss for year ended 31.03.2023	Recognised in Other Comprehensive Income for year ended 31.03.2023	Closing balance as at 31.03.2023
1. Deferred tax Assets							
Provision for compensated absences, gratuity and other employee benefits	39.07	(9.54)	5.25	34.78	22.63	2.44	59.85
On difference between book balance and tax balance of PPE & ROU Assets	22.34	(15.53)	-	6.81	(49.27)	-	(42.46)
Total	61.41	(25.07)	5.25	41.59	(26.64)	2.44	17.39
2. Deferred Tax Liabilities							
On Changes in Fair Value of Investment	147.11	42.34	-	189.45	(0.40)	-	189.05
Total Liabilities	147.11	42.34	-	189.45	(0.40)	-	189.05
Net Asset/ (Liabilities)	(85.70)	(67.41)	5.25	(147.86)	(26.24)	2.44	(171.66)

15. Lease Liabilities
(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Non - Current Lease Liabilities	16.69	-
Total	16.69	-
Current Lease Liabilities	96.45	-
Total	96.45	-

16. Trade Payables
(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
a) Total outstanding dues of micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade payables (refer note below)	0.69	-
Payable to Related Party - Unbilled	5.62	-
Unbilled dues	665.31	418.12
Total	671.62	418.12

As at March 31 2023, 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

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	0.69	-	-	-	0.69
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

17. Other Financial Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Deposits	3.00	3.00
Accrued Employee Benefits expense	143.37	46.21
Total	146.37	49.21

18. Other Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Income received in advance	0.29	-
Total	0.29	-
Current		
Advance received from Customers	34.78	27.68
Income received in advance	1.72	0.17
Statutory Dues	263.62	331.53
Total	300.12	359.38

19. Provisions

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Provision for Compensated absences	38.14	32.89
Provision for Gratuity	12.94	18.50
Total	51.08	51.39
Current		
Provision for Compensated absences	25.93	24.85
Provision for Gratuity	17.00	14.63
Total	42.93	39.48

20. Revenue from operations

(₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of services comprise :		
On Line Data Charges	8,680.24	11,997.96
Documents Storage Charges	483.35	518.70
E-KYC/C-KYC & Miscellaneous Charges	449.06	436.88
Inter KRA charges	500.30	427.09
GSP Service Charges	105.84	98.33
Document Verification Charges	47.25	0.13
OLAO Charges	13.76	13.90
eSign Charges	14.76	0.08
Total	10,294.56	13,493.07

20.1 Timing of revenue recognition

(₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Services transferred at a point in time	10,245.41	13,446.75
Services transferred over time	49.15	46.32
Total	10,294.56	13,493.07

21. Other income

(₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income earned on financial assets that are measured at amortised cost		
Bank deposits (at amortised cost)	189.75	191.15
Investments in debt instruments (at amortised cost)	175.47	114.23
Interest on staff loan	0.30	0.06
Investments in STRIPS	178.66	-
Other gains or losses:		
Net gains / (loss) arising on financial assets measured at FVTPL	617.84	704.94
Gain on sale / disposal of property, plant and equipments and intangible assets (Net)	8.38	2.27
Other non-operating income		
Bad debts recovered	0.75	0.04
Interest on Income Tax Refund	12.64	1.93
Excess Provision reversed	-	209.68
Miscellaneous income	8.21	4.01
Total	1,192.00	1,228.31

22. Employee benefits expense

(₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, allowances and bonus	812.60	503.50
Contribution to provident and other funds	51.04	43.74
Staff welfare expenses	27.79	14.32
Total	891.43	561.56

23. Other expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Authentication User Agency (AUA) Expenses	11.32	10.19
Aadhar Masking Charges	42.82	42.79
Auditors' Remuneration:		
Audit Fees	2.00	2.00
Tax Audit Fees	0.50	0.50
Out of Pocket Expenses	0.08	0.05
Business Development charges	0.88	0.12
Business Support expenses	42.00	40.00
Communication, telephone & Courier Charges	16.87	11.92
Computer technology related expenses	646.29	472.97
Contribution towards Corporate Social Responsibility (Refer Note No. 34)	123.95	77.48
Directors Sitting fees	12.25	6.75
E-SIGN Expenses	1.16	0.21
Expenses for GST Suvidha Provider	17.40	17.85
Insurance expenses	3.01	5.34
Inter KRA charges expenses	1,711.04	2,720.58
Impairment loss allowance on trade receivables	5.01	6.70
Legal Fees	3.82	6.19
Miscellaneous Expenses	17.06	20.36
Office Maintenance	66.76	6.27
Point Of Service (POS) charges	646.53	705.73
Power and fuel	36.96	2.08
Printing & Stationery	2.18	0.90
Professional & Consultancy charges	116.09	118.76
Rates & Taxes	5.22	2.55
Recruitment Charges	5.58	2.51
Rent	133.34	110.27
SEBI fees	1.08	1.00
SMS Alert Expenses	27.54	5.14
Travelling & Conveyance	11.16	10.38
Total	3,709.90	4,407.59

24. Taxes

24.1. Income tax expense

The major components of income tax expense for the year ended March 31, 2023 and 2022 are as under:

24.1.1. Under Profit or loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax expense	1638.00	2280.00
Deferred tax	26.24	67.41
Total income tax expense recognised in profit or loss	1,664.24	2347.41

24.1.2. Under Other comprehensive income

(₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remeasurement of the defined benefit plans	(9.70)	(20.84)
Total income tax expense recognised in other comprehensive income	2.44	5.25

24.2. The income tax expense for the year has been reconciled to the accounting profit as follows:

(₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Profit before tax	6,545.94	9,631.78
(B) Enacted tax rate in India	25.17%	25.17%
(C) Expected tax expenses (A*B)	1,647.61	2,424.32
(D) Other than temporary differences		
Effect of income that is exempt from taxation	(23.40)	(22.53)
Expenses disallowed / (allowed)	34.73	22.77
Effect of Different rates of Tax	2.86	(82.40)
Total adjustments	14.19	(82.16)
(E) Tax expenses after adjustments (C+D)	1,661.80	2,342.16
(F) Tax expenses recognised in Profit or Loss & OCI	1,661.80	2,342.16

25. Earnings per share (EPS)

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

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

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS	5,00,00,000	5,00,00,000
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	5,00,00,000	5,00,00,000
Face Value per Share (₹)	₹ 10/- Each	₹ 10/- Each
Profit for the year (₹ in lakh)	4,881.70	7,309.48
Basic and Diluted EPS (₹ per share)	97.63	146.19

26 Leases

Following are the changes in the carrying value of right of use assets during the year:

(₹ in Lakh)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Opening Balance*	-	-
Additions during the year	190.34	-
Reversal / Transfer of ROU asset	-	-
Less: Depreciation	(85.84)	-
Closing Balance	104.50	-

*includes EIR adjustment of Security Deposit

Amounts recognised in statement of profit and loss during the year:

(₹ in Lakh)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
a. Depreciation (expense) on right-of-use assets	85.84	-
b. Interest (expense) on lease liabilities	7.72	-

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

The following is the break-up of current and non-current lease liabilities:

(₹ in Lakh)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
a. Current Lease Liabilities	96.45	-
b. Non-Current Lease Liabilities	16.69	-
Total	113.14	-

The following is the movement in lease liabilities during the year:

(₹ in Lakh)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Opening Balance	-	-
Add: Additions during the year	185.42	-
Add: Finance Cost accrued during the period	7.72	-
Less: Payment / transfer of Lease Liabilities	(80.00)	-
Closing Balance	113.14	-

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Lakh)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Less than one year	96.45	-
One to Five years	16.69	-
More than Five years	-	-
Total	113.14	-

The following is the movement in Security Deposit during the year:

(₹ in Lakh)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Opening Balance	-	-
Add: Additions during the year	(4.92)	-
Add: Interest income	2.15	-
Less: Transfer during the year	-	-
Closing Balance	(2.77)	-

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

27. Financial instruments

The carrying value and fair value of financial instruments by categories:

Particulars	Carrying Value		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2023
i) Financial Assets				
a) Amortised Cost				
Trade receivables	1,426.33	1,757.25	1,426.33	1,757.25
Cash and cash equivalents	242.61	116.41	242.61	116.41
Bank balances other than cash and cash equivalents	3,631.85	3,211.02	3,631.85	3,211.02
Loans to Staff	3.88	1.86	3.88	1.86
Other financial assets	304.22	184.52	304.22	184.52
Investment in Debt instruments	4,296.63	1,300.28	4,341.73	1,419.00
Investment in STRIPS	3,444.71	-	3,444.71	-
Total (a)	13,350.23	6,571.34	9,950.62	6,690.06
b) FVTPL				
Investment in mutual funds	12,682.02	19,499.17	12,682.02	19,499.17
Total (b)	12,682.02	19,499.17	12,682.02	19,499.17
c) Others				
Investment in Fellow subsidiaries	97.50	97.50	97.50	97.50
Total Financial Assets (a+b+c)	26,129.75	26,168.01	22,730.14	26,286.73

(₹ in Lakh)

Particulars	Carrying Value		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
ii) Financial Liabilities				
a) Amortised Cost				
Trade payables	671.62	418.12	671.62	418.12
Other financial liabilities	146.37	49.21	146.37	49.21
Lease Liabilities	113.14	-	113.14	-
Total Financial Liabilities	931.13	467.33	931.13	467.33

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).

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

Fair value of the Company's financial assets that are measured at fair value on a recurring basis

(₹ in Lakh)

Financial assets	Fair value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2023	March 31, 2022		
Mutual Funds (Unquoted)	12,682.02	19,499.17	Level 1	NAV declared by respective mutual funds
Taxable Bond	2,996.44	-	Level 1	Quoted Price
Tax Free Bond	1,418.91	1,419.00	Level 1	Quoted Price

There were no transfers between Level 1, 2 and 3 during the years.

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the balance sheet approximate their fair values.

Fair value of financial assets that are measured at amortised cost:

(₹ in Lakh)

Particulars	Fair Value (As at)		Fair Value Hierarchy (Level)
	March 31, 2023	March 31, 2022	
Financial assets Amortised Cost			
Investments in debt instruments	1,418.91	1,419.00	Level 1 - Quoted bid prices in an active market
Investment in STRIPS	3,444.71	-	Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

The management assessed that fair value of cash and bank balances, fixed 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:

- 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.
- The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires the 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 the management's estimate of fair value for these unquoted equity investments.

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

28. 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: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk) and regulatory 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.

Following customers accounted for more than 10% of the receivables as at March 31, 2023 and revenue for the year ended March 31, 2023.

Particulars	₹ In Lakh	10% of the receivable and revenue
Revenue	10,294.56	No such customer
Receivables	561.99	Customer 1 – 85.94 Lakh (15%) Customer 2 – 68.41 Lakh (12%)

Following customers accounted for more than 10% of the receivables as at March 31, 2022 and revenue for the year ended March 31, 2022.

Particulars	₹ In Lakh	10% of the receivable and revenue
Revenue	13,493.07	Customer 1 – 1532.35 Lakh (11%)
Receivables	679.32	Customer 1 – 137.91 Lakh (20%) Customer 2 – 136.84 Lakh (20%)

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

Investments

The Company limits its exposure to credit risk by making investment as per the investment policy. 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 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. The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows.

The details regarding the contractual maturities of financial liabilities as at March 31, 2023 and March 31, 2022 are as below

Particulars	As at			
	March 31, 2023			
Financial liabilities	Less than one year	One to Five years	More than Five years	Total
Trade payables	671.62	-	-	671.62
Other financial liabilities	146.37	-	-	146.37
Lease liabilities	96.45	16.69	-	113.14
Total				931.13

Particulars	As at			
	March 31, 2022			
Financial liabilities	Less than one year	One to Five years	More than Five years	Total
Trade payables	418.12	-	-	418.12
Other financial liabilities	49.21	-	-	49.21
Total				467.33

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

The details regarding the contractual maturities of financial assets as at March 31, 2023 and March 31, 2022 are as below:

Particulars	As at			
	March 31, 2023			
Financial Assets	Less than one year	One to Five years	More than Five years	Total
Investments*	-	20,423.36	-	20,423.36
Loan	1.61	2.27	-	3.88
Other financial assets	130.63	173.59	-	304.22
Trade receivables	1,426.33	-	-	1,426.33
Cash and cash equivalents	242.61	-	-	242.61
Bank balances other than cash and cash equivalents	3,631.85	-	-	3,631.85
Total				26,032.25

Particulars	As at			
	March 31, 2022			
Financial liabilities	Less than one year	One to Five years	More than Five years	Total
Investments*	-	20,799.45	-	20,799.45
Loan	0.74	1.12	-	1.86
Other financial assets	58.46	126.06	-	184.52
Trade receivables	1,757.25	-	-	1,757.25
Cash and cash equivalents	116.41	-	-	116.41
Bank balances other than cash and cash equivalents	3,211.02			3,211.02
Total				26,070.51

* Investment does not include investments in equity instruments of subsidiaries.

The Company manages contractual financial liabilities and contractual financial assets on net basis.”

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

Market risk

The Company's business, financial condition and results of operations are highly dependent upon the regulatory intervention and in particular upon the volume of electronic policies held in the Insurance Repository by the Insurance companies which is presently voluntary in nature 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 the adoption by the insurance companies of electronic policies and other related services, which, in turn, is directly dependent on the personal interest of our customers i.e. policyholders.

- **Foreign Currency risk**

The Company's foreign currency risk arises in respect of foreign currency transactions. The Company's foreign currency expenses is insignificant, 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 expenses measured in rupees may decrease. Due to lesser quantum of expenses from foreign currencies, the 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 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.

- **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. 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.

29. 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

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

capital is to maintain an optimal structure so as to maximize shareholder value.

The Company is predominantly equity financed which is evident from the capital structure. Further, the Company has always been a net cash company with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds being far in excess of financial liabilities.

30 Information on related party transactions as required by Ind AS 24 – ‘Related party disclosures’ for the year ended March 31, 2023.

Description of relationship	Names of related parties
Entity where control exists	Central Depository Services (India) Limited (CDSL) – Holding Company
Fellow subsidiaries	CDSL Insurance Repository Limited
	CDSL Commodity Repository Limited
	India International Depository IFSC Limited (Erstwhile CDSL IFSC Limited) till May 2, 2022
Entity having significant influence in Holding Company	BSE Limited
Subsidiary of entity having significant influence in Holding Company	BSE Technologies Private Limited (Erstwhile Marketplace Technologies Private Limited)
	Indian Clearing Corporation Limited
	BSE Administration & Supervision Limited
	BSE Investments Limited
	BSE Institute Limited
	BSE CSR Integrated Foundation
	India International Exchange (IFSC) Limited
	India International Clearing Corporation (IFSC) Limited
	BSE Tech Infra Services Private Limited (formerly known as Marketplace Tech Infra Services Private Limited)
	BFSI Sector Skill Council of India
	BIL - Ryerson Technology Startup Incubator Foundation
	BSE Institute of Research Development & Innovation
	BSE E-Agricultural Markets Limited
	India INX Global Access IFSC Limited
Associate having significant influence in Fellow subsidiary – CDSL Commodity Repository Limited	Multi Commodity Exchange of India Limited
	BSE Investments Limited

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

Description of relationship	Names of related parties
Associate of Holding Company	India International Bullion Holding IFSC Limited
	India International Bullion Holding IFSC Limited
	India International Depository IFSC Limited (Erstwhile CDSL IFSC Limited) w.e.f. May 3, 2022
	India International Bullion Exchange IFSC Limited
Director	Shri R.K. Kakkar
	Shri Nayan Mehta
	Shri K V Subramanian
	Shri Amit Mahajan
	Shri Girish Amesara
	Dr. Ramabhadran Thirumalai
	Shri. Sunil Alvares - Managing Director & CEO
Key Managerial Personnel	Shri. Sunil Alvares - Managing Director & CEO (from November 1, 2020)
	Smt. Preeti Gogate - Chief Financial Officer (From Nov 1, 2022)
	Smt. Mohini Kharpude – Company Secretary
Directors (Other than Independent Director and KMPs) of Holding Company as per Companies Act, 2013*	Shri Masil Jeya Mohan P., Shareholder Director
	Shri Nehal Vora, Managing Director & CEO
	Shri Girish Amesara, Chief Financial Officer
	Smt. Amita Paunekar, Company Secretary (Upto April 05, 2021)
	Shri. Nilay Shah, Company Secretary

*No transaction during the year ended March 31, 2023 and March 31, 2022

Particulars	Transaction for year ended March 31, 2023	Transaction for year ended March 31, 2022
Entity where control exists		
Central Depository Services (India) Limited		
Income		
Operational Income	41.11	54.21
Administrative and Other Recovery	-	1.00
Shared Service Recovery	-	-
Expenditure		
Central Depository Services (India) Limited		
Administrative and Other Expenses	456.05	363.92
Assets		
Purchase of fixed assets	-	0.92
Liability		
Dividend Paid	4,150.00	2,350.00
Transfer of Employee Gratuity	-	0.26
Transfer of Employee Leave Encashment from Holding Company	-	0.13

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

Particulars	Transaction for year ended March 31, 2023	Transaction for year ended March 31, 2022
Transfer of Employee PLB to Holding Company	-	1.18
Transfer of Employee PLB from Holding Company	-	0.58
Fellow subsidiaries		
CDSL Insurance Repository Limited		
Income		
Operational Income	5.09	0.05
Shared Service Recovery	-	8.06
Asset		
Transfer of Employee Gratuity to Fellow Subsidiary	-	4.00
Transfer of Employee Leave Encashment to Fellow Subsidiary	-	2.27
India International Depository IFSC Limited (Erstwhile CDSL IFSC Limited) till May 2, 2022		
Income		
Operational Income	0.07	0.08
Entity having significant influence in Holding Company		
BSE Limited		
Income		
Operational Income	0.36	0.46
Expenditure		
Administrative and Other Expenses	3.25	2.25
Subsidiary of entity having significant influence in Holding Company		
India INX Global Access IFSC Limited		
Income		
Operational Income	0.05	-

Key Managerial personnel Remuneration	Transaction for year ended March 31, 2023	Transaction for year ended March 31, 2022
Shri. Sunil Alvares - Managing Director & CEO	232.53	140.51
Smt. Mohini Kharpude – Company Secretary	16.53	10.54
Smt. Preeti Gogate – CFO (From Nov 1, 2022)	8.39	0.00

Particulars (Balance outstanding)	As at March 31, 2023	As at March 31, 2022
Payable/(Receivable)		
Entity where control exists		
Central Depository Services (India) Limited		
Unbilled revenue	(12.81)	(6.45)
Deposit Receivable	(1.50)	(1.50)

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

Particulars (Balance outstanding)	As at March 31, 2023	As at March 31, 2022
Trade Receivable	(15.41)	-
Equity Share Capital Issued	500.00	500.00
Share Premium	1,600.00	1,600.00
Trade Payable Unbilled	5.62	
Fellow subsidiaries		
CDSL Insurance Repository Limited		
Investment in Equity Shares	(97.50)	(97.50)
Entity having significant influence in Holding Company		
BSE Limited		
Trade Receivable	(0.03)	-

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.

31. Contingent liabilities and Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
	(₹) In Lakh	(₹) In Lakh
Contingent liabilities		
Claims against the not acknowledged as debt:		
Income tax matter FY 2016-17 (refer note (i))	-	74.02
GST Matter FY 2018-19 (refer note (ii))	11.19	-
Bank Guarantee (refer note (iii))	105.44	108.26
Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	8.00	77.4
Intangible assets	153.37	-
Litigation Matters	-	-

Notes:

- Income Tax Demand of ₹ 74.02 Lakh raised by Income Tax Department vide Assessment order u/s 143(3) of Income Tax Act, 1961 for A.Y. 2017-18 dated November 19, 2019 against which company had

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

filed rectification letter on December 17, 2019. After rigorous follow up, rectification order was passed on February 17, 2023 determining refund of ₹ 87 Lakh including interest for AY 2017-18 and the refund is awaited.

- (ii) GST Demand of ₹ 11.19 Lakh (tax liability of ₹ 5.59 Lakh along with Interest of ₹ 4.97 Lakh and penalty of ₹ 0.64 Lakh) raised by GST Department vide order u/s 73 of CGST Act, 2017 in Form DRC 07 for FY 2018-19 on March 29, 2023. This demand is raised for mismatch in GST credit between Form GSTR 9 and GSTR 2A. Out of this demand, the ITC amounting to ₹ 1.65 Lakh already reversed by us in Table 4B(2) of GSTR-3B has not been considered by officer, thereby an appeal would be preferred against the said order shortly.
- (iii) As per business requirements, bank guarantees are issued by banks on behalf of the Company, against 100% margin (earmarked) on fixed deposit receipts. (Refer Note No. 8 and 9)

32. Additional information to the financial statements

32.1. Expenditure in foreign currency:

Particulars	As at March 31, 2023	As at March 31, 2022
Others (Domain Renewal Charges)	0.50	-

32.2. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year-end are furnished below.

Particulars	As at March 31, 2023	As at March 31, 2022
a) Principal amount and interest thereon remaining unpaid at the end of year	-	-
b) Interest paid including payment made beyond appointed day	-	-
c) Interest due and payable for delay during the year	-	-
d) Amount of interest accrued and unpaid as at year end	-	-
e) The amount of further interest due and payable even in the succeeding year	-	-

33 Employee benefits

33.1 Defined benefits plan – Gratuity

Gratuity is administered through Gratuity Scheme with Life Insurance Corporation of India. The LIC raises demand for annual contribution for gratuity amount based on its own computation without

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

providing entire details as required by the Ind AS 19 “Employee Benefits”. Hence the Company obtains separate actuarial valuation report as required under Ind AS 19 “Employee Benefits” from an independent Actuary. 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.

Such plan exposes the Company to actuarial risks such as: investment risk, interest rate risk, demographic risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan’s debt investments.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan’s liability.

Company has received the Gratuity fund statement from LIC till December 2022. Company has not received fund statement from LIC till March 2023. Hence, for the purpose of calculation of plan asset as on March 2023 Company has prepared fund movement as per the company’s records and rate of return on plan asset is estimated @ 7.35 % p.a. as per actuarial report.

(₹ in Lakhs)

Valuation Result as at	March 31, 2023	March 31, 2022
Reconciliation of defined benefit obligation		
Opening Defined Benefit Obligation	137.87	101.47
Transfer in/(out) obligation	-	-
Current service cost	14.63	10.87
Interest cost	9.22	6.23
Due to Change in financial assumptions	(5.77)	4.86
Due to change in demographic assumption	0.32	(1.88)
Due to experience adjustments	15.77	20.67
Past service cost		
Liabilities assumed in an amalgamation in the nature of purchase	(2.27)	(3.74)
Benefits paid	-	(0.61)
Closing Defined Benefit Obligation	169.77	137.87
Other Comprehensive Income for the current period		

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

Valuation Result as at	March 31, 2023	March 31, 2022
Due to Change in financial assumptions	(5.77)	4.86
Due to change in demographic assumption	0.32	(1.88)
Due to experience adjustments	15.77	20.67
Return on plan assets excluding amounts included in interest income	(0.62)	(2.81)
Amounts recognized in Other Comprehensive (Income) / Expense	9.70	20.84
Profit and loss account for the period		
Service cost:		
Current service cost	14.63	10.87
Past service cost	-	-
Net interest cost	2.25	5.07
Total included in 'Employee Benefit Expense'	16.88	15.94
Reconciliation of plan assets		
Opening value of plan assets	104.74	14.36
Interest Income	6.97	1.17
Return on plan assets excluding amounts included in interest income	0.62	2.81
Contributions by employer	29.77	87.02
Benefits paid	(2.27)	(0.61)
Closing value of plan assets	139.82	104.74
Funded status of the plan		
Present value of funded obligations	169.77	137.87
Fair value of plan assets	(139.83)	(104.74)
Net Liability (Asset)	29.94	33.13
Reconciliation of net defined benefit liability		
Net opening provision in books of accounts	33.13	87.11
Adjustment to Opening Defined Benefit Obligation	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	(3.74)
Employee Benefit Expense	16.88	15.94
Amounts recognized in Other Comprehensive (Income)/ Expense	9.70	20.84
	59.71	120.15
Benefits paid by the Company	-	-
Contributions to plan assets	(29.77)	(87.02)
Closing provision in books of accounts	29.94	33.13
Principle actuarial assumptions (for all employee benefits)		
Discount Rate	7.35% p.a.	6.85% p.a.
Salary Growth Rate	9.00% p.a.	9.00% p.a.

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

Valuation Result as at	March 31, 2023	March 31, 2022
Withdrawal Rates	4.85% p.a at all ages	5.95% p.a at all ages
Rate of Return on Plan Assets	7.35% p.a.	6.85% p.a.

Sensitivity analysis

Particulars	March 31, 2023		March 31, 2022	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Impact of increase of 1% on defined benefit obligation	(6.00)%	6.85%	0.00%	17.00%
Impact of decrease of 1% on defined benefit obligation	7.03%	(6.14)%	17.38%	0.15%

33.2 Compensated Absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes remeasurement gains or losses immediately in the statement of profit and loss.

During the year ended March 31, 2023 an amount recognized as an expense in respect of compensated leave absences is ₹ 37.21 lakh (Previous year ended March 31, 2022 is ₹ 29.13 lakh).

34 Corporate Social Responsibility

Particulars		For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
1	Amount required to be spent by the company during the year	118.64	77.48
2	Amount of expenditure incurred	123.95	77.48
3	Shortfall/(Excess) at the end of the year*	(5.31)	-
4	Total of previous years shortfall	-	-
5	Reason for shortfall	-	-
6	Nature of CSR activities	Healthcare and Education	Healthcare and Education

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

Particulars		For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
7	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
8	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

* Excess spent during the year has been carried forward and shall be adjusted against obligation for FY 2023-24

35. Ratio

Ratios	Numerator	Denominator	As on March 31, 2023 (%)	As on March 31, 2022 (%)	% change	Remark
Current Ratio (times)	Current Assets	Current Liabilities	4.54	6.44	(29.50)	The decrease in current ratio is due to investment of surplus cash flows in non bank deposits that have a maturity of more than one year.
Debt Equity Ratio (times)	Total Debt	Total Equity	No borrowing as on		-	
Debt Service Coverage Ratio (times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest + Principal Repayments	No borrowing as on March 31, 2023 and March 31, 2022		-	
Inventory Turnover Ratio (times)	Average inventory	cost of goods sold	-	-	-	
Return on Equity Ratio (percentage)	Net Income (profit after tax)	Average Shareholder's Equity	18.62	31.26	(40.44)	Due to decrease in revenue from operations
Trade Receivable turnover Ratio (times)	Net Sales	Average Trade Receivable	6.00	9.00	(33.33)	Due to decrease in revenue from operations
Trade Payable turnover Ratio (times)	Net Purchase	Average Trade Payables	7.00	9.00	(22.22)	
Net Capital Turnover Ratio (times)	Net Sales	Working capital = Current assets – Current liabilities	2.31	2.86	(19.23)	
Net Profit Ratio (percentage)	Net Profit	Net Sales	47.42	54.17	(12.46)	
Return on Capital Employed Ratio (percentage)	Earnings before interest and taxes	Capital Employed (Total Equity - Intangible asset + Deferred tax)	24.87	37.26	(33.25)	Due to decrease in revenue from operations
Return of Investment Ratio (percentage)	Investment Income	Investment	5.66	5.19	9.06	
In case of Mutual Fund investment, lower appreciation in investment value for the year ended March 31, 2023 as compared to higher appreciation in investment value due to decline in Bond yields for the year ended March 31, 2022. In case of fixed deposit, return on fixed deposit decrease to 6.16% for the year ended March 31, 2023 as compared to 5.54% for the year ended March 31, 2022						

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

36 Relationship / transactions with Struck off Companies

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on March 31, 2023 (₹ in Lakhs)	Balance outstanding as on March 31, 2022 (₹ in Lakhs)	Relationship with the Struck off company, if any, to be disclosed
Adventures India Financial Services Limited	Rendering of Services	(0.01)	(0.01)	Customer
Bansal Finstock Pvt.Ltd.	Rendering of Services	(0.02)	(0.02)	Customer
Evolusolve Technologies Pvt Ltd.	Rendering of Services	(0.07)	(0.07)	Customer
Mayur Share Broking Pvt.Ltd.	Rendering of Services	(0.01)	(0.01)	Customer
Valuevest Technologies Pvt Ltd	Rendering of Services	(0.05)	(0.07)	Customer
Vineet Securities Private Limited	Rendering of Services	(0.05)	(0.05)	Customer

(Negative amounts represent the advances received from customers)

37 Events after the reporting period

There are no events that occur between the end of the reporting period and the date when the financial statements are approved that provide evidence of conditions that existed at the end of the reporting period.

38 Standards notified but not yet effective

Ministry of Corporate affairs have made amendments on March 31, 2023 in certain Indian Accounting Standards (Ind AS) namely Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115, Ind AS 1, Ind AS 8, Ind AS 12 and Ind AS 34. The same are effective from April 01, 2023. However, there are no material changes which will impact the financial statements of the Company.

39 Other Statutory Information

39.1 The Company, for the current year as well as previous year, does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

39.2 The Company, for the current year as well as previous year, does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

39.3 The Company, for the current year as well as previous year, has not traded or invested in Crypto currency or Virtual Currency during the financial year.

39.4 The Company, for the current year as well as previous year, does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(Rupees in Lakhs, except for share and per share data, unless otherwise stated)

- 39.5** The Company, for the current year as well as previous year, has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 39.6** The Company, for the current year as well as previous year, has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- 39.7** The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender, since the company has not undertaken any borrowing during the current year and previous year.
- 39.8** The Company has not made any investment in downstream companies during the current year and previous year. Hence the compliance under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable.
- 39.9** The Company has not entered into any scheme of arrangement in terms of sections 230 to 237 of the Companies Act, 2013 during the current year and previous year.
- 39.10** The Company has not revalued its Property, Plant and Equipment or intangible assets or both during the current year and previous year.
- 39.11** The Company has not granted/given any loans or advances during the current year and previous year to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.
- 40** Figures for the previous year have been regrouped / reclassified and rearranged wherever necessary to correspond with the current year classification / disclosure.

Signatures to Notes 1 to 40 forming part of standalone financial statements

**For and on behalf of the Board of Directors of
CDSL Ventures Limited**

Girish Amesara
Director
DIN:08683963

Sunil Alvares
Managing Director & CEO
DIN:08943476

Mohini Kharpude
Company Secretary
M No. A31814

Preeti Gogate
Chief Financial Officer

Annual Report 2022-23



CDSL Ventures Limited

... exploring new horizons

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