



1st ANNUAL REPORT 2017-18



CDSL Commodity Repository Limited
A wing, Marathon Futurex, 25th Floor, N.M. Joshi Marg, Lower Parel, Mumbai 400 013.

www.ccrl.co.in

CDSL COMMODITY REPOSITORY LIMITED

Board of Directors

Shri T.S. Krishna Murthy

Shri B. Prasada Rao

Shri J. Balasubramanian

Shri B. K. Bal

Shri P. S. Reddy

Chairman

Director

Independent Director

(w. e. f. 20th January, 2018)

Independent Director

(w. e. f. 1st March, 2018)

Director

Management

Shri Ramkumar K.

Shri Bharat Sheth

Shri Arnav Datta

Chief Operating Officer

Chief Financial Officer

Assistant Vice President

Auditors

Lodha & Co.,

Chartered Accountants

6, Karim Chambers,

40 A.D. Marg (Hamam Street),

Mumbai - 400 001.

Registered Office

A-Wing, Marathon Futurex, 25th Floor,

Mafatlal Mills Compound,

N.M. Joshi Marg, Lower Parel (E),

Mumbai - 400 013

Bankers

Axis Bank

Jeevan Prakash Building, Ground Floor,

Sir P. M. Road, Fort,

Mumbai 400001

CIN: U74999MH2017PLC292113

Directors' Report

To
All Members,
CDSL Commodity Repository Limited.

Your Directors are pleased to present the First Annual Report along with Audited Financial Statements of your Company for the Financial Year ended 31st March, 2018.

Financial Highlights:

Particulars	From 7 th March, 2017 to 31 st March, 2018 (₹ in lakhs)
Income	286.84
Expenditure	209.03
Profit/ (Loss) before Depreciation and Tax	77.81
Depreciation	19.02
Profit / (Loss) before Tax	58.79
Deferred Tax/Current Tax	36.90
MAT net of credit entitlement	-
Profit/ (Loss) after Tax	21.89
Other comprehensive income (Net of Tax)	-
Total comprehensive income	21.89

During the year under review your company has reported a total income of 286.84 lakhs.

Capital Structure

The Company was incorporated on March 7, 2017. The Authorised and Paid-up Equity Share Capital of your Company is ₹ 50 crores and is fully subscribed by Central Depository Services (India) Limited. However, MCX Ltd. has picked up a stake of 24% in the Company in the month of June, 2018 while BSE Investments Limited is expected to do the same in a couple of months a stake of 24% in the company. The company's net worth as on March 31, 2018 is ₹ 5021.89 Lakh. As per the guidelines of WDRA, net worth requirement at all times stipulated for a Commodity Repository is ₹ 25 crore.

Registration

We are pleased to inform that your company, CDSL Commodity Repository Limited has received a formal registration certificate as Commodity Repository on September 26, 2017 in the hands of Shri Ram Vilas Paswan, Hon'ble Union Minister of Consumer Affairs, Food and Public Distribution at a function organized by Warehousing Development and Regulatory Authority (WDRA) for the launch of WDRA portal and electronic Negotiable Warehouse Receipts (eNWR).

Warehouse Service Providers (WSPs) / Warehouses (WHs)

Warehouse Service Providers (WSPs) are entities who own / operate warehouses (WHs). WSPs/WHs are allowed to open and maintain demat accounts for depositors / clients. The primary function of the WSPs / WHs is to allow deposits of commodities, issuance of electronic negotiable warehouse receipts (eNWRs) or electronic non-negotiable warehouse receipts (eNNWRs), extension of eNWRs and withdrawal of eNNWRs / eNWRs. Your company as on March 31, 2018 has registered 618 WHs.

Repository Participants

Repository Participants are entities appointed by your company to service customers. The RPs are required to open, maintain and manage demat accounts for the depositors / clients. The RPs are also required to carry out all instructions of the clients / depositors. Your company as on March 31, 2018 has registered 50 RPs, with a few more RPs in the pipeline for registration. Out of these 50 RPs, 3 RPs are group companies / associate companies of Warehouse Service Providers (WSPs), 2 RPs are group companies / associate companies of Banks / Custodians while the remaining 45 RPs are Clearing Members.

Future Outlook

Your company has developed the application to run the repository business using its in-house IT team's expertise in building the repository software. The business of opening demat accounts and holding electronic negotiable warehouse receipts (eNWRs) and electronic non-negotiable warehouse receipts (eNNWRs) have also started. However since the company has started operations only in the second half of this financial year, the number of demat accounts and eNWRs are just a handful.

With the government laying emphasis on increasing the farmers income, the upgrade in the institutional set up in the post-harvest eco system ensures that the farmers are able to store the commodities in a WDRA registered warehouse and wait for an opportune time to undertake sale of the commodities using the eNWRs. The banks, NBFCs and other Financial Institutions which are in the business of lending will also find the repository system more acceptable due to the lower inherent risk of dealing with and extending finance on eNWRs.

Board Meetings

The Board of Directors of your company met 5 times during the Year under review as under:

Sr. No.	Meeting No.	Date & Time of Meetings	Venue of the meetings	Number of Directors present	Number of Directors to whom Leave of absence was granted
1	Second	24 th April, 2017 02:00 p.m.	16 th Floor, P.J. Towers, Dalal Street, Fort, Mumbai 400 001.	02	01

Sr. No.	Meeting No.	Date & Time of Meetings	Venue of the meetings	Number of Directors present	Number of Directors to whom Leave of absence was granted
2	Third	6 th June, 2017 02:00 p.m.	16 th Floor, P.J. Towers, Dalal Street, Fort, Mumbai 400 001.	03	Nil
3	Fourth	29 th July, 2017 09.45 a.m.	16 th Floor, P.J. Towers, Dalal Street, Fort, Mumbai 400 001.	03	Nil
4	Fifth	28 th October, 2017 03:00 p.m.	16 th Floor, P.J. Towers, Dalal Street, Fort, Mumbai 400 001.	03	Nil
5	Sixth	20 th January, 2018 11.15 a.m.	A-Wing, Marathon Futurex, 25 th Floor, Mafatlal Mills Compound, N. M. Joshi Marg, Lower Parel (E), Mumbai - 400 013	03	NIL

Directors

Shri T. S. Krishna Murthy, Shri B.P. Rao and Shri P. S. Reddy were named in the Articles of Association as the First Directors of the Company. Shri J. Balasubramanian, and Shri B. K. Bal were appointed as Independent Directors by the Board during the year.

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

Extract of Annual Return:-

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained /received from the management, your Directors make the following statement and confirm that-

- (a) in the preparation of the annual financial statements for the year ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that 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;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS UNDER SECTION 149 (6) OF THE COMPANIES ACT, 2013:

Pursuant to Section 149 (4) of the Companies Act, 2013 read with The Companies (Appointment and Qualifications of Directors) Rules, 2014 the Central Government has prescribed that your Company shall have minimum two Independent Directors.

In view of the above provisions, your Company has appointed two Independent Directors during the year under review as under :

Sr. No.	Name of the Independent Director	Date of appointment
1.	Shri J. Balasubramanian	20.01.2018
2.	Shri B K Bal	01.03.2018

Both the above Independent Directors meet the criteria of 'independence' prescribed under section 149(6) and have submitted their declarations to that effect.

NOMINATION AND REMUNERATION COMMITTEE:

In accordance with Section 178 of the Companies Act, 2013 your Company has constituted a Nomination and Remuneration Committee consisting of three non-executive directors. Since Independent directors were appointed in the month of January and March, 2018 they will be part of committee after 31st March, 2018

The constitution of this Committee is as under:

- a) Shri T.S. Krishna Murthy, Chairman
- b) Shri B. P. Rao, Member
- c) Shri P. S. Reddy, Member

AUDIT COMMITTEE:

Your Company has, under the provisions of Section 177 of the Companies Act, 2013, constituted the “Audit Committee”. The Audit Committee acts in accordance with the Terms of Reference specified by the Board.

The structure of the Audit Committee is as under:

- a) Shri T. S. Krishna Murthy, Chairman
- b) Shri B. P. Rao, Member
- c) Shri P. S. Reddy, Member

Since Independent directors were appointed in the month of January and March, 2018 they will be part of committee after 31st March, 2018

The Audit Committee met three times during the Year under review as under:

Sr. No.	Meeting No.	Date & Time of Meetings	Venue of the meetings	Number of Directors present	Number of Directors to whom Leave of absence was granted
1	First	29 th July, 2017 09.30 a.m.	16 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai 400 001.	03	Nil
2	Second	28 th October, 2017 09:30 a.m.	16 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai 400 001.	03	Nil
3	Third	20 th January, 2018 10.40 a.m.	A-Wing, Marathon Futurex, 25 th Floor, Mafatlal Mills Compound, N. M. Joshi Marg, Lower Parel (E), Mumbai - 400 013	03	Nil

The functions of the Audit Committee are broadly to:

- (a) Overview company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Review and monitor internal control system and compliance of audit observations of the Auditors
- (c) Review financial statements before submission to the Board.
- (d) Supervise other financial and accounting matters as may be referred to by the Board.

- (e) Review, with the management, performance of statutory and internal auditors, and adequacy of internal control systems
- (f) Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- (g) Review the company's financial and risk management policies.
- (h) Oversee vigil mechanism for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate and exceptional cases.

ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013 on Code of conduct for Independent Directors, a comprehensive exercise for evaluation of the performances of every individual director, of the Board as a whole and its Committees and of the Chairperson of the Company has been carried out by your company during the year under review as per the evaluation criteria approved by the Board and based on guidelines given in Schedule IV to the Companies Act, 2013.

For the purpose of carrying out performance evaluation exercise, five types of Evaluation forms were devised in which the evaluating authority has allotted to the individual Director, the Board as a whole, its Committees and the Chairperson, appropriate rating depending upon the performance.

Shri B.K. Bal and Shri J. Balasubramanian did not participate in the evaluation exercise so also the other directors have not evaluated them as they were appointed only in the month of January and March, 2018 and there were no meetings of the Board convened after their appointment.

Related Party Transactions:

Your company has entered into transactions with related party to the tune of ₹ 234.10 lakhs. All such transactions were in the ordinary course of business and on an arm's length basis which is attached as Annexure C.

Dividend:

Since the company has started operations only in the second half of this financial year, your directors do not recommend any dividend for the year ended 31st March, 2018.

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.

Auditors:

Lodha & Co., Statutory Auditors of your Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Auditors have given their consent in writing and have furnished a certificate to the effect that their re-appointment, if made, would be in accordance with the provisions of Section 139(1) and that they meet with the criteria prescribed under section 141 of the Companies Act, 2013. Your Directors recommend their re-appointment in the ensuing Annual General Meeting.

Secretarial Audit:

Your Directors had appointed M/s. Manoj Rajan & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of your Company. They have submitted Secretarial Audit Report for the year 2017-18. A copy of the secretarial audit report issued in form MR-3 by M/s. Manoj Rajan & Associates, Secretarial Auditors is enclosed as an Annexure D to this report. Following observations were made by Practicing Company Secretaries:

- i. Pursuant to section 149 (4) of the Companies Act, 2013 the provision to appoint Independent Directors became applicable on 31-03-2017 consequent upon increase of Paid Up Capital by more than ₹ 10,00,00,000/-. However, the Ministry of Corporate Affairs' Notification dated 5th July, 2017 exempted Wholly Owned Subsidiaries, from the applicability of Rule 4 of Companies (Appointment and Qualification of Directors) Rules. Although the Company appointed two Independent Directors on 20.1.2018 and 01.03.2018.
- ii. Pursuant to section 177 and 178 of the Companies Act, 2013 the Company has Audit Committee and Nomination and Remuneration Committee in its place, the constitution of these committees though was not as per the requirement of the said provisions. However, the Ministry of Corporate Affairs' Notification dated 13th July, 2017 exempted Wholly Owned Subsidiaries, with the requirement of constituting these committees.
- iii. Pursuant to section 175 of the Companies Act, 2013, Circular Resolution passed on 31.03.2017 was not noted in the subsequent Board Meeting though it was approved by each of the Board Member. The said resolution was noted in the Board Meeting convened on 20.04.2018.

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 read with Companies (Accounts) Rules, 2014 relating to information to be furnished on conservation of energy and technology absorption are not applicable. The Company, however, will be using information technology for implementation of its commodity repository project.

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.

Particulars of Employees:

None of the employees of the Company is drawing remuneration in excess of the limits prescribed under Rule (5)(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Human Resources:

Your Company has 10 employees as on 31st March, 2018.

Report by Internal Complaints Committee

As per the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and Company's Policy on Prevention of Sexual Harassment at Work Place, the Company has constituted internal Complaints Committee. During the year under review, the Internal Complaints Committee did not receive any complaint.

Acknowledgements

Your Directors place on record their sincere gratitude for the assistance, guidance and co-operation the Company has received from Warehousing Development and Regulatory Authority (WDRA), Central Depository Services (India) Limited [CDSL], Repository Participants (RPs) and all 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

T. S. Krishna Murthy
Chairman
DIN: 00279767

Place : Mumbai
Date : 20th April, 2018

Annexure A

Annexure to Directors' Report

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

Shri J. Balasubramanian

Shri J. Balasubramanian is the Fellow Member of the Institute of Chartered Accountants of India, New Delhi. He also holds Law degree from Osmania University, Hyderabad. He is in whole time practice as a Chartered Accountant, being the Senior Partner of M/s G.Natesan & Co. Chartered Accountants, Chennai-600 018. He is also the former Director of Dena Bank, Mumbai having been nominated by the Central Government. He is currently on the Board of select listed companies. He has vast experience in carrying out investigation and special audits of various Public Sector Banks.

Shri Basanta Kishore Bal

Shri Basanta Kishore Bal belonged to the Indian Administrative Service (IAS) of 1979 batch and had taken voluntary retirement in August 2006 to get absorbed in the United Nations. Shri Bal has the experience of working in various capacities in the infrastructure, financial, regulatory and development sectors in senior positions in two State Governments of Tripura and Odisha, and in the Government of India. In addition, he has the experience of working in the United Nations World Food Programme (UNWFP) in India for 9 and half years implementing various development programmes and technology-based solutions in different States. Prior to joining IAS in 1979, he had worked in the Banking sector for 4 years and 3 months. He had also worked as Director in the Central Government and State Government (Tripura and Odisha) PSUs as Director on the Board of Directors including as Chairman-cum-Managing Director (additional charge) in a Central PSU. In his last assignment he worked as a founding Member of the Warehousing Development and Regulatory Authority (WDRA), an independent regulatory authority to promote, through regulatory and development measures, the orderly growth of Negotiable Warehouse Receipts (NWRs) as a progressive step in agricultural reforms.

Shri P. S. Reddy

Shri P. S. Reddy joined Central Depository Services (India) Limited (CDSL) in November, 2006 as Chief Operating Officer and had been elevated to the position of Executive Director (Whole-Time Director) in 2009 and further elevated to Managing Director & CEO in April, 2012. Prior to joining CDSL, Mr. Reddy worked in BSE Ltd. for about eighteen years looking after various functions such as Listing, Surveillance, Inspection, Investor Relations, General Administration, Security, HRD, etc. Prior to joining BSE, for about a year and a half, he worked as a Research Assistant in Gokhale Institute of Politics & Economics, Pune.

Mr. Reddy is a Member on various Committees of Securities and Exchange Board of India (SEBI) (Indian Securities Market Regulator) from time to time such as Secondary Market Advisory Committee (SMAC), Corporate Bonds & Securitization Advisory Committee (CoBoSAC), etc. He is also a Member on the National

Council for Capital Markets of Confederation of Indian Industry (CII), The Associated Chambers of Commerce and Industry of India (ASSOCHAM), etc.

Mr. Reddy obtained Post Graduate degree in Economics from Central University of Hyderabad. He has been awarded Junior Research Fellowship of the UGC (university Grants Commission). He has also successfully completed Depository Operations Certification Examination Conducted by NISM (National Institute of Securities Market).

Further, he has attended Continuing Studies Capital Markets Training Program organized by Bernard M. Baruch College of The City University of New York. He has also been awarded a certificate of successful participation after passing the examinations for the courses on i) Regulation of Environmental Law, ii) The Law and Economics of Property Law and iii) Competition and Regulation from Law and Economics Perspective conducted by Institute of Law and Economics, Hamburg / Germany and Centre for Advanced Studies in Law and Economics, Ghent / Belgium and co-organized by Indira Gandhi Institute of Development Research, Mumbai along with National Law School of India University, Bangalore and University of Hyderabad under Asia Link Project “Human Resource Development in Law and Economics for India and Europe”

He is having expertise in Business Administration and Management. He is not related to any other director of the Company. He doesn't hold any shares in the Company.

Annexure - B

Extract of Annual Return MGT 9

I. REGISTRATION AND OTHER DETAILS

i)	CIN:-	U74999MH2017PLC292113
ii)	Registration Date –	7 th March, 2017
iii)	Name of the Company -	CDSL Commodity Repository 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
vi)	Whether listed company	No
Vii)	Name , Address and Contact details of Registrar and Transfer Agent, if any	CDSL Commodity Repository Limited A-Wing, Marathon Futurex, 25 th Floor, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E), Mumbai - 400 013 Contact Number: 022-23058633

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	CCRL is set up under Warehousing Development and Regulatory Authority (WDRA) ,to carry on the business of repository for Electronic Warehousing Negotiable Receipts (eNWR) or any other instrument related to commodities related to warehouse repository, to service eNWR market.	66190	Since the operations started on 30 th September, 2017 % to total turnover of the compnay can not be determined

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

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 01.04.2017				No. of Shares held at the end of the year 31.03.2018			
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares
A. Promoters								
(1) Indian								
a) Individual/HUF		6	6	0*		6	6	0*
b) Central Govt								
c) State Govt (s)								
d) Bodies Corp.		30049994	30049994	100		49999994	49999994	100
e) Banks / FI								
f) Any Other....								
Sub-total (A) (1):-		30050000	30050000	100		50000000	50000000	100
(2) Foreign								
a) NRIs - Individuals								
b) Other – Individuals								
c) Bodies Corp.								
d) Banks / FI								
a) Any Other....								
Sub-total (A) (2):-								
Total shareholding of Promoter (A) = (A)(1)+(A) (2)		30050000	30050000	100		50000000	50000000	100

*Negligible

Category of Share holders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018			
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares
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) FIs								
h) Foreign Venture Capital Funds								
i) Others (specify)								
Sub-total (B)(1):-	0	0	0	0	0	0	0	0
2. Non-Institutions								
a) Bodies Corp.								
i) Indian								
ii) Overseas								
b) Individuals								
i) Individual shareholders holding nominal share capital upto ₹ 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
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0
Grand Total (A+B+C)		30050000	30050000	100	0	50000000	50000000	100

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 01.04.2017			Share holding at the end of the year 31.03.2018		
		No. of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares
1	Central Depository Services (India) Limited	30049994	100	0	49999994	100	0
2	Cyrus Dinshaw Khambata	1	Negligible	0	1	Negligible	0
3	Joydeep Dutta	1	Negligible	0	1	Negligible	0
4	Ramkumar K.	1	Negligible	0	1	Negligible	0
5	Sunil G. Alvares	1	Negligible	0	1	Negligible	0
6	Nayana Mandar Ovalekar	1	Negligible	0	1	Negligible	0
7	Bharat Sheth	1	Negligible	0	1	Negligible	0
	Total	30050000	100	0	50000000	100	0

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

Sr. No.		Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	30050000	100	50000000	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):	0	0	0	0
	At the End of the year	30050000	100	50000000	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 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		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 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1	Negligible	1	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	0	
	At the End of the year	1	Negligible	1	Negligible

Note * One KMP holds 1 share each jointly with CDSL and the Beneficial Ownership has been transferred to CDSL.

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of Manager	Total Amount
		*Shri Ramkumar K. (For the period from 1st October, 2017 to 31st March, 2018)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35,50,017	35,50,017
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	92,508	92,508
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-

Sr. No.	Particulars of Remuneration	Name of Manager	Total Amount
		*Shri Ramkumar K. (For the period from 1st October, 2017 to 31st March, 2018	
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify		
	Total (A)	36,42,525	36,42,525
	Ceiling as per the Act	5% of net profit of the company	

Note:-

* Shri Ramkumar K, EVP- CDSL is on deputation to CCRL as Chief Operating Officer and was appointed as Manager of the Company w.e.f. 6th June, 2017 and Remuneration is reimbursed to Holding Company, CDSL.

B. Remuneration to other directors:

Sr. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri T. S. Krishna Murthy	Shri B. P. Rao	Shri P.S. Reddy	
	3. Independent Directors-Fee for attending board / committee meetings-Commission-Others, please specify			-	
	Total (1)				
	4. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	1,30,000	1,10,000	-	2,40,000
	Total (2)				
	Total (B)=(1+2)	1,30,000	1,10,000		2,40,000
	Total Managerial Remuneration				

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

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

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure C

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

(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

(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(Up to 29/06/2017) Ultimate Holding CompanyAssociate (From 30/06/2017)	Identity cards charges paid	On actual basis	592.00		
Central Depository Services (India) LimitedHolding Company	Rent, administrative expenses and salary reimbursement of employees on deputation received	As per board approval dt.	23,260,252.00	MOU dt.16.07.11 /15.02.12 /10.04.13 Board approval 28.10.17. for rent. Salary on actual basis	
Central Depository Services (India) LimitedHolding Company	RTA Deposit Paid	On actual basis	150,000.00		

Annexure D

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

(For the period from 07/03/2017 to 31/03/2018)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Board of Directors
CDSL Commodity Repository Limited
A Wing, Marathon Futurex, 25th Floor,
Mafatlal Mills Compound, N. M. Joshi Marg,
Lower Parel (E) Mumbai - 400013

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CDSL COMMODITY REPOSITORY LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and the audited financials of the company including the Auditor's Report, I hereby report that in my opinion, the Company has, during the audit period ended on **31/03/2018**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **CDSL COMMODITY REPOSITORY LIMITED** for the period ended on **31/03/2018** according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;- (**Not Applicable to the Company during the Audit Period**);
- V. I have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company and having regard to the compliance system prevailing in the Company & on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
 - a) Provisions of the Warehousing (Development and Regulation) Act, 2007, Rules and Regulations made thereunder,

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India as applicable.
During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31/03/2018. Pursuant to section 149 (4) of the Companies Act, 2013 the provision to

appoint Independent Directors became applicable on 31-03-2017 consequent upon increase of Paid Up Capital by more than ₹ 10,00,00,000/-. However, the Ministry of Corporate Affairs' Notification dated 5th July, 2017 exempted Wholly Owned Subsidiaries, from the applicability of Rule 4 of Companies (Appointment and Qualification of Directors) Rules. The Company appointed requisite number of Independent Directors on 20.1.2018 and 01.03.2018. With regard to process for changes in the composition of the Board of Directors that took place during the period under review, the same were carried out in compliance with the provisions of the Act.

- Pursuant to section 177 and 178 of the Companies Act, 2013 the Company has Audit Committee and Nomination and Remuneration Committee in its place, the constitution of these committees though was not as per the requirement of the said provisions. However, the Ministry of Corporate Affairs' Notification dated 13th July, 2017 exempted Wholly Owned Subsidiaries, with the requirement of constituting these committees.
- Adequate notice is given to all directors to schedule the Board Meetings Agenda and detailed notes on agenda were sent in advance and consent was obtained for shorter notice wherever applicable. However, pursuant to section 175 of the Companies Act, 2013 Circular Resolution passed on 31.03.2017 was not noted in the subsequent Board Meeting minutes, is however, approved by each of the Board Member. The said resolution was noted in the Board Meeting convened on 20.04.2018.
- All decisions were carried through unanimously and there was no dissent on any issue by any Director of the Company as per the minutes of meetings of the Board.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the Company has also complied with the following:

- i) Deposit of Provident Fund.
- ii) Applicable stipulations pertaining to the Payment of Wages Act, Minimum Wages Act, Contract Labour (Regulation and Abolition) Act, Equal Remuneration Act, 1976, Payment of Gratuity Act, 1972, The Maturity Benefit Act, 1961 and other related legislations.
- iii) Deposit of taxes relating to Income Tax, Goods and Service Tax and other applicable taxes including Tax deducted at source.
- iv) Provisions pertaining to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

I further report that during the audit period the following corporate actions took place in the Company.

- a) The Company issued 3,00,00,000 and 1,99,50,000 Equity Shares of ₹ 10/- each to Central Depository Services (India) Limited on Rights Issue basis on 31.3.2017 and 25.4.2017 respectively.
- b) The Company changed its Registered Office from 17th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 to A Wing, Marathon Futurex, 25th Floor, Mafatlal Mills Compound, N M Joshi Marg, Lower Parel (E), Mumbai – 400013 with effect from 30.10.2017.

For Manoj Rajan & Associates

CS Manoj Rajan
Practicing Company Secretary
CP No. 13851

Date: 20.04.2018
Place: Bangalore

INDEPENDENT AUDITORS' REPORT

**TO,
THE MEMBERS OF
CDSL COMMODITY REPOSITORY LIMITED**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **CDSL Commodity Repository Limited**, which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period 07th March, 2017 to 31st March, 2018, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements,

whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its profit, total comprehensive income, cash flow for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report

in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

R. P. Baradiya
Partner
Membership No : 44101

Mumbai
20th April, 2018

“Annexure A”

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

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

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has carried out physical verification of all its fixed assets during the year. In our opinion, the frequency of verification is reasonable considering the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) The Company does not own any immovable property. Therefore, Para 3(i) (c) of the Order is not applicable to the Company.
- ii. The Company does not have any inventory. Therefore, the Para 3(ii) of the Order is not applicable to the Company.
- iii. During the year the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- iv. The Company has neither given any loans nor provided any guarantee or security during the year. In respect of investments, the provisions of section 185 and 186 of the Act have been complied with.
- v. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under have been accepted by the Company.
- vi. 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. Therefore, the Para 3(vi) of the Order is not applicable to the Company.
- vii. a) The Company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales-tax, service tax, Goods & Service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

- b) According to the records of the Company, there are no dues of income tax or sales tax or service tax or Goods & Service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.
- viii. The Company has not taken any loan or borrowing from a financial institution, bank, government or debenture holders. Therefore, Para 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised any money by way of initial public offer or further public offer during the year or in the recent past and has not taken any term loan. Therefore, Para 3 (ix) of the Order is not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- xi. The Company has not paid or provided any managerial remuneration. Therefore, Para 3 (xi) of the Order is not applicable to the Company.
- xii. The Company is not Nidhi Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company.
- xiii. All transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- xv. The Company has not entered into any non-cash transactions with directors or persons connected with him under section 192 of the Act.
- xvi. As the Company is governed by the provisions of Warehousing Development and Regulatory Authority, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

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

R. P. Baradiya
Partner
Membership No : 44101

Mumbai
20th April, 2018

“Annexure B”

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

1. We have audited the internal financial controls over financial reporting of **CDSL Commodity Repository Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of Standalone Ind AS financial statements of the Company for the year ended March 31, 2018.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

R. P. Baradiya
Partner
Membership No : 44101

Mumbai
20th April, 2018

CDSL COMMODITY REPOSITORY LIMITED

CIN : U74999MH2017PLC292113

Balance Sheet as at March 31, 2018

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2018
ASSETS		
1 Non-current assets		
a. Property, plant and equipment	3	9.37
b. Intangible assets	4	77.27
c. Other assets	9	10.23
Total Non-Current Assets		96.87
2 Current assets		
a. Financial assets		
i. Investments	5	4,386.08
ii. Cash and cash equivalents	6	22.01
iii. Bank balances other than (ii) above	6	500.00
iv. Other financial assets	7	19.10
b. Current tax Assets (Net)	8	3.45
c. Other assets	9	37.21
Total Current Assets		4,967.85
Total Assets (1+2)		5,064.72
EQUITY AND LIABILITIES		
1 Equity		
a. Equity share capital	10	5,000.00
b. Other equity	11	21.89
Total Equity		5,021.89
LIABILITIES		
2 Non-current liabilities		
Deferred tax liabilities (Net)	12	36.90
Total Non-Current Liabilities		36.90
3 Current liabilities		
a. Financial liabilities		
Trade payables	13	2.12
b. Other current liabilities	14	3.81
Total Current Liabilities		5.93
Total Equity and Liabilities (1+2+3)		5,064.72
Significant accounting policies	2	
See accompanying notes forming part of the financial statements	1-25	

As per our attached report of even date

For and on behalf of the Board of Directors

For Lodha and Company
Chartered Accountants

T. S. Krishna Murthy
Chairman
DIN: 00279767

P. S. Reddy
Director
DIN:01064530

R.P. Baradiya
Partner
Membership No. 44101
Place : Mumbai
Date : April 20, 2018

Amol Purandare
Company Secretary
M No. A18078

Bharat Sheth
Chief Financial Officer

CDSL COMMODITY REPOSITORY LIMITED

CIN : U74999MH2017PLC292113

Statement of Profit and Loss for the period ended March 31, 2018

(₹ in Lakh)

PARTICULARS	Note No.	From 07/03/2017 to 31/03/2018
1 Income	15	286.84
Total Income		286.84
2 Expenses		
Employee benefits expense	16	83.11
Depreciation and amortization expense	3&4	19.02
Administration & Other expenses	17	125.92
Total expenses		228.05
3 Profit before tax (1-2)		58.79
4 Tax expense:		
Deferred tax		36.90
MAT		10.23
MAT Credit Entitlement		(10.23)
Total tax expenses		36.90
5 Profit for the year (3-4)		21.89
6 Other comprehensive income		
Items that will not be reclassified to profit or loss		
i. Remeasurements of the defined benefit plans;		-
ii. Income tax relating to items that will not be reclassified to profit or loss		-
Other comprehensive income (net of tax)		-
7 Total Comprehensive Income for the year (5+6)		21.89
8 Earnings per equity share(EPS) :		
Basic and Diluted EPS (₹)		0.04
Face value of share (₹)		10.00
Significant accounting policies	2	
See accompanying notes forming part of the financial statements	1-25	

As per our attached report of even date

For Lodha and Company
Chartered Accountants

R.P. Baradiya
Partner
Membership No. 44101
Place : Mumbai
Date : April 20, 2018

For and on behalf of the Board of Directors

T. S. Krishna Murthy
Chairman
DIN: 00279767

Amol Purandare
Company Secretary
M No. A18078

P. S. Reddy
Director
DIN:01064530

Bharat Sheth
Chief Financial Officer

CDSL COMMODITY REPOSITORY LIMITED

CIN : U74999MH2017PLC292113

Statement of Changes in Equity for the period ended March 31, 2018

A. Equity Share Capital		₹ in Lakh
Equity share capital raised during the period		5,000.00
Balance as at March 31, 2018		5,000.00

B. Other Equity

(₹ in Lakh)

Particulars	Note No.	Reserve and surplus	Total
		Retained Earnings	
Profit for the period		21.89	21.89
Other comprehensive income for the period		-	-
Balance at March 31, 2018		21.89	21.89
Significant accounting policies	2		
See accompanying notes forming part of the financial statements	1-25		

As per our attached report of even date

For Lodha and Company
Chartered Accountants

R.P. Baradiya
Partner
Membership No. 44101
Place : Mumbai
Date : April 20, 2018

For and on behalf of the Board of Directors

T. S. Krishna Murthy
Chairman
DIN: 00279767

Amol Purandare
Company Secretary
M No. A18078

P. S. Reddy
Director
DIN:01064530

Bharat Sheth
Chief Financial Officer

CDSL COMMODITY REPOSITORY LIMITED

CIN : U74999MH2017PLC292113

Cash Flow Statement for the period ended March 31, 2018

(₹ in Lakh)

Particulars	From 07/03/2017 to 31/03/2018
A. CASH FLOW FROM OPERATING ACTIVITIES	
Profit for the year	21.89
Adjustments for	
Income tax expenses recognised in profit and loss account	36.90
Depreciation and Amortisation Expenses	19.02
Interest Income	(136.77)
Dividend Income	(8.78)
Net gain / (loss) on Sale of Investments through FVTPL	(141.29)
Operating profit before working capital changes	(209.03)
Movements in Working Capital	
(Increase) / Decrease in Loans and Advances / Other Assets	(35.71)
Increase / (Decrease) in Trade Payables	2.12
Increase / (Decrease) in Other Liabilities /Provisions	3.81
Cash Generated from / (used in) Operations	(238.81)
Direct taxes paid	(13.68)
Net Cash from / (used in) Operating Activities	(252.49)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(105.66)
Net Decrease / (Increase) in investment	(4,244.79)
Net Decrease / (Increase) in Fixed Deposits with Banks	(500.00)
Interest Received	117.67
Dividend Received	8.78
Net Cash generated from / (used in) Investing Activities	(4,724.00)

Particulars	From 07/03/2017 to 31/03/2018
C. CASH FLOW FROM FINANCING ACTIVITIES	
Equity share capital received	5,000.00
Net Cash from / (used in) Financing Activities	5,000.00
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	23.51
Cash and Cash Equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period comprises	22.01
Cash and cash equivalents at the end of the period comprises	
i) Cash on Hand	0.16
ii) Balances with Banks-Current Accounts	21.85

The Cash Flow Statement has been prepared under the “Indirect Method” as set out in Ind AS - 7 “Cash Flow Statement”.

As per our attached report of even date

For Lodha and Company
Chartered Accountants

R.P. Baradiya
Partner
Membership No. 44101
Place : Mumbai
Date : April 20, 2018

For and on behalf of the Board of Directors

T. S. Krishna Murthy
Chairman
DIN: 00279767

Amol Purandare
Company Secretary
M No. A18078

P. S. Reddy
Director
DIN:01064530

Bharat Sheth
Chief Financial Officer

CDSL COMMODITY REPOSITORY LIMITED

CIN: U74999MH2017PLC292113

Notes forming part of the Financial Statements from March 07, 2017 to March 31, 2018

1. Corporate Information

CDSL Commodity Repository Ltd. (CCRL) is a Company promoted by Central Depository Services (India) Ltd [CDSL] and is currently a wholly owned subsidiary of CDSL. The Company was incorporated under the provisions of Companies Act, 2013 and the present financial statements have been prepared for the period from March 07, 2017 to March 31, 2018.

CCRL allows the Farmer, Farmers Producer Organizations (FPOs), Manufacturers, etc., to obtain electronic warehouse receipts (negotiable or non-negotiable) [eNWRs or eNNWRs] in a demat account against deposit of commodities in any of the warehouses registered with Warehousing Development and Regulatory Authority (WDRA). The depositor/client thereafter can sell the same or pledge the commodities through the eNWR for finance. CCRL has received "Certificate of Registration" from Warehousing Development and Regulatory Authority (WDRA) for Commodity Repository on September 26, 2017. Presently, the operations of the Company have been commenced during the year and no charges recovered pending fixation of tariff and market stabilisation.

2. Significant Accounting Policies:

a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and amendments thereon.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorize for issue on April 20, 2018.

b) Basis of preparation

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

c) Functional and presentation currency

The financial statements are presented in Indian rupees, which are 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 except share and per share data.

d) Use of Estimates:

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

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

e) Property, plant & equipments

Plants 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. 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.

f) 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.

g) Depreciation/Amortization/Impairment Loss

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset,

the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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

Leasehold premises are amortized over a period of 10 years.

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

h) Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability

In an orderly transaction between market participants at the measurement date. The Fair Value measurement is based on the presumption that the transaction to sell the asset or

Transfer the liability takes place either:

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

The 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 17, 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.

i) 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.

I. Classification of financial assets

Company has classified and measured Financial Assets into following:

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

- a) the financial asset is held within a business model whose objective is to hold Financial assets in order to collect contractual cash flows and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. **Fair value through other comprehensive income if both of the following conditions are met:**

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

II. 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.

j) Employee Benefits

Short term Employee Benefits are estimated and provided for Performance linked bonus is provided as and when the same is approved by the management.

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

(i) Defined Contribution Plans:

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

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

(ii) Defined Benefits Plans:

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.

- a) **Compensated absences:** Accumulated compensated absences, which are expected to be availed or encased 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 encased 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.

k) 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.

l) Foreign Currency Translation

The functional currency of CDSL Commodity Repository 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 is recognized in the Statement of Profit and Loss.

m) Revenue Recognition

In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognized net of tax provided that at the time of performance it is not unreasonable to expect ultimate collection. If at the time of rising 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.

n) 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.

o) Cash and cash equivalents (for the purpose of Cash Flow Statement)

Cash and cash equivalents in the Balance Sheet and for the purpose of Statement of Cash Flows comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

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

p) 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.

q) 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.

r) Current / Non-current classification

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

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

1. it is expected to be 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.

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

1. it is expected to be settled in, the entity's normal operating cycle;
2. it is held primarily for the purpose of being traded; it is due to be settled within twelve months after the balance sheet date; or

3. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.
4. All other liabilities are classified as non-current.

s) 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.

t) New standards and interpretations not yet adopted

Ind AS 115 Revenue from Contracts with Customers:

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

The standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions - and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The standard has been currently deferred and had been made applicable from 1st April 2018 i.e. Financial Year 2018-19. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

u) Segment Reporting

The Company is engaged in the business of providing Commodity Repository services 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.

v) 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

(₹ in Lakh)

Particulars	Computers Hardware	Total
At Cost		
Additions during the period	16.83	16.83
Deductions / adjustments	-	-
Balance as at March 31, 2018	16.83	16.83

Particulars	Computers Hardware	Total
Accumulated depreciation and impairment		
Depreciation for the period	7.46	7.46
Deductions / Adjustments	-	-
Balance as at March 31, 2018	7.46	7.46

Particulars	Computers Hardware	Total
Net Book Value		
As at March 31, 2018	9.37	9.37

Refer note no. 24 for Capital Commitments

4 Intangible assets

(₹ in Lakh)

Particulars	Software	Total
At Cost		
Additions during the period	88.83	88.83
Deductions / adjustments	-	-
Balance as at March 31, 2018	88.83	88.83

Particulars	Software	Total
Depreciation for the period	11.56	11.56
Deductions / Adjustments	-	-
Balance as at March 31, 2018	11.56	11.56

Particulars	Software	Total
Net Book Value		
As at March 31, 2018	77.27	77.27

5 Investments

Particulars	No. of Units	(₹) In Lakh
	As at March 31, 2018	As at March 31, 2018
Investment in units of mutual funds (Non Trade, Unquoted & Fully Paid up)		
Axis Liquid Fund - Direct- DDR	23,962.98	239.86
Axis Banking & PSU Debt Fund- Direct-Growth	64,005.94	1,036.17
HDFC Floating Rate Income Fund-Short Term Plan-Direct-Growth	5,123,351.93	1,556.59
Reliance Money Manager Fund- Direct- Growth	63,700.55	1,553.46
Total of current investments		4,386.08

6 Cash and cash equivalents

For the purpose of statement of cashflows, cash and cash equivalents includes cash on hand and bank balances, cash and cash equivalents at the end of the reporting period as shown in the statement of cashflow can be reconciled to the related items on the balance sheet as follows:

(₹ in Lakh)	
Particulars	As at March 31, 2018
Current	
Cash on hand	0.16
Balance with Banks	
In Current Accounts	21.85
Total	22.01
Bank Balance other than above	
Balance with Banks	
In Deposit Accounts	500.00
Total	500.00

7 Other financial assets

(₹ in Lakh)	
Particulars	As at March 31, 2018
Accrued Interest	19.10
Total	19.10

8 Current tax assets (Net)

(₹ in Lakh)

Particulars	As at March 31, 2018
Income Tax (Net of provision of ₹ 10.23 Lakh)	3.45
Total	3.45

9 Other assets

(₹ in Lakh)

Particulars	As at March 31, 2018
Non - Current	
MAT Credit Entitlement	10.23
	10.23
Current	
RTA Deposit with holding company	1.50
Prepaid Expenses	4.67
GST Receivable	31.04
Total	37.21

10 Equity Share Capital

(₹ in Lakh)

Particulars	As at March 31, 2018
Equity Share Capital	
Authorised share capital:	
50,000,000 Equity Shares of ₹ 10/- each with voting rights	5,000.00
Subscribed and Fully Paid-up share capital	
50,000,000 Equity Shares of ₹ 10/- each with voting rights	5,000.00
Total	5,000.00

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

Particulars	As at March 31, 2018
Additions during the period	50,000,000
Total	50,000,000

Terms/rights attached to equity shares

- i) The Company has only one class of equity shares having a face value of ₹ 10 each per share. 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.
- ii) 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.
- iii) 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 each shareholder holding more than 5% shares

Particulars	As at March 31, 2018	
	Number of shares held	% holding in that class of shares
Equity Shares with voting rights		
Central Depository Services (India) Limited (Parent Company)	50000000	100

11 Other equity

(₹ in Lakh)

Particulars	As at March 31, 2018
Retained earnings	21.89
Total	21.89

12 Deferred tax balances

(₹ in Lakh)

Particulars	As at March 31, 2018
Deferred tax assets	-
Deferred tax liabilities	36.90
TOTAL	(36.90)

Deferred tax (liabilities) / assets in relation to:

(₹ in Lakh)

Particulars	Opening balance as at March 07, 2017	Recognised in Profit and loss for year ended March 31, 2018	Recognised in Other Comprehensive Income for year ended March 31, 2018
1. Deferred tax Assets			
Provision for compensated absences, gratuity and other employee benefits	-	-	-
On difference between book balance and tax balance of fixed assets	-	-	-
On Actuarial Valuation	-	-	-
Total	-	-	-
2. Deferred Tax Liabilities			
On Changes in Fair Value of Investment	-	32.02	32.02
On difference between book balance and tax balance of fixed assets	-	4.88	4.88
On Actuarial Valuation	-	-	-
Total Liabilities	-	36.90	36.90
Net Asset/ (Liabilities)	-	36.90	(36.90)

13 Trade Payables

(₹ in Lakh)

Particulars	As at March 31, 2018
Current	
Trade payables (refer note below)	2.12
Total	2.12

Note:

As at March 31, 2018, 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

14 Other Current liabilities

(₹ in Lakh)

Particulars	As at March 31, 2018
Statutory Dues	3.81
Total	3.81

15 Other income

(₹ in Lakh)

Particulars	For the 07/03/2017 to 31/03/2018
a) Interest income earned on financial assets that are not designated as at fair value through profit or loss	
Bank deposits	136.77
b) Dividend income	
Dividends from investment in Mutual Funds (designated at cost or at FVTPL)	
Dividend income	8.78
c) Other gains or losses:	
Net gains / (loss) arising on financial assets measured at FVTPL	141.29
TOTAL	286.84

16 Employee benefits expense

(₹ in Lakh)

Particulars	For the 07/03/2017 to 31/03/2018
Salaries and allowances	24.95
Contribution to provident and other Funds	1.50
Staff welfare expenses	0.70
Reimbursement of Salaries to staff on deputation from Holding Company	55.96
TOTAL	83.11

17 Administration and other expenses

(₹ in Lakh)

Particulars	For the 07/03/2017 to 31/03/2018
Travel & Conveyance	15.00
Communication, Telephone & Courier charges	0.16
Insurance	1.53
Directors Sitting fees	2.80
Rates and taxes	6.17
Rent	10.00
Legal & Professional Fees	6.84
Audit Fees	1.00
Computer Maintenance Charges	0.13
Administrative expenses	7.50
Business Development Expenses	1.89
Printing and Stationery	0.22
Preliminary Expenses	48.83
Miscellaneous Expenses	23.85
TOTAL	125.92

18. Taxes

18.1. Income tax expense

The major components of income tax expense for the year ended March 31, 2018 and 2017 are as under:

18.1.1 Profit or loss section

(₹ in Lakh)

Particulars	For the 07/03/2017 to 31/03/2018
Current tax expense	0.00
Deferred tax	36.90
Total income tax expense recognised in profit or loss	36.90

18.1.2 Other comprehensive section

(₹ in Lakh)

Particulars	For the 07/03/2017 to 31/03/2018
Remeasurement of the defined benefit plans	0.00
Total income tax expense recognised in other comprehensive income	0.00

18.2 The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakh)

Particulars	For the 07/03/2017 to 31/03/2018
(A) Profit before tax	58.79
(B) Enacted tax rate in India	27.55%
(C) Expected tax expenses (A*B)	16.20
(D) Other than temporary differences	
Effect of different tax rate	6.91
Effect of income that is exempt from taxation	(2.42)
Expenses disallowed / (allowed)	0.41
Deferred tax assets not recognised on losses	16.22
Total adjustments	21.12
(E) Tax expenses after adjustments (C+D)	37.32
(F) Tax expenses recognised in Profit or Loss	36.90

19. Earnings per share (EPS)

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

Particulars	For the year ended
	March 31, 2018
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS	45,646,154
Effect of dilutive equity shares outstanding during the year	-
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of dilutive EPS	45,646,154
Face Value per Share (₹)	10/- Each
Profit after tax (₹)	21.89
Basic and Diluted EPS (₹)	0.04

20. Financial instruments

Financial instruments by category:

(₹ in Lakh)

Particulars	Carrying Value
	March 31, 2018
i) Financial assets	
a) Amortised Cost	
Cash and cash equivalents	22.01
Bank balances other than cash and cash equivalents	500.00
Other financial assets	19.10
Total	541.11
b) FVTPL	
Investment in mutual funds	4386.08
Total	4386.08
ii) Financial liabilities	
Amortised Cost	
Trade payables	2.12
Total	2.12

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).

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

Financial assets	Fair value as at	Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2018		
Investments in mutual funds	4,386.08	Level 1	Quoted bid prices in an active market

There were no transfers between Level 1 and 2 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.

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.

21. Financial risk management

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

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

Credit risk

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

- **Trade and other receivables**

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

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

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

None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2018.

- **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 forecast on the basis of expected cash flow.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018.

(₹ in Lakh)

Particulars	As at March 31, 2018
Trade payables	
< 1 year	2.12
1-5 years	-
> 5 years	-
Total	2.12

The table below provides details regarding the contractual maturities of significant financial assets as at March 31, 2018.

(₹ in Lakh)

Particulars	As at March 31, 2018
Investments*	
< 1 year	4,386.08
1 - 5 years	-
> 5 years	-
Total	4,386.08
Other financial assets	
< 1 year	19.10
1 - 5 years	-
> 5 years	-
Total	19.10

Particulars	As at March 31, 2018
Cash and cash equivalents	
< 1 year	22.01
1 - 5 years	-
> 5 years	-
Total	22.01
Bank balances other than cash and cash equivalents	
< 1 year	500.00
1 - 5 years	-
> 5 years	-
Total	500.00

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

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

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables.

- **Foreign Currency risk**

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

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

- **Interest rate risk**

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

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

Regulatory risk

The Company requires various regulatory approvals, registrations and permissions to operate its business, including at a corporate level as well as at the level of each of its components from Warehousing Development Regulatory Authority (WDRA). Some of these approvals are required to be renewed from time to time. The Company's operations are subject to continued review by regulator and these regulations may change from time to time in fast changing Commodity market environment. The Company's compliance team constantly monitors the compliance with these rules and regulations.

22. Capital management

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

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.

23. Related Party Details:

(a)	List of related parties and their relationship:
(i)	Entity where control exists:
	BSE Limited – Ultimate Holding Company till June 29,2017
	Central Depository Services (India) Limited (CDSL) – Holding Company
(ii)	Fellow Subsidiary :
	CDSL Ventures Limited (CVL) CDSL Insurance Repository Limited (CIRL)
(iii)	Associate :
	BSE Limited – w.e.f. June 30, 2017
(iv)	Key Management Personnel :
	Ramkumar K. – Chief Operating Officer (w.e.f. October 1, 2017)

(b) Transactions during the year:		
Particulars		March 31, 2018
		(₹) In Lakhs
Central Depository Services (India) Limited		
Reimbursement of Expenses & salary of staff on deputation (net)		234.10
Equity capital subscribed		5000.00
Compensation to KMP's		
Ramkumar K. – Chief Operating Officer		35.50
BSE Limited		
Expenses for Identity Cards		0.01
(c) Closing Balances		As at
		March 31, 2018
Central Depository Services (India) Limited :		
Payable / (Receivable)		-
BSE Limited		
Payable / (Receivable)		-

Notes:

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

24. Contingent liabilities and Commitments

Particulars	As at March 31, 2018
	(₹) In Lakh
Contingent liabilities	
Claims against the not acknowledged as debt:	Nil
Commitments :	
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil

There is no pending litigation as on March 31, 2018.

25. This being the first year of Company, previous year's figures are not applicable.

Signatures to Notes 1 to 25

For and on behalf of the board of directors

T. S. Krishna Murthy

Chairman

DIN: 00279767

P. S. Reddy

Director

DIN:01064530

Amol Purandare

Company Secretary

M No. A18078

Bharat Sheth

Chief Financial Officer

Place – Mumbai

Date – April 20, 2018



CDSL Commodity Repository Limited
A wing, Marathon Futurex, 25th Floor, N.M. Joshi Marg, Lower Parel, Mumbai 400 013.