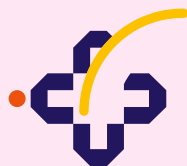


# ANNUAL REPORT

2013-2014



## CDSL Ventures Limited

... exploring new horizons



## Financial Highlights

₹ in Lakhs

P & L account	2007	2008	2009	2010	2011	2012	2013	2014
Income from Operations	0.00	216.31	338.66	308.66	891.42	1798.48	1539.66	1349.90
Other Income	0.81	0.35	0.41	19.75	6.52	42.58	276.20	279.37
<b>Total Income</b>	<b>0.81</b>	<b>216.66</b>	<b>339.07</b>	<b>328.41</b>	<b>897.94</b>	<b>1841.06</b>	<b>1815.86</b>	<b>1629.27</b>
<b>Total Expenditure</b>	<b>116.69</b>	<b>304.37</b>	<b>404.79</b>	<b>208.94</b>	<b>533.27</b>	<b>661.23</b>	<b>734.11</b>	<b>597.71</b>
<b>Profit Before Tax</b>	<b>(115.88)</b>	<b>(87.71)</b>	<b>(65.72)</b>	<b>119.47</b>	<b>364.67</b>	<b>1179.83</b>	<b>1081.75</b>	<b>1031.56</b>
Provision for Taxation	0.00	0.03	0.05	0.00	59.97	398.18	288.11	259.44
<b>Profit After Tax</b>	<b>(115.88)</b>	<b>(87.74)</b>	<b>(65.77)</b>	<b>119.47</b>	<b>304.70</b>	<b>781.65</b>	<b>793.64</b>	<b>772.12</b>
Share capital	100.00	100.00	100.00	100.00	100.00	300.00	300.00	300.00
Reserves & Surplus	(115.88)	(203.62)	(269.39)	(149.94)	154.76	2736.42	3530.05	4302.17
<b>Net worth</b>	<b>(15.88)</b>	<b>(103.62)</b>	<b>(169.39)</b>	<b>(49.94)</b>	<b>254.76</b>	<b>3036.42</b>	<b>3830.05</b>	<b>4602.17</b>
Earning Per Share (Rs)	(11.59)	(8.77)	(6.58)	11.95	30.47	49.02	26.45	25.74
Book Value Per Share (Rs)	(1.59)	(10.36)	(16.94)	(4.99)	25.48	101.21	127.67	153.41
Return on Net Worth (%)	-	-	-	-	119.60%	25.74%	20.72%	16.78%

## CDSL VENTURES LIMITED

### Board of Directors

Shri N. Rangachary	Chairman
Dr. R. N. Nigam	Director (Independent Director)
Shri P. S. Reddy	Director
Shri V. Balasubramaniam	Director
Smt. Nayana Ovalekar	Director
Shri Cyrus Khambata	Managing Director

### Management

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

### Auditors

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

### Bankers

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

### Registered Office

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

## Directors' Report

Your Directors are pleased to present the Eighth Annual Report along with Audited Statement of Accounts of your Company for the year ended 31<sup>st</sup> March, 2014.

### Financial Highlights

Particulars	Year ended 31st March 2014 (₹ in lakhs)	Year ended 31st March 2013 (₹ in lakhs)
Income	1629.27	1815.86
Expenditure	541.40	658.19
Profit/ (Loss) before Depreciation and Taxation	<b>1087.87</b>	<b>1157.67</b>
Depreciation	56.31	75.92
Profit / (Loss) before Tax	<b>1031.56</b>	<b>1081.75</b>
Provision for MAT / Tax	270.00	300.00
Deferred Tax	(10.56)	(11.89)
Profit/ (Loss) after Tax	<b>772.12</b>	<b>793.63</b>
Balance from previous year	1730.05	936.42
Balance carried forward to Balance Sheet	2502.17	1730.05

In the current financial year, net income of the company has decreased compared to the previous year mainly due to reduction in new clients joining intermediaries and investors in MFs and introduction of multiple KRAs. Your company has posted the total receipts of ₹1629.27 lakhs and earned a profit after tax of ₹772.12 lakhs as against ₹1815.86 and ₹793.63 lakhs respectively in the previous year. Although the operational Income reduced by 12% but reduction in net profit was only 2.7%. This was achieved by exercising stringent control on expenditure.

### Know Your Client (KYC) Project:

The KYC Project is the first venture of the company and it relates to Centralized Record Keeping of KYC documents of Capital Market investors. The Company had registered 1750 plus intermediaries and verification of KYC documents from investors takes place through their 3923 plus branches spread across 116 cities. The net no. of KYC records held as on 31<sup>st</sup> March, 2014 are 129.02 lakhs.

## **Future Outlook:**

The Indian Capital market has been docile throughout the year. The Retail client participation in stock exchanges has almost dried up and fresh investment in Mutual Fund drastically reduced. Also, SEBI has mandated updation of minimal level of KYC for all existing active accounts. This will bring in a large number of KYCs perceptibly larger than the number of KYCs that were received through Mutual Fund investments or from fresh clients.

## **New Business:**

Your company is exploring various other activities that can be developed on parallel lines. One such activity is

Acting as Authorized User Agency (AUA) for Unique Identification Authority of India (UIDAI). We have been registered with UIDAI as a KYC User Agency. We expect to launch this service in the first quarter of current year. Under this project we would be offering the e-KYC services to Brokers, Mutual Funds, Insurance Companies etc.

## **Audit Committee:**

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

### **The functions of the Audit Committee are broadly as under :**

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

- (e) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of internal control systems;
- (f) Reviewing the company's financial and risk management policies.

### **Dividend:**

Keeping in view the need to fund capital expenditure for IT infrastructure of the company through internal accruals, especially in relation to new projects that may be undertaken, your directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2014.

### **Fixed Deposits:**

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

### **Directors:**

Smt. Nayana Ovalekar, retires by rotation at the Eighth Annual General Meeting and offer herself for reappointment. Dr. R. N. Nigam and V. Balasubramaniam were appointed as additional directors and will hold office till commencement of the Eighth Annual General Meeting. Brief profiles of the directors are annexed to this report.

### **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 that effect that their re-appointment, if made, would be in accordance with the provisions of Section 139(1) that they meet with the criteria prescribed under section 141 of the Companies Act, 2013. Your Directors recommend their re-appointment in the ensuing Annual General Meeting.

### **Conservation of Energy, Technology Absorption:**

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

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

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

### **Directors' Responsibility Statement:**

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations relating to material departure, if any, have been provided;
- ii) accounting policies have been selected and applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going-concern basis;
- v) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Particulars of Employees:**

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 as on 31<sup>st</sup> March, 2014 two employees on deputation from CDSL and the rest of the employees are on its payroll to manage the operations. They are well versed in their respective areas. Industrial relations during the year remained cordial.



## Acknowledgement

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

For and on behalf of the Board

Sd/-

**N. Rangachary**  
Chairman

Place : Mumbai

Date : 2<sup>nd</sup> May, 2014

## Annexure to Directors' Report

**Profiles of Additional Directors appointed during the year who hold the office until commencement of the Annual General Meeting.**

### Dr. R. N. Nigam

Dr. R. N. Nigam, was an Associate Professor in Commerce (Senior Most)-Ex-Head-Rtd. & Acting Principal of Delhi College Of Arts & Commerce. He is also appointed as a Regional Coordinator of Indo Latin American Chamber of Commerce and Industry, Chennai. He is a M.Com from University of Delhi, LLB, Post Graduate in Company Law and had obtained Ph. D in Management Accounting. He has a vast experience of 42 years in teaching field. He was also on the Committees of various colleges / institutions. Dr. Nigam had written over 40 papers, which are published in leading journals such as Chartered Accountant, Chartered Secretary (Instt. Of Co. Secretaries of India), Company News and Notes, Shareholders Journal, Papers presented at the International UGC Seminars, etc. He is also on the Editorial Board of three Management Journals of International Level. He is a Member on the Editorial Board of Journal of Management-D.B.Jain Institute of Management, Chennai. He was also the chairman of The Accreditation Team- National Board of Accreditation, New Delhi. He was honored with Outstanding Teacher Award by Salwan Education Trust, New Delhi, University Grants Commission award for conducting research on valuation of Corporate Assets and U.N. constituted International Trade Summit Award, 2004 for Academic Excellence. He was invited by the EEC Commission (European Union), Brussel to have discussions on Practice of Inflation Accounting in EEC Countries.

### Shri V. Balasubramaniam

Shri V. Balasubramaniam has more than 2 decades of experience in managing business and technology operations in the capital markets and derivatives market industry. He did his Masters in Commerce from the University of Mumbai and a Rank holder from the Institute of Costs and Works Accountants of India. He is also a Certified Information Systems Auditor. Currently, he is part of BSE's Executive Management Committee and is the Chief Business Officer responsible for the Markets, Listings, Data and Index business. He holds Board Position in Central Depository Services (India) Limited, BSE Institute Limited, Asia Index Pvt. Ltd., joint venture between BSE Ltd., and S & P Dow Jones Indices.

He was part of the Core team involved in setting up the National Stock Exchange (NSE) and played a key role in the setting up of NSE trading systems for the Equity segment, creation

of indices (Nifty), introduction of Certification program (VCFM) and Equity Derivatives market segment of NSE. Post his tenure at NSE, he joined the Reliance Group and worked there for a decade where he was involved in numerous initiatives including handling the automation efforts for various verticals in the group. He also set up and operated the brokerage business at Basis Point Securities and Basis Point Commodities as CEO which specialized in automated trading. He also has three successful startups to his credit. As Co-founder of Marketplace Technologies, he was a key driving force in building Marketplace Technologies into one of India's leading software and IT Services Company focused on stock, commodities, currency and derivatives markets. Marketplace Technologies was acquired by the Bombay Stock Exchange in September 2009 and he joined BSE Ltd. as Head - Special Initiatives reporting to the MD & CEO. As part of this responsibility, he worked as the Chief Operating Officer of United Stock Exchange a start-up exchange on the Currency Derivatives market space and successfully managed the launch of this exchange till Nov 2010. Subsequently he moved into full time role of CHIEF BUSINESS OFFICER in BSE Ltd. and is responsible for all the Revenue generating functions of BSE Ltd.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CDSL VENTURES LIMITED**

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

We have audited the accompanying financial statements of CDSL Ventures Limited (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (“the Act”) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the

appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("CARO" / "the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs).
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For Lodha & Co.**  
Chartered Accountants  
Firm's Registration Number: 301051 E

**A M Hariharan**  
Partner  
Membership Number: 38323

Place : Mumbai  
Date : 2<sup>nd</sup> May, 2014

**ANNEXURE TO IN AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014 OF CDSL VENTURES LIMITED**

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) All the assets have been physically verified by the management at reasonable intervals during the year. No discrepancies were noted on such verification.
- (c) No substantial part of the fixed assets has been disposed off during the year.
2. The company does not have any inventory. Therefore, the provisions of clause 4(ii) of the order are not applicable to the company.
3. The company has not granted/ taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.
4. There is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of fixed assets and for the sale of services. The company has neither purchased any inventory or sold any goods. During the course of our audit, no major weakness has been noticed in the internal control system.
5. There are no particulars of contracts or arrangements referred to in section 301 of the Act which need to be entered in the register required to be maintained under that section.
6. No deposits within the meaning of section 58A, 58AA or any other relevant provision of the Act and rules framed there under have been accepted by the company.
7. In our opinion, the company has an internal audit system commensurate with the size of the company and nature of its business.
8. In respect of company's activities, the central government has not prescribed maintenance of cost records under section 209(1)(d) of the Act.
9. (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. No undisputed amounts payable in respect of 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 become payable.
- (b) There are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Cess which have not been deposited on account of any dispute except income tax demanded of Rs. 38.95 Lacs for assessment year 2010-11 and company's appeal is before CIT (Appeals), Mumbai.

10. The company has no accumulate losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. The company has not defaulted during the year in repayment of dues to any financial institution or bank or debenture holders.
12. During the year, company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statue applicable to chit fund/nidhi/mutual benefit Fund/ Societies are not applicable to the company.
14. The company is not dealing or trading in shares, securities, debentures or other investments.
15. The company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has not taken any term loan during the year.
17. The company has not raised any funds on short or long term basis.
18. During the year, company has not made any preferential allotment of shares to parties and companies covered and recorded in register maintained under section 301 of the Act.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have neither come across to any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by management.

**For Lodha & Co.**  
Chartered Accountants  
Firm's Registration Number: 301051 E

**A M Hariharan**  
Partner  
Membership Number: 38323

Place : Mumbai  
Date : 2<sup>nd</sup> May, 2014



## CDSL VENTURES LIMITED

### BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note No.	31.03.2014 ₹ in Lacs	31.03.2013 ₹ in Lacs
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	300.00	300.00
(b) Reserves and Surplus	3	4,302.17	3,530.05
<b>(2) Non-Current Liabilities</b>			
Long Term Provisions	4	1.06	3.70
<b>(3) Current Liabilities</b>			
(a) Trade Payables	5	68.22	87.06
(b) Other Current Liabilities	6	11.13	17.41
(c) Short-Term Provisions	7	17.90	15.60
<b>Total</b>		<b>4,700.48</b>	<b>3,953.82</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible Assets		24.41	56.21
(ii) Intangible Assets		7.52	5.43
(b) Non Current Investments	9	195.00	295.00
(c) Deferred Tax Assets (Net)	11	13.98	3.42
<b>(2) Current Assets</b>			
(a) Current Investments	10	4,056.47	3,008.02
(b) Trade Receivables	12	285.78	504.10
(c) Cash & Cash Equivalents	13	15.77	21.06
(d) Short-term Loans and Advances	14	101.55	60.58
<b>Total</b>		<b>4,700.48</b>	<b>3,953.82</b>
Significant Accounting Policies	1		
Other notes accompanying the financial Statements	19-29		
The accompanying notes are an integral part of the financial statements.			

As per our attached report of even date

For and on behalf of the Board of Directors

**For Lodha & Company**  
Chartered Accountants

**N Rangachary**  
Chairman

**C.D.Khambata**  
Managing Director

**A. M. Hariharan**  
Partner

**P.S. Reddy**  
Director

**Mohini Kharpude**  
Company Secretary

Place : Mumbai  
Date : 2<sup>nd</sup> May, 2014

## CDSL VENTURES LIMITED

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note No	01.04.2013 to 31.03.2014 ₹ in Lacs	01.04.2012 to 31.03.2013 ₹ in Lacs
I. Revenue from operations	15	1,349.90	1,539.66
II. Other Income	16	279.37	276.20
<b>III. Total Revenue (I +II)</b>		<b>1,629.27</b>	<b>1,815.86</b>
<b>IV. Expenses:</b>			
Employee benefit expenses	17	114.74	113.86
Depreciation and amortization expenses	8	56.31	75.92
Other operating & administrative expenses	18	426.66	544.33
<b>Total Expenses</b>		<b>597.71</b>	<b>734.11</b>
<b>V. Profit before tax (III - IV)</b>		<b>1,031.56</b>	<b>1,081.75</b>
<b>VI. Tax expense:</b>			
(1) Current tax		270.00	300.00
(2) Deferred tax		(10.56)	(11.89)
<b>VII. Profit after tax (V-VI)</b>		<b>772.12</b>	<b>793.63</b>
VIII. Earning per equity share of face value of ₹10 each:(Amount in ₹ )			
(1) Basic		25.74	26.45
(2) Diluted		25.74	26.45
Significant Accounting Policies	1		
Other notes accompanying the financial Statements	19-29		
The accompanying notes are an integral part of the financial statements.			

As per our attached report of even date

**For Lodha & Company**  
Chartered Accountants

**A. M. Hariharan**  
Partner

Place : Mumbai  
Date : 2<sup>nd</sup> May, 2014

For and on behalf of the Board of Directors

**N Rangachary**  
Chairman

**P.S. Reddy**  
Director

**C.D.Khambata**  
Managing Director

**Mohini Kharpude**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	01.04.2013 to 31.03.2014 (In ₹) Lacs	01.04.2012 to 31.03.2013 (In ₹) Lacs
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
PROFIT BEFORE TAX	1,031.56	1,081.75
<b>Net Profit for non-cash items to be disclosed seperately</b>		
Depreciation	56.31	75.92
Provision for Doubtful Debts	15.67	-
<b>Adjustments for:</b>		
Dividend from Current Investments	(27.89)	(70.59)
Profit on sale of Investments	(249.93)	(201.56)
Loss on sale of Fixed Assets	-	0.25
Miscellaneous Income	(1.54)	(4.05)
	(207.38)	(200.03)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	824.18	881.72
<u>Adjustment for changes in working capital</u>		
Trade Receivables	202.65	(270.02)
Short-term loans and advances	(1.89)	(13.01)
Current Liabilities and Provisions	(25.46)	(139.43)
	175.30	(422.46)
<b>CASH GENERATED FROM OPERATIONS</b>	999.48	459.26
Less : Taxes Paid(Net of Income tax Refund and TDS Receivable)	(309.09)	(337.63)
<b>A) NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	690.39	121.63
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	26.60	49.70
Insurance Claim received for loss of assets	-	(11.79)
Purchase/(Sale) Of Investments(Net)	698.51	151.27
Dividend Income	(27.89)	(70.59)
Misc. Income Received	(1.54)	(4.05)
	695.68	114.54
<b>B) NET CASH USED IN INVESTING ACTIVITIES</b>	695.68	114.54
<b>C) NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	-	-
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A-B+C)</b>	(5.29)	7.09
Cash and Cash Equivalents at the beginning of the year	21.06	13.97
Cash and Cash Equivalents at the end of the year	15.77	21.06
	(5.29)	7.09

**Notes :**

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

As per our attached report of even date

For and on behalf of the Board of Directors

**For Lodha & Company**  
Chartered Accountants

**N Rangachary**  
Chairman

**C.D.Khambata**  
Managing Director

**A. M. Hariharan**  
Partner

**P.S. Reddy**  
Director

**Mohini Kharpude**  
Company Secretary

Place : Mumbai  
Date : 2<sup>nd</sup> May, 2014

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### Corporate Information

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

#### NOTE 1

##### Significant Accounting Policies:

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

The Company follows mercantile system of accounting and the financial Statements are prepared under the historical cost convention, on a going concern basis and as per Accounting Standards refer under Companies (Accounting Standards) Rules 2006 as referred to Section 211(3C) of the Companies Act, 1956 ('Act') and other relevant provisions of the Act. All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

The preparation of financial statements requires the management to make estimates and assumptions that have been considered in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements as prudent and reasonable. Future results could differ from these estimates.

#### ii. Revenue Recognition

All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

#### iii. Fixed Assets

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

**iv. Software Costs**

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

**v. Depreciation/Impairment Loss**

Depreciation on fixed assets is provided on Straight Line Method, however the Company has provided depreciation at a rate higher than those prescribed in Schedule XIV to the Companies Act, 1956 (hereinafter referred to as “the Act”) as give below:-

Description of asset	Rates as per the Schedule XIV	Rates used
	%	%
Computer Hardware/software	16.21	50
Furniture & Fixtures	6.33	20
Office Equipment (other than computers)	4.75	20

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

Additional depreciation is provided on technical evaluation from time to time as considered appropriate by the management. In case, the recoverable amount of the fixed assets is lower than its carrying amount, a provision is made for the impairment loss.

**vi. Investments**

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

**vii. Employees Benefits**

Short term Employee Benefits are estimated and provided for. 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 is paid/provided for.

Contributions to the defined contribution plan is charged to Profit & Loss Account for the respective financial year

**(ii) Defined Benefits Plans:**

- (a) Gratuity : Provision for Gratuity is made on the basis of actuarial valuation on projected Unit Credit Method as at the end of the year.
- (b) Long term compensated absences: Provision for Leave encashment is made on the basis of actuarial valuation as at the end of the year.

Actuarial gains/losses at the end of the year accrued to the defined benefit plans are taken to Profit & Loss Account for the respective financial year and are not deferred.

**viii. Income Tax**

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

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

**ix. Provisions and Contingent Liabilities**

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

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

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

Contingent Liability is disclosed in the case of

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

NOTE 2				
SHARE CAPITAL	As at 31.03.2014		As at 31.03.2013	
	Number	₹ in Lacs	Number	₹ in Lacs
<b>Authorised</b>				
Equity Shares of ₹ 10 each	5,000,000	500.00	5,000,000	500.00
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of ₹ 10 each fully paid up	3,000,000	300.00	3,000,000	300.00

#### Terms/rights attached to equity shares

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

#### Shares held by Holding Company and its subsidiaries

Name of the Shareholders	As at 31.03.2014		As at 31.03.2013	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
Central Depository Services (India) Limited, Holding Company and its nominees	3,000,000	300.00	3,000,000	300.00

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

	As at 31.03.2014		As at 31.03.2013	
	No.of shares	₹ in Lacs	No.of shares	₹ in Lacs
At the beginning of the year	3,000,000	300.00	3,000,000	300.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	3,000,000	300.00	3,000,000	300.00

<b>NOTE 3</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>RESERVES &amp; SURPLUS</b>	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
<b>Securities Premium Account</b>		
Balance as per the last Balance sheet	1,800.00	1,800.00
Add: Additions during the year	-	-
Closing Balance	<u>1,800.00</u>	<u>1,800.00</u>
<b>Surplus in Profit &amp; Loss A/c</b>		
Balance as per last Balance Sheet	1,730.05	936.42
Add : Profit for the year	772.12	793.63
Closing Balance	<u>2,502.17</u>	<u>1,730.05</u>
<b>Total Reserves &amp; Surplus</b>	<u>4,302.17</u>	<u>3,530.05</u>



<b>NOTE 4</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>LONG TERM PROVISIONS</b>	<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
Provision for employee benefits For leave entitlement	1.06 <u>1.06</u>	3.70 <u>3.70</u>
<b>NOTE 5</b>		
<b>TRADE PAYABLES</b>		
Related Parties	-	-
Others (Refer note no.21 for detail of dues to Micro,Small & Medium Enterprises)	68.22 <u>68.22</u>	87.06 <u>87.06</u>
<b>NOTE 6</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Deposits from customers	3.00	3.00
Statutory Dues Payable	6.98	5.66
Others	1.15 <u>11.13</u>	8.75 <u>17.41</u>
<b>NOTE 7</b>		
<b>SHORT-TERM PROVISIONS</b>		
Provision for gratuity & Leave encashment	0.03	-
Provision for Ex-Gratia & performance linked bonus	17.87 <u>17.90</u>	15.60 <u>15.60</u>

NOTE 8  
FIXED ASSETS

(In ₹ Lacs)

DESCRIPTION	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK			
	As on 1.4.2013	Additions	Deductions	As on 31.03.2014	Upto 31.03.2013	For the period	Deductions	Upto 31.03.2014	As on 31.03.2014	As on 31.3.2013
<b>(I) TANGIBLE ASSETS</b>										
Computer Hardware	264.77 (255.09)	19.74 (9.68)	-	284.51 (264.77)	234.31 (199.26)	30.28 (35.05)	-	264.59 (234.31)	19.92 (30.46)	30.46 (55.83)
Furniture & fixtures	0.89 (0.89)	-	-	0.89 (0.89)	0.64 (0.55)	0.09 (0.09)	-	0.73 (0.64)	0.16 (0.25)	0.25 (0.34)
Office Equipment	45.37 (47.06)	-	(33.71)	45.37 (45.37)	19.87 (24.57)	21.17 (18.66)	-	41.04 (19.87)	4.33 (25.50)	25.50 (22.49)
<b>Total (I)</b>	<b>311.03 (303.04)</b>	<b>19.74 (43.39)</b>	<b>- (35.40)</b>	<b>330.77 (311.03)</b>	<b>254.82 (224.38)</b>	<b>51.54 (53.80)</b>	<b>- (23.36)</b>	<b>306.36 (254.82)</b>	<b>24.41 (56.21)</b>	<b>56.21 (78.66)</b>
<b>(II) INTANGIBLE ASSETS</b>										
Computer Software	153.58 (147.27)	6.86 (6.31)	-	160.44 (153.58)	148.15 (126.03)	4.77 (22.12)	-	152.92 (148.15)	7.52 (5.43)	5.43 (21.24)
<b>Total (II)</b>	<b>153.58 (147.27)</b>	<b>6.86 (6.31)</b>	<b>-</b>	<b>160.44 (153.58)</b>	<b>148.15 (126.03)</b>	<b>4.77 (22.12)</b>	<b>-</b>	<b>152.92 (148.15)</b>	<b>7.52 (5.43)</b>	<b>5.43 (21.24)</b>
<b>Total (I + II)</b>	<b>464.61 (450.31)</b>	<b>26.60 (49.70)</b>	<b>- (35.40)</b>	<b>491.21 (464.61)</b>	<b>402.97 (350.41)</b>	<b>56.31 (75.92)</b>	<b>- (23.36)</b>	<b>459.28 (402.97)</b>	<b>31.93 (61.64)</b>	<b>61.64 (99.90)</b>
Previous Year										

Note : Figures disclosed in bracket pertains to previous year.



NOTE 9	31.03.2014			31.03.2013		
	Face Value (₹)	No. of units	Book Value (₹) in Lacs	Face Value (₹)	No. of units	Book Value (₹) in Lacs
<b>Non Current Investments</b>						
<b>Investment in Associates (at cost)</b> (Non Trade, Unquoted & Fully Paid up) Equity shares of Central Insurance Repository Limited	10	1,950,001	195.00	10	2,950,001	295.00
<b>Total</b>			<u>195.00</u>			<u>295.00</u>
<b>NOTE 10</b>						
<b>Current Investments</b>						
<b>Investment in Mutual Funds</b> (Non Trade, Quoted and fully paid up)						
Birla Sunlife FTP - Sr HD - GZ- Direct	-	-	-	10.00	4,618,932	461.89
Birla Fixed Term Plan Series GG-GZ	-	-	-	10.00	3,251,688	325.17
Birla Fixed Term Plan Series GQ Direct	-	-	-	10.00	4,913,685	491.37
Birla Sunlife Inter Income Plan 1 -GZ Growth	-	-	-	10.00	3,258,270	325.83
Birla Fixed Term Plan Series JY - Direct - Gr	10.00	3,544,730	354.47	-	-	-
Birla Fixed Term Plan Series KI - Direct - Gr	10.00	5,630,000	563.00	-	-	-
Birla Fixed Term Plan Series KQ - Direct - Gr	10.00	5,036,298	503.63	-	-	-
Birla Fixed Term Plan Series HL - Direct - Gr	10.00	2,562,575	256.26	-	-	-
Kotak FMP Series 96 - Direct -GW	-	-	-	10.00	4,275,031	427.50
Reliance Yearly Interval Fund Sr 2 367 days	10.00	3,995,528	436.00	10.00	4,000,000	400.00
Reliance Yearly Interval Fund-Sr-5-Direct Plan - Growth	10.00	3,257,927	355.00	10.00	3,000,000	300.00
Reliance Fixed Horizon Fund Sr 15	10.00	3,000,000	300.00	-	-	-
Reliance Fixed Horizon Fund XXV Sr 26	10.00	4,000,000	400.00	-	-	-
Reliance Yearly Interval Fund Sr 4	10.00	4,567,712	500.00	-	-	-
<b>Sub Total (A)</b>			<u>3,668.36</u>			<u>2,731.76</u>
(Non Trade, Unquoted & Fully Paid up)						
Birla Sunlife Cash Plus Direct Plan DD	10.00	98,172	98.36	-	-	-
Birla Sunlife Saving Fund Direct Plan DD	10.00	151,834	152.28	-	-	-
Kotak Floater Short Term Fund-Direct DD	1000.00	13,590	137.47	1000.00	27,309	276.26
<b>Sub Total (B)</b>			<u>388.11</u>			<u>276.26</u>
<b>Aggregate amount of investment in Units of Mutual Funds (A+B)</b>			<u>4,056.47</u>			<u>3,008.02</u>
	<b>No. Units</b>	<b>Value(₹) In Lacs</b>		<b>No. Units</b>	<b>Value(₹) In Lacs</b>	
<b>Aggregate Amount of Quoted Investments</b>	35,594,770	3,668.36		27,317,606	2,731.76	
<b>Aggregate Amount of Unquoted Investments</b>	263,595	388.11		27,309	276.26	
<b>Market Value/ Repurchase Price of Quoted Investments</b>	35,594,770	3,739.90		27,317,606	2,759.50	
<b>Basis of Valuation : Mutual Funds are valued at lower of cost and market value/fair value.</b>						

<b>NOTE 11</b> <b>DEFERRED TAX ASSETS\LIABILITY</b>	<b>31.03.2014</b> <b>₹ in Lacs</b>	<b>31.03.2013</b> <b>₹ in Lacs</b>
Expenses allowed on Payment Basis	11.77	6.56
Depreciation	2.21	(3.14)
	<u>13.98</u>	<u>3.42</u>
<b>NOTE 12</b> <b>TRADE RECEIVABLES</b>		
Due for a period exceeding six months from the date they are due for payment		
Considered doubtful	15.67	-
Considered good	-	22.96
Due for a period not exceeding six months from the date they are due for payment		
Considered good	285.78	481.14
Less: Provision for doubtful debts	(15.67)	-
	<u>285.78</u>	<u>504.10</u>
<b>NOTE 13</b> <b>CASH AND CASH EQUIVALENTS</b>		
Balance with a bank	10.73	6.87
Cheques on hand	5.00	14.16
Cash on hand	0.04	0.03
	<u>15.77</u>	<u>21.06</u>
<b>NOTE 14</b> <b>SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances	14.98	28.85
Advances receivable from related parties	10.69	3.64
Income Tax	42.75	3.67
(Net of Provision ` 1022.58 Lacs; Previous year ` 709.83 Lacs)		
Cenvat Credit Receivable	33.13	24.42
	<u>101.55</u>	<u>60.58</u>

<b>NOTE 15 REVENUE FROM OPERATIONS</b>	<b>01.04.2013 to 31.03.2014 ₹ in Lacs</b>	<b>01.04.2012 to 31.03.2013 ₹ in Lacs</b>
On Line Data Charges	893.35	1,159.97
Documents Storage Charges	456.55	379.69
	<u>1,349.90</u>	<u>1,539.66</u>
<b>NOTE 16 OTHER INCOME</b>		
Income From Current Investment:		
Dividend	27.89	70.59
Net Gain or loss on sale	249.94	201.56
Miscellaneous Income	1.54	4.05
	<u>279.37</u>	<u>276.20</u>
<b>NOTE 17 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and other allowances	56.12	56.43
Contribution to PF and other funds	3.65	3.94
Staff welfare expenses	3.30	2.01
Reimbursement of Salaries to staff on deputation from Holding Company	51.67	51.48
	<u>114.74</u>	<u>113.86</u>
<b>NOTE 18 OTHER EXPENSES</b>		
Point Of Service (POS) charges**	135.89	205.29
Communication, telephone & Courier Charges	41.18	117.27
Insurance expenses	0.82	0.60
Rent	79.15	73.15
Rates & Taxes	0.28	0.21
Electricity & Water Charges	13.73	15.60
Legal & Professional charges	10.66	11.50
Auditors' Remuneration:( net of service tax )		
-Audit fees	0.45	0.45
-Tax audit fees	0.25	0.25
-Out of pocket Expenses	0.15	0.28
Directors Sitting fees	1.50	1.15
Travelling & Conveyance	0.05	1.27
SEBI fees	1.00	1.00
Computer Maintenance Charges	40.12	34.44
Printing & Stationery	1.76	5.96
Business Development charges	0.77	0.46
Repairs & Maintenance	20.36	21.54
Administrative expenses	30.00	30.00
Loss on discarded assets due to fire	-	0.25
Provision for doubtful debts	15.67	-
Miscellaneous Expenses	32.87	23.66
	<u>426.66</u>	<u>544.33</u>
** POS charges include charges towards Data Entry , Verification ,Scanning & Storage of Documents		

## NOTE 19

### Contingent Liabilities and Commitments (to the extent not provided for) :

	01.04.2013 to 31.03.2014 ₹ in Lacs	01.04.2012 to 31.03.2013 ₹ in Lacs
Income Tax demand disputed in appeal. (Excluding penalty and further interest that may be levied, presently not quantifiable)	48.95	48.95

## NOTE 20

### Capital & Other Commitments

Estimated amount of contract to be executed on capital account ₹39.05 Lacs (net of advances) as on 31.03.2014 (as on 31.03.2013 ₹9.30 Lacs) plus applicable taxes.

## NOTE 21

As at March 31, 2014, no supplier has intimated the Company about its status as Micro or Small Enterprises or its Registration with appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.

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

(a)	List of related parties and their relationship:		
(i)	<b>Entity where control exists:</b>		
	BSE Limited- Ultimate Holding Company		
(ii)	Central Depository Services (India) Limited- Holding Company		
	<b>Fellow subsidiaries</b>		
(iii)	Central Insurance Repository Limited		
	Marketplace Technologies Pvt Ltd		
	<b>Key Managerial Personnel:</b>		
	Shri C.D.Khambata - Managing Director		
(b)	<b>Transactions during the year:</b>		
		01.04.2013 to 31.03.2014 ₹ in Lacs	01.04.2012 to 31.03.2013 ₹ in Lacs
	BSE Limited Expenses for Director Sitting Fees & Identity Cards	0.35	0.18
	Central Depository Services (India) Limited: Reimbursement made for rent, administrative expenses & staff on deputation etc (Net of Income received)	196.65	202.59
	Central Insurance Repository Limited: Reimbursement of Professional expenses	(1.40)	-
	Marketplace Technologies Pvt Ltd Expenses for Software Maintenance & License for Software	6.52	5.73
	Managerial remuneration : Shri C.D.Khambata - Managing Director	51.48	51.48
(c)	<b>Balances at</b>	<b>31.03.2014</b> (₹) In Lacs	<b>31.03.2013</b> (₹) In Lacs
	Central Depository Services (India) Limited: Amount Payable/ (Receivable)	(10.69)	(3.64)

**Notes :**

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

#### NOTE 23

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

#### NOTE 24

There is no amount outstanding in respect of items which would be required to be credited to Investor Education and Protection Fund, on completion of specified period, under Section 205C of the Companies Act, 1956.

#### NOTE 25

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

#### NOTE 26

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

#### NOTE 27

The company has determined the liability for Employee Benefits as on 31st March 2014 in accordance with the revised Accounting Standard 15 on "Employee Benefits" prescribed in Companies (Accounting Standards) Rules, 2006.

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

	(₹ In Lacs) 31.03.2014	(₹ In Lacs) 31.03.2013
<b>A Expenses Recognized in the statement of Profit &amp; Loss Account for the year ended</b>		
1 Current Service Cost	0.50	0.52
2 Past Service Cost	-	-
3 Interest Cost	0.14	0.08
4 Expected Return on Plan Assets	(0.23)	(0.14)
5 Net Actuarial (Gain)/ Loss recognized for the period	(0.23)	0.28
6 Expenses recognized in statement of P&L A/c	0.18	0.74
<b>B Net Asset / (Liability) recognized in the Balance Sheet</b>		
1 Present Value of Obligation	2.19	1.79
2 Fair Value of Plan Assets	3.16	2.37
3 Funded Status	0.98	0.58
4 Unrecognised Actuarial Gain/ (Loss)	-	-
5 Net Assets / (Liability) recognized in the Balance Sheet	0.98	0.58



	(₹ In Lacs) 31.03.2013	(₹ In Lacs) 31.03.2012
<b>C Changes in present value of obligations</b>		
1 Present Value of Obligation as at April 01, 2013	1.79	0.95
2 Interest Cost	0.14	0.08
3 Current Service Cost	0.50	0.52
4 Past Service Cost (non vested benefits)		
5 Past Service Cost (vested benefits)		
6 Benefits Paid	-	-
7 Actuarial (Gain)/Loss on Obligation	(0.25)	0.25
8 Present Value of Obligation as at March 31, 2014	2.19	1.79
<b>D Changes in Fair Value of Plan Assets</b>		
1 Fair Value of Plan Assets as at April 01, 2013	2.38	1.32
2 Expected Return on Plan Assets	0.23	0.14
3 Contributions	0.57	0.95
4 Benefits Paid	-	-
5 Actuarial Gain / (Loss) on plan assets	(0.02)	(0.04)
6 Fair Value of Plan Assets as at March 31, 2014	3.16	2.37
<b>E Fair Value of Plan Assets</b>		
1 Fair Value of Plan Assets as at April 01, 2013	2.38	1.32
2 Actual Return on Plan Assets	0.21	0.10
3 Contributions	0.57	0.95
4 Benefits Paid	-	-
5 Fair Value of Plan Assets as at March 31, 2014	3.16	2.37
6 Funded Status	0.98	0.58
7 Excess of Actual over estimated return on Plan Assets	(0.02)	(0.04)
<b>F Actuarial Gain / (Loss) Recognized</b>		
1 Actuarial Gain/(Loss) for the period (Obligation)	0.25	(0.25)
2 Actuarial Gain /(Loss) for the period (Plan Assets)	(0.02)	(0.04)
3 Total Gain / (Loss) for the period	0.23	(0.28)
4 Actuarial Gain / (Loss) recognized for the period	0.23	(0.28)
5 Unrecognized Actuarial Gain / (Loss) at March 31, 2014		-
<b>G Movements in the Liability recognized in Balance Sheet</b>		
1 Opening Net Liability	(0.59)	(0.36)
2 Expenses recognized in Profit & Loss A/c	0.18	0.74
3 Contribution Paid	(0.57)	(0.95)
4 Closing Net Liability	(0.98)	(0.58)
<b>H Actuarial Assumptions</b>		
1 Mortality	IALM(2006-08)Ult	LIC(1994-96)Ult
2 Discount Rate as at March 31, 2014	8.82%	7.95%
3 Rate of Increase in Compensation	4.00%	4.00%

#### NOTE 28

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

	01.04.2013 to 31.03.2014 ₹ in Lacs	01.04.2012 to 31.03.2013 ₹ in Lacs
Numerator - Net Profit as per Profit & Loss Account (Amount in Lacs.)	772.12	793.63
Denominator - Weighted Average Number of Equity Shares outstanding during the period	3,000,000	3,000,000
Nominal Value of Shares (₹)	10	10
Basic and Diluted Earning Per Share (Amount in ₹)	25.74	26.45

#### NOTE 29

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

Signatures to Notes 1 to 29

For and on behalf of the Board of Directors

**N Rangachary**  
Chairman

**C.D.Khambata**  
Managing Director

**P.S. Reddy**  
Director

**Mohini Kharpude**  
Company Secretary

Place : Mumbai  
Date : 2<sup>nd</sup> May, 2014





# CDSL Ventures Limited

... exploring new horizons

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

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

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