

## **CDSL INSURANCE REPOSITORY LIMITED**

### **Board of Directors**

|                      |                                 |
|----------------------|---------------------------------|
| Shri N. Rangachary   | Chairman                        |
| Shri G. Anantharaman | Director – Independent Director |
| Shri S.S.N.Moorthy   | Director – Independent Director |
| Shri Nayan Mehta     | Director                        |
| Shri Cyrus Khambata  | Managing Director               |

### **Management**

|                     |  |
|---------------------|--|
| Shri Cyrus Khambata | Managing Director                                  |
| Shri Bharat Sheth   | Chief Financial Officer                            |
| Shri Ramkumar K.    | Senior Vice President<br>[On deputation from CDSL] |
| Shri R.K.Rao        | Vice President & Company Secretary                 |
| Ms.Shajitha Lobo    | Vice President                                     |

### **Auditors**

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

### **Registered Office**

17<sup>th</sup> Floor, P.J. Towers,  
Dalal Street,  
Mumbai – 400 001

### **Bankers**

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

## Directors' Report

To  
 All Members,  
 CDSL Insurance Repository Limited.

Your Directors are pleased to present the Fifth Annual Report along with Audited Financial Statements of your Company for the Financial Year ended 31st March, 2016.

### Financial Highlights

| Particulars                                | For the Year<br>ended 31 <sup>st</sup><br>March, 2016<br>(₹ in lacs) | For the Year<br>ended 31 <sup>st</sup><br>March, 2015<br>(₹ in lacs) |
|--|--|--|
| Income                                     | 176.16   | 273.46   |
| Expenditure                                | 183.00   | 236.31   |
| Profit/ (Loss) before Depreciation and Tax | - 6.84   | 37.15  |
| Depreciation                               | 48.19  | 102.32   |
| Profit / (Loss) before Tax                 | (55.03)  | (65.17)  |
| Deferred Tax/Current Tax                   | (6.32)   | (9.62)   |
| Profit/ (Loss) after Tax                   | (48.71)  | (55.55)  |

During the year under review your company has reported a total income of ₹176.16 Lacs (which includes operational income of ₹12.67 Lacs) which has shown a decrease by ₹97.30 Lacs i.e. about 35% fall over the previous year. This is due to decline in income from investments and interest income. The funds received by the company on account of subscription towards the Equity Capital were deployed profitably as per the Investment policy of the company which has resulted in generation of the aforesaid income. The year has, however, ended with a lower Net Loss of ₹ 48.71 Lacs as against a Net Loss of ₹ 55.55 Lacs in the previous year. It may be observed that the Paid-up Equity Capital and the Net worth of your company as on 31st March, 2016 stands at ₹ 30.00 crore and ₹ 30.97 crore respectively.

## Operational Statistics

During the year under review, your company has 2.92 lakhs active e-insurance accounts in the Repository. As on 31st March, 2016, 58,549 e-insurance policies have been credited in the e-insurance accounts and 34,701 policies are pending confirmation for demat. Your company is the first among the 5 Insurance Repositories (IRs) in the business in terms of number of active accounts. Further, your company is now having about 36.26% of the eIA market share. Your company has also improved in holding of policies in the e-insurance accounts from 46,686 policies as on Mar 31, 2015 to 58,549 policies as on Mar 31, 2016 which accounts for about 14.02% market share of the policies held in electronic form.

## Tie-up with insurance companies

Your company has signed IR-Insurer agreements with the undermentioned nineteen life insurers and 3 Non-Life insurers:

### Life insurance companies :

1. AEGON Life Insurance Company Limited
2. Aviva Life Insurance Company India Limited
3. Bajaj Allianz Life Insurance Company Limited
4. Bharti AXA Life Insurance Company Limited
5. Birla Sun Life Insurance Company Limited
6. Edelweiss Tokio Life Insurance Company Limited
7. Exide Life Insurance Company Limited
8. Future Generali India Life Insurance Company Limited
9. HDFC Standard Life Insurance Company Limited
10. ICICI Prudential Life Insurance Company Limited
11. IDBI Federal Life Insurance Company Limited
12. IndiaFirst Life insurance Company Limited
13. Kotak Mahindra Old Mutual Life Insurance Limited
14. PNB Metlife India Insurance Company Limited
15. Reliance Life Insurance Company Limited
16. Sahara India Life Insurance Company Limited
17. Star Union Dai-ichi Life Insurance Company Limited
18. Tata AIA Life Insurance Company Limited
19. SBI Life Insurance Company Limited

### Non-Life insurance companies:

1. Universal Sompo General Insurance Co. Ltd.
2. Raheja QBE General Insurance Co. Ltd.
3. Liberty Videocon General Insurance Co. Ltd.

Your company is in touch with other life and non-life insurance companies and is in the process of signing up agreements with them.

## Approved Persons

Under the Guidelines issued by IRDA, insurance repositories are permitted to appoint 'Approved Persons' to act as marketing Agents for generating business, subject to registration with IRDA . Your company has appointed 261 Approved Persons all over the country who are duly registered with IRDAI. With the enhanced efforts of the Approved Persons we expect to increase our market share to a decent level over the years.

## Future Outlook

Your company is of the view that the scope for the company in terms of untapped business is tremendous as a large percentage of the policy holders are waiting to be taken on board the electronic system. The total eIAs across the IRs is a measly 5 lakh as compared to the total policy holding population of more than 35 crore physical policy holders. If the capital market experience of investors shifting from physical holdings to electronic holdings is used as a yardstick to measure the growth in the electronic policy segment, your company has a potential to grow exponentially in the next 3-5 years.

However, the growth is slack pending notification of revised IR guidelines by IRDAI. These guidelines are expected to allow insurer to issue electronic policy from Insurer portal itself which would be deterrent to an IR business. The guidelines are expected to give direction on Life, Motor and Health policies to start with.

During an informal meeting with some of the leading insurance companies in the month of March 2016, it was observed that most of the insurance companies were optimistic about the e-policy initiative and felt that it would take time to popularize. They were further optimistic that the revenues could be substantially improved by CIRL by taking up various outsourcing activities from the insurance companies where CDSL IR can leverage on the large DP network of CDSL to provide last mile touch points to the policy holders. Your company has already initiated steps to undertake non core activities as a part of its business plan.

## Capital Structure

The Authorised and Paid-up Equity Capital of your Company is ₹ 30-crore with 51% contribution from Central Depository Services (India) Limited and 45.75% contribution from ten insurance companies in Life and Non-Life sectors. The remaining 3.25% is held by a Group-company, CDSL Ventures Ltd. As per the guidelines of IRDA, networth requirement stipulated for setting up insurance repositories is ₹ 25-crore which has been met by your company as on 31st March, 2016.

## 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-I and is a part of this Report.

## Board Meetings

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

| Sr. No. | Date & Time of Meetings                      | Venue of the meetings   | Number of Directors present | Number of Directors to whom Leave of absence was granted |
|---------|--|---|-----------------------------|--|
| 1       | 24 <sup>th</sup> April, 2015<br>04:00 p.m.   | 16 <sup>th</sup> Floor, P.J.Towers, Dalal Street, Fort, Mumbai 400 001. | 08                          | 03   |
| 2       | 24 <sup>th</sup> July, 2015<br>01:00 p.m.    | Same as above   | 07                          | 04   |
| 3       | 30 <sup>th</sup> October, 2015<br>12:45 p.m. | Same as above   | 06                          | NIL  |
| 4       | 29 <sup>th</sup> January, 2016<br>12:45 p.m. | Same as above   | 06                          | NIL  |
| 5       | 29 <sup>th</sup> March, 2016<br>12 noon      | Same as above   | 05                          | NIL  |

## Directors

With profound sorrow and grief the Board condoled the sudden, untimely and unfortunate demise of Director, Shri Satish Budhakar on 27th March, 2016 due to massive cardiac arrest.

The Board placed on record its appreciation for the invaluable contribution made by Shri Satish Budhakar towards the progress of CDSL Group of companies.

In accordance with the provisions of Section 152(6)© of the Companies Act, 2013, Shri N. Rangachary will retire by rotation at the ensuing Annual General Meeting, and is eligible for re-appointment. Resolution seeking his re-appointment has been proposed in the notice of the 5th Annual General Meeting.

During the year under review, all the insurance company's representatives on the Board of your company viz. Shri Milind Kharat, Shri Vipin Anand, Shri V. V. Balaji, Smt. Vibha Padalkar and Shri Mayank Bathwal resigned as directors in order to comply with the provisions of revised Guidelines issued by IRDAI on 29th May, 2015. The Board placed on record their valuable contributions made by each of them towards the progress of the company.

## 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, 2016, 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 loss of the company for that period;
- © 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 G. Anantharaman             | 21 <sup>st</sup> April, 2014    |
| 2.      | Shri S.S.N. Moorthy              | 27 <sup>th</sup> December, 2014 |

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 four non-executive directors out of which two Directors are Independent Directors.

The structure of this Committee is as under:

Chairman : Shri G. Anantharaman  
 Members : Shri N. Rangachary,  
 Shri S.S.N. Moorthy,  
 Shri Nayan Mehta

The Nomination and Remuneration Committee met once during the year under review on 29th March, 2016 in which all the Members were present.

### **AUDIT COMMITTEE:**

Your Company has, under the provisions of Section 177 of the Companies Act, 2013, re-constituted the "Audit Committee" so as to comprise of minimum three directors with independent directors forming a majority. The Audit Committee acts in accordance with the Terms of Reference specified by the Board in writing.

The structure of the Audit Committee is as under:

Chairman : Shri N. Rangachary  
 Members : Shri G. Anantharaman  
 Shri S.S.N. Moorthy  
 Secretary : Shri R.K.Rao

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

| <b>Sr. No.</b> | <b>Date &amp; Time of Meetings</b>           | <b>Venue of the meetings</b>   | <b>Number of Directors present</b> | <b>Number of Directors to whom Leave of absence was granted</b> |
|----------------|--|--|------------------------------------|---|
| 1              | 24 <sup>th</sup> April, 2015<br>03:30 p.m.   | 16 <sup>th</sup> Floor,<br>P.J.Towers, Dalal<br>Street, Fort,<br>Mumbai 400 001. | 03                                 | Nil   |
| 2              | 24 <sup>th</sup> July, 2015<br>12:30 p.m.    | Same as above  | 03                                 | Nil   |
| 3              | 30 <sup>th</sup> October, 2015<br>11:30 a.m. | Same as above  | 03                                 | NIL   |
| 4              | 29 <sup>th</sup> January, 2016<br>12:15 p.m. | Same as above  | 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, four 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 such as Excellent, Very Good, Good or Satisfactory depending upon the performance.

Such evaluation exercise has been carried out

- (i) on Independent Directors, by the Board
- (ii) on Non-Independent Directors, by the Independent Directors in separate meeting held for the purpose on 29<sup>th</sup> March, 2016

- (iii) on the Board as a whole and its Committees, by the Independent Directors in separate meeting held for the purpose on 29<sup>th</sup> March, 2016
- (iv) on the Chairperson of your Company, by the Independent Directors in separate meeting held on 29<sup>th</sup> March, 2016 after taking into account the views of the Executive/Non-Executive Directors
- (v) on individual Directors, by the Nomination and Remuneration Committee in its meeting held on 29<sup>th</sup> March, 2016..

Having regard to the industry, size and nature of business your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

#### **Related Party Transactions:**

The Members of the Company have, vide Special Resolution passed in the 4th Annual General Meeting held on 11th June, 2015, consented to the Company entering into Related Party Transactions to the extent of Rs.110/-lakhs during the year 2015-16. In accordance with the Members' consent your company has entered into transactions with related party within the aforesaid limit. All such transactions were in the ordinary course of business and on an arm's length basis. Although the provisions of Section 188 of the Companies Act, 2013 are not attracted, your company had sought Members' approval for all related party transactions as a measure of good corporate governance. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. Similarly, a Special Resolution has also been proposed in the Notice convening 5<sup>th</sup> Annual General Meeting seeking Members' approval for related party transactions to the extent of Rs.110-lakhs to be entered into with related parties during the financial year 2016-17.

#### **Dividend:**

Since the insurance repository business is still in the nascent stage, the operations of your company during the year under review have not generated adequate cash flow for consideration of declaration of Dividend for the year under review. As such, your Directors do not recommend Dividend for the year. However, it will be the endeavour of the Management of your Company to have a stable dividend policy in the future.

#### **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. Yours Directors recommend their re-appointment in the ensuing Annual General Meeting.

**Secretarial Audit:**

Although the provisions of Section 204 of the Companies Act, 2013 relating to mandatory Secretarial Audit are not applicable to your Company, as a measure of good corporate governance, your Directors have appointed M/s. Pramod S. Shah & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of your Company. They have submitted a clean Secretarial Audit Report for the year 2015-16.

**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 insurance 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 as on 31<sup>st</sup> March, 2016 five permanent employees on the rolls of the company who are well versed in their respective areas of operations. Two of the Senior Executives and one Managerial executive hold Fellowship and two employees hold Licenciate certificates from the Insurance Institute of India.

### **Report by Internal Complaints Committee**

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

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

### **Acknowledgements**

Your Directors place on record their sincere gratitude for the assistance, guidance and co-operation the Company has received from IRDAI, BSE Ltd., CDSL, various insurance companies, Approved Persons, bankers and all other stake holders. 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

**G. Anantharaman**

Director

DIN: 02229822

**Cyrus D. Khambata**

Managing Director

DIN: 00553813

Place : Mumbai

Date : 26<sup>th</sup> April, 2016.

Form No. MGT-9  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31st March, 2016**

**Annex I**

**I. REGISTRATION AND OTHER DETAILS**

|      |  |   |
|------|--|---|
| i)   | CIN:-  | U74120MH2011PLC219665   |
| ii)  | Registration Date –  | 12/7/2011   |
| iii) | Name of the Company -  | CDSL Insurance Repository Limited   |
| iv)  | Category / Sub-Category of the Company – Company having Share capital      | Public Company  |
| v)   | Address of the Registered office and contact details                       | Phiroze Jeejeebhoy Towers,<br>17th Floor, Dalal Street,<br>Mumbai 400001,<br>Tel No. 22723333 |
| vi)  | Whether listed company   | No  |
| Vii) | Name , Address and Contact details of Registrar and Transfer Agent, if any | N.A.  |

**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       | Insurance Repository Services for holding insurance policies in electronic form in e- Insurance Accounts (e-IA) of policy holders. | 66290                            | 100%                               |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

| Sr. No | NAME AND ADDRESS OF THE COMPANY   | CIN/GLN              | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section                   |
|--------|---|----------------------|--------------------------------|------------------|--------------------------------------|
|        | Central Depository Services (India) Limited<br>Phiroze Jeejeebhoy Towers, 17th Floor,<br>Dalal Street,<br>Mumbai 400001 | U67120MH1997PLC11244 | Holding                        | 51%              | Section 2(87) of Companies Act, 2013 |

Add associate companies, if any.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

| Category of Share holders   | No. of Shares held at the beginning of the year |          |          |                   | No. of Shares held at the beginning of the year |          |          |                   | % Change during the year |
|---|---|----------|----------|-------------------|---|----------|----------|-------------------|--------------------------|
|   | Demat   | Physical | Total    | % of total shares | Demat   | Physical | Total    | % of total shares |                          |
| <b>A. Promoters</b>   |   |          |          |                   |   |          |          |                   |                          |
| <b>(1) Indian</b>   |   |          |          |                   |   |          |          |                   |                          |
| a) Individual/HUF   |   | 5        | 5        |                   |   | 5        | 5        |                   |                          |
| b) Central Govt   |   |          |          |                   |   |          |          |                   |                          |
| c) State Govt (s)   |   |          |          |                   |   |          |          |                   |                          |
| d) Bodies Corp.   | 16274994  | 1        | 16274995 | 54.25             | 16274994  | 1        | 16274995 | 54.25             | N.A.                     |
| e) Banks / FI   |   |          |          |                   |   |          |          |                   |                          |
| f) Any Other....  |   |          |          |                   |   |          |          |                   |                          |
| <b>Sub-total (A) (1):-</b>  | 16274994  | 6        | 16275000 | 54.25             | 16274994  | 6        | 16275000 | 54.25             | N.A.                     |
| <b>(2) Foreign</b>  |   |          |          |                   |   |          |          |                   |                          |
| a) NRIs - Individuals   |   |          |          |                   |   |          |          |                   |                          |
| b) Other – Individuals  |   |          |          |                   |   |          |          |                   |                          |
| c) Bodies Corp.   |   |          |          |                   |   |          |          |                   |                          |
| d) Banks / FI   |   |          |          |                   |   |          |          |                   |                          |
| a) Any Other....  |   |          |          |                   |   |          |          |                   |                          |
| <b>Sub-total (A) (2):-</b>  |   |          |          |                   |   |          |          |                   |                          |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>                             | 16274994  | 6        | 16275000 | 54.25             | 16274994  | 6        | 16275000 | 54.25             | N.A.                     |
| <b>B. Public Shareholding</b>   |   |          |          |                   |   |          |          |                   |                          |
| <b>1. Institutions</b>  |   |          |          |                   |   |          |          |                   |                          |
| a) Mutual Funds   |   |          |          |                   |   |          |          |                   |                          |
| b) Banks / FI   |   |          |          |                   |   |          |          |                   |                          |
| c) Central Govt   |   |          |          |                   |   |          |          |                   |                          |
| d) State Govt(s)  |   |          |          |                   |   |          |          |                   |                          |
| e) Venture Capital Funds  |   |          |          |                   |   |          |          |                   |                          |
| f) Insurance Companies  | 12750000  |          | 12750000 | 42.5              | 13725000  |          | 13725000 | 45.75             | 3.25                     |
| g) FIIs   |   |          |          |                   |   |          |          |                   |                          |
| h) Foreign Venture Capital Funds  |   |          |          |                   |   |          |          |                   |                          |
| i) Others (specify)   |   |          |          |                   |   |          |          |                   |                          |
| <b>Sub-total (B)(1):-</b>   | 12750000  |          | 12750000 | 42.5              | 13725000  |          | 13725000 | 45.75             | 3.25                     |
| <b>2. Non-Institutions</b>  |   |          |          |                   |   |          |          |                   |                          |
| a) Bodies Corp.   |   |          |          |                   |   |          |          |                   |                          |
| i) Indian   |   |          |          |                   |   |          |          |                   |                          |
| ii) Overseas  |   |          |          |                   |   |          |          |                   |                          |
| b) Individuals  |   |          |          |                   |   |          |          |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh              |   |          |          |                   |   |          |          |                   |                          |
| ii) lakh Individual shareholders holding nominal share capital in excess of Rs 1 lakh |   |          |          |                   |   |          |          |                   |                          |
| c) Others (specify)   |   |          |          |                   |   |          |          |                   |                          |
| <b>Sub-total (B)(2):-</b>   | 0   |          | 0        |                   | 0   |          | 0        |                   |                          |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>                                   | 12750000  |          | 12750000 | 42.5              | 13725000  |          | 13725000 | 45.75             | 3.25                     |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                                |   |          |          |                   |   |          |          |                   |                          |
| <b>Grand Total (A+B+C)</b>  | 29999994  | 6        | 30000000 | 100               | 29999994  | 6        | 30000000 | 100               |                          |

**(ii) Shareholding of Promoters**

| Sr. No. | Shareholders Name                           | Shareholding at the beginning of the year |                              |   | Share holding at the end of the year |                              |   | % change in share holding during the year |
|---------|---|---|------------------------------|---|--------------------------------------|------------------------------|---|---|
|         |   | No of Shares                              | % of total shares of company | %of Shares Pledged / encumbered to total shares | No of Shares                         | % of total shares of company | %of Shares Pledged / encumbered to total shares |   |
| 1       | Central Depository Services (India) Limited | 15299999                                  | 51                           | 0   | 15299999                             | 51                           | 0   | 0   |
| 2       | CDSL Ventures Limited                       | 975001                                    | 3.25                         | 0   | 975001                               | 3.25                         | 0   | 3.25                                      |

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

| Sr No |  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the |                                  |
|-------|--|---|----------------------------------|------------------------------------|----------------------------------|
|       |  | No. of shares                             | % of total shares of the company | No. of shares                      | % of total shares of the company |
|       | At the beginning of the year   | 16275000                                  | 54.25                            | NA                                 | NA                               |
|       | 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): | NA  | NA                               | NA                                 | NA                               |
|       | At the End of the year   | 16275000                                  | 54.25                            | NA                                 | NA                               |

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

| Sr No | For Each of the Top 10 Shareholders        | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-------|--|---|----------------------------------|---|----------------------------------|
|       |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1     | Life Insurance Corporation of India        | 25,00,000                                 | 8.33                             | 25,00,000                               | 8.33                             |
| 2     | ICICI Prudential Life Insurance Co. Ltd.   | 15,00,000                                 | 5                                | 15,00,000                               | 5                                |
| 3     | HDFC Standard Life Insurance Co. Ltd.      | 15,00,000                                 | 5                                | 15,00,000                               | 5                                |
| 4     | United India Insurance Co. Ltd.            | 12,50,000                                 | 4.17                             | 12,50,000                               | 4.17                             |
| 5     | Bajaj Allianz Life Insurance Co. Ltd.      | 12,50,000                                 | 4.17                             | 12,50,000                               | 4.17                             |
| 6     | Shriram Life Insurance Co. Ltd.            | 12,50,000                                 | 4.17                             | 12,50,000                               | 4.17                             |
| 7     | Birla SunLife Insurance Co. Ltd.           | 12,50,000                                 | 4.17                             | 12,50,000                               | 4.17                             |
| 8     | India First Life Insurance Co. Ltd.        | 12,50,000                                 | 4.17                             | 12,50,000                               | 4.17                             |
| 9     | Star Union Dai-Ichi Life Insurance Co.Ltd. | 10,00,000                                 | 3.33                             | 10,00,000                               | 3.33                             |
| 10    | Max Life Insurance Co. Ltd.                | 9,75,000                                  | 3.25                             | 9,75,000                                | 3.25                             |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sr No | For Each of the Directors and KMP  | Shareholding at the beginning of |                                  | Cumulative Shareholding during the year |                                  |
|-------|--|----------------------------------|----------------------------------|---|----------------------------------|
|       |  | No. of shares                    | % of total shares of the company | No. of shares                           | % of total shares of the company |
|       | At the beginning of the year   | 2*                               | Negligible                       |   |                                  |
|       | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): |                                  | <b>NIL</b>                       |   |                                  |
|       | At the End of the year   | 2*                               | Negligible                       |   |                                  |

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

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

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

## 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                  |                              |                   |   |                             |                                    |
| Compounding                 |                              |                   | NIL   |                             |                                    |
| B. DIRECTORS                |                              |                   |   |                             |                                    |
| Penalty                     |                              |                   |   |                             |                                    |
| Punishment                  |                              |                   |   |                             |                                    |
| Compounding                 |                              |                   |   |                             |                                    |
| C. OTHER OFFIERS IN DEFAULT |                              |                   |   |                             |                                    |
| Penalty                     |                              |                   |   |                             |                                    |
| Punishment                  |                              |                   |   |                             |                                    |
| Compounding                 |                              |                   |   |                             |                                    |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sr. No | Particulars of Remuneration  | Name of MD/WTD/<br>Manager | Total<br>Amount |
|--------|--|----------------------------|-----------------|
| 1      | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL                        |                 |
| 2      | Stock Option   |                            |                 |
| 3      | Sweat Equity   |                            |                 |
| 4      | Commission<br>- as % of profit<br>- others, specify...   |                            |                 |
| 5      | Others, please specify   |                            |                 |
|        | <b>Total (A)</b>   |                            |                 |
|        | Ceiling as per the Act   |                            |                 |

### B. Remuneration to other directors:

| Sr. no. | Particulars of Remuneration   | Name of Directors       |                        |                       |                     |                     |                       |                          |                        |                           |  | Total<br>Amount |        |
|---------|---|-------------------------|------------------------|-----------------------|---------------------|---------------------|-----------------------|--------------------------|------------------------|---------------------------|--|-----------------|--------|
|         |   | Shri G.<br>Anantharaman | Shri S.S.N.<br>Moorthy | Shri N.<br>Rangachary | Shri Vipin<br>Anand | Shri V.V.<br>Balaji | Shri Milind<br>Kharat | Ms.<br>Vibha<br>Padalkar | Shri<br>Nayan<br>Mehta | Shri<br>Mayank<br>Bathwal |  |                 |        |
| 3.      | Independent Directors<br>- Fee for attending board / committee meetings<br>- Commission<br>- Others, please specify         | 110000                  | 110000                 |                       |                     |                     |                       |                          |                        |                           |  |                 | 220000 |
| 4.      | Other Non-Executive Directors<br>• Fee for attending board / committee meetings<br>• Commission<br>• Others, please specify |                         |                        | 100000                | 10000               | NIL                 | 10000                 | 10000                    | 60000                  | NIL                       |  |                 | 190000 |
|         | Total (2)   |                         |                        |                       |                     |                     |                       |                          |                        |                           |  |                 | 410000 |
|         | Total (B)=(1+2)   |                         |                        |                       |                     |                     |                       |                          |                        |                           |  |                 | 410000 |
|         | Total Managerial Remuneration   |                         |                        |                       |                     |                     |                       |                          |                        |                           |  |                 |        |
|         | Overall Ceiling as per the Act  |                         |                        |                       |                     |                     |                       |                          |                        |                           |  |                 |        |

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

| Sl. No. | Particulars of Remuneration  | Key Managerial Personnel |                      |                |   |   |   |   |   | Total            |
|---------|--|--------------------------|----------------------|----------------|---|---|---|---|---|------------------|
|         |  | CEO                      | Company<br>Secretary | CFO            |   |   |   |   |   |                  |
| 1       | Gross Salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0                        | 1,244,865            | 0              |   |   |   |   |   | 1,244,865        |
| 2       | Stock Option   | 0                        | 0                    | 0              | 0 | 0 | 0 | 0 | 0 | 0                |
| 3       | Sweat Equity   | 0                        | 0                    | 0              | 0 | 0 | 0 | 0 | 0 | 0                |
| 4       | Commission<br>- as % of Profit<br>- others, specify...   | 0                        | 0                    | 0              | 0 | 0 | 0 | 0 | 0 | 0                |
| 5       | Others, please specify   | 0                        | 0                    | 110,941        | 0 | 0 | 0 | 0 | 0 | 110,941          |
|         | <b>Total</b>   |                          | <b>1,439,865</b>     | <b>110,941</b> |   |   |   |   |   | <b>1,550,806</b> |

Note:- \*Deputation allowance paid.

**LODHA  
& CO**

Chartered Accountants

6, Karim Chambers, 40, A. Doshi Marg, (Hamam Street),  
Mumbai 400 001 INDIATelephone : 0091-22-2269 1414 / 2269 1515  
0091-22-4002 1140 / 4002 1414

Fax : 0091-22-2265 0126

E-mail : mumbai@lodhaco.com

## **INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the accompanying financial statements of CDSL Insurance Repository Limited, which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

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

# LODHA & CO

Chartered Accountants

6, Karim Chambers, 40, A. Doshi Marg, (Hamam Street),  
Mumbai 400 001 INDIA  
Telephone : 0091-22-2269 1414 / 2269 1515  
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E-mail : mumbai@lodhaco.com

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its loss and cash flow for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order

2. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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:
    - i) The Company does not have any pending litigations which would impact its financial position.

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- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) 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**

**A.M. Hariharan**

Partner

**Membership No.: 38323**

Place: Mumbai

Date : 26<sup>th</sup> April, 2016

**“Annexure A”****ANNEXURE REFERRED TO IN PROVISION OF CLAUSE GRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE CDSL INSURANCE 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:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) The Company has carried out physical verification of all its fixed assets during the year. In our opinion, the frequency of verification is reasonable considering the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
c) The Company does not own any immovable property. Therefore, Para 3(i) (c) of the Order is not applicable to the Company.
2. The Company does not have any inventory. Therefore, the Para 3(ii) of the Order are not applicable to the Company.
3. During the year the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
4. The Company has not given any loans, guarantee and security deposits during the year. In respect of investments, the provisions of section 185 and 186 of the Act have been complied with.
5. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under have been accepted by the Company.

6. The provisions of Para 3(vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.
7.
  - a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
  - b) According to the records of the Company, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.
8. The Company has not taken any loan or borrowing from a financial institution, bank, government or debenture holders. Therefore, Para 3 (viii) of the Order is not applicable to the Company.
9. The Company has not raised any money by way of initial public offer or further public offer during the year or in the recent past and has not taken any term loan. Therefore, Para 3 (ix) of the Order is not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
11. The Company has not paid or provided any managerial remuneration. Therefore, Para 3 (xi) of the Order is not applicable to the Company
12. The Company is not Nidhi Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company.
13. All transactions with the related parties are in compliance with section 177 and 188

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of Act where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
15. The Company has not entered into any non-cash transactions with directors or persons connected with him under section 192 of the Act.
16. As the Company is governed by the provisions of Insurance Regulatory and Development Authority of India Act, 1999 the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

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

**A.M. Hariharan**  
Partner  
**Membership No.: 38323**

Place: Mumbai  
Date : 26<sup>th</sup> April, 2016

**“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 Insurance Repository Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of financial statements of the Company for the year ended March 31, 2016.

**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

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controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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**

**A.M. Hariharan**

Partner

**Membership No.: 38323**

Place: Mumbai

Date : 26<sup>th</sup> April, 2016

**CDSL INSURANCE REPOSITORY LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2016**

| Particulars   | Note No. | As at 31.03.2016 | As at 31.03.2015 |
|---|----------|------------------|------------------|
|   |          | (₹) In Lacs      | (₹) In Lacs      |
| <b>I. EQUITY AND LIABILITIES</b>  |          |                  |                  |
| <b>(1) Shareholders' Funds</b>  |          |                  |                  |
| (a) Share Capital   | 2        | 3,000.00         | 3,000.00         |
| (b) Reserves and Surplus  | 3        | 97.96            | 146.67           |
| <b>(2) Non Current Liabilities</b>  |          |                  |                  |
| (a) Long-Term Provisions  | 5        | 1.50             | 0.48             |
| <b>(3) Current Liabilities</b>  |          |                  |                  |
| (a) Trade Payables  | 6        |                  |                  |
| (i) Total outstanding dues of micro enterprises and small enterprises                       |          | -                | -                |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 7.54             | 49.30            |
| (b) Other Current Liabilities   | 7        | 3.04             | 9.27             |
| (c) Short-Term Provisions   | 8        | 12.40            | 15.02            |
| <b>Total</b>  |          | <b>3,122.44</b>  | <b>3,220.74</b>  |
| <b>II. ASSETS</b>   |          |                  |                  |
| <b>(1) Non -Current Assets</b>  |          |                  |                  |
| (a) Fixed assets  | 9        |                  |                  |
| (i) Tangible Assets   |          | 2.38             | 17.75            |
| (ii) Intangible Assets  |          | 1.19             | 33.41            |
| (b) Non current Investments   | 10       | -                | 394.86           |
| (c) Long Term Loans and Advances  |          |                  |                  |
| Other Loans and Advances - MAT Credit Entitlement   |          | 5.90             | 5.90             |
| (d) Deferred Tax Assets (Net)   | 4        | 6.94             | 0.62             |
| <b>(2) Current Assets</b>   |          |                  |                  |
| (a) Current investments   | 11       | 1,458.16         | 978.69           |
| (b) Trade Receivable  | 12       | 2.73             | 5.80             |
| (c) Cash & Cash Equivalents   | 13       | 1,500.22         | 1,680.33         |
| (d) Short Term Loans and Advances   | 14       | 89.80            | 65.39            |
| (e) Other current assets  | 15       | 55.12            | 37.99            |
| <b>Total</b>  |          | <b>3,122.44</b>  | <b>3,220.74</b>  |

Significant accounting policies

1

Other notes accompanying the financial statements

20-28

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For and on behalf of the Board of Directors

**For Lodha & Company**  
Chartered Accountants

**G. Anantharaman**  
Director

**C.D.Khambata**  
Managing Director

**A. M. Hariharan**  
Partner

**R. K. Rao**  
Company Secretary

**Bharat Sheth**  
Chief Financial Officer

Place : Mumbai,  
Date : April 26, 2016

**CDSL INSURANCE REPOSITORY LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016**

| Particulars   | Note No. | 1 <sup>st</sup> April 2015 to | 1 <sup>st</sup> April 2014 to |
|---|----------|-------------------------------|-------------------------------|
|   |          | 31 <sup>st</sup> March 2016   | 31 <sup>st</sup> March 2016   |
|   |          | (₹) In Lacs                   | (₹) In Lacs                   |
| I. Operating Income   | 16       | 12.67                         | 14.79                         |
| II. Non - Operating Income  | 17       | 163.49                        | 258.67                        |
| <b>Total Revenue</b>  |          | 176.16                        | 273.46                        |
| <b>III. Expenses:</b>   |          |                               |                               |
| Employee Benefit Expenses   | 18       | 50.91                         | 93.76                         |
| Depreciation and amortization expenses  | 9        | 48.19                         | 102.32                        |
| Other operating & administrative expenses                                     | 19       | 132.09                        | 142.55                        |
| <b>Total Expenses</b>   |          | 231.19                        | 338.63                        |
| <b>IV. P rofit before tax(I+II-III)</b>                                       |          | (55.03)                       | (65.17)                       |
| <b>V. Tax Expenses</b>  |          |                               |                               |
| Current Tax   |          | -                             | -                             |
| For Prior years   |          | -                             | 2.00                          |
| Deferred Tax  |          | (6.32)                        | (11.62)                       |
| <b>VI. P rofit after tax (IV-V)</b>   |          | (48.71)                       | (55.55)                       |
| <b>VII. Earning per equity share of face value of ₹ 10 each:(Amount in ₹)</b> |          |                               |                               |
| Basic & Diluted   |          | (0.16)                        | (0.19)                        |

Significant accounting policies

1

Other notes accompanying the financial statements

20-28

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For and on behalf of the Board of Directors

**For Lodha & Company**  
Chartered Accountants

**G. Anantharaman**  
Director

**C.D.Khambata**  
Managing Director

**A. M. Hariharan**  
Partner

**R. K. Rao**  
Company Secretary

**Bharat Sheth**  
Chief Financial Officer

Place : Mumbai,  
Date : April 26, 2016

**CDSL INSURANCE REPOSITORY LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

| Particulars   | 01.04.2015<br>to<br>31.03.2016<br>(₹) In Lacs | 01.04.2014<br>to<br>31.03.2015<br>(₹) In Lacs |
|---|---|---|
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>                        |   |   |
| Profit/(Loss) Before Tax  | (55.03)                                       | (65.17)                                       |
| <b>Adjustment for non-cash and other items to be disclosed separately</b> |   |   |
| Add : Depreciation  | 48.19   | 102.32  |
| Less : Interest on Bank Deposits  | (151.70)                                      | (67.39)                                       |
| Dividend Income from Current Investments                                  | (11.58)                                       | (14.88)                                       |
| Profit on sale of Mutual Fund Units                                       | -   | (176.40)                                      |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>                    | <b>(170.12)</b>                               | <b>(221.51)</b>                               |
| <b>Adjustment for changes in working capital</b>                          |   |   |
| Decrease in Trade Receivables   | 3.07  | (5.73)  |
| Decrease in Trade Payables  | (41.76)                                       | 43.00   |
| Decrease in Other Liabilities & Provisions                                | (7.84)  | 2.30  |
| Increase in other current assets  | (11.26)                                       | (18.60)                                       |
| <b>CASH GENERATED/(USED) IN OPERATING ACTIVITIES</b>                      | <b>(227.91)</b>                               | <b>(200.54)</b>                               |
| (Taxes Paid) / Refund Received  | (13.14)                                       | (8.68)  |
| <b>A) NET CASH GENERATED/(USED) IN OPERATING ACTIVITIES</b>               | <b>(241.05)</b>                               | <b>(209.22)</b>                               |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>                        |   |   |
| Redemption/(Investment) in Units of Mutual Funds and Bonds(net)           | (84.61)                                       | 1,251.30                                      |
| Interest on Bank Deposits   | 134.57  | 131.89  |
| Dividend Income from Current Investments                                  | 11.58   | 14.88   |
| Deposits with Banks   | 180.14  | (1,175.14)                                    |
| Purchase of Fixed Assets  | (0.60)  | (26.71)                                       |
| Capital Work In Process   | -   | -   |
| Intangible Assets Under Development                                       | -   | 17.98   |
| <b>B) NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES</b>               | <b>241.08</b>                                 | <b>214.20</b>                                 |
| <b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>                         |   |   |
| <b>C) NET CASH GENERATED FROM FINANCING ACTIVITIES</b>                    | <b>-</b>                                      | <b>-</b>                                      |
| <b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>   | <b>0.03</b>                                   | <b>4.98</b>                                   |
| Cash and Cash Equivalents Opening Balance                                 | 5.19  | 0.21  |
| Cash and Cash Equivalents Closing Balance                                 | 5.22  | 5.19  |
|   | <b>0.03</b>                                   | <b>4.98</b>                                   |

## 1. Cash and Cash Equivalents comprises of

| Notes :  | 1 <sup>st</sup> April 2015<br>to<br>31 <sup>st</sup> March 2016 | 1 <sup>st</sup> April 2014<br>to<br>31 <sup>st</sup> March 2016 |
|--|---|---|
|  | ( ₹ ) In Lacs   | ( ₹ ) In Lacs   |
| 1. Cash on Hand  | 0.10  | 0.07  |
| With scheduled bank on<br>Current Accounts   | 5.12  | 5.12  |
|  | 5.22  | 5.19  |
| 2. Reconciliation of Cash and Cash Equivalents   |   |   |
| Cash and Bank Balances as per Balance Sheet  | 1500.22   | 1680.33   |
| Bank Deposits with maturity date after three months  | 1495.00   | 1675.14   |
| Cash and Cash Equivalents as per Cash Flow Statement   | 5.22  | 5.19  |
| 3. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard -3 on "Cash Flow Statements". |   |   |
| 4. Previous year figures have been regrouped / rearranged wherever necessary to conform 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

**G. Anantharaman**

Director

**C.D.Khambata**

Managing Director

**A. M. Hariharan**

Partner

**R. K. Rao**

Company Secretary

**Bharat Sheth**

Chief Financial Officer

Place : Mumbai,

Date : April 26, 2016

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### Corporate Information

The Company was incorporated with the main objective of setting up an insurance repository to provide policyholders a facility to keep insurance policies in electronic form and to undertake changes, modifications and revisions in the insurance policy with speed and accuracy in order to bring about efficiency, transparency and cost reduction in issuance and maintenance of insurance policies.

### NOTE 1

#### i. General

The financial statements are prepared on the basis of historical cost convention, on the accounting principles of a going concern and are in accordance with the applicable accounting standards.

The preparation of financial statements requires management to make estimates and assumptions 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 year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable and results however are not likely to differ from these estimates materially. Any revision to accounting estimates is recognised prospectively.

#### ii. Revenue Recognition

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

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

#### iii. Fixed Assets

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

**iv. Software Costs**

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

**v. Depreciation/Amortization/Impairment Loss**

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

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

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

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

Leasehold premises is amortized over a period of 10 years.

The carrying amounts of assets are reviewed at each Balance Sheet date if there is an indication of impairment based on internal and external factors. The asset is treated as impaired when its carrying cost exceeds the recoverable amount. Impairment loss, if any, is charged to the Statement of Profit and Loss for the 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.

**vi. Investments**

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

## **vii. Employees Benefits**

Short term Employee Benefits are estimated and provided for.

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

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

### **(i) Defined Contribution Plans:**

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

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

### **(ii) Defined Benefits Plans:**

(a) Gratuity : Gratuity for employees is covered by Gratuity Scheme with Life Insurance Corporation of India and the contribution thereof is paid / provided for. Provision for Gratuity is made on the basis of actuarial valuation on Projected Unit Credit Method as at the end of the year.

(b) Long term compensated absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

Actuarial gains/losses at the end of the year accrued to the defined benefit plans are taken to Statement of Profit and Loss for the respective financial year.

## **viii. Income Tax**

Provision for current tax is made on the basis of relevant provisions of the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accrued for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from

unabsorbed carried forward losses and depreciation are recognised to the extent there is virtual certainty that these would be realised in future.

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

**ix. Provisions and Contingent Liabilities**

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

- 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 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**

| <b>SHARE CAPITAL</b>   | <b>As at 31.03.2016</b> |                    | <b>As at 31.03.2015</b> |                    |
|--|-------------------------|--------------------|-------------------------|--------------------|
|  | <b>Number</b>           | <b>(₹) In Lacs</b> | <b>Number</b>           | <b>(₹) In Lacs</b> |
| <u>Authorised</u><br>Equity Shares of ₹10 each                                     | 30,000,000              | 3,000              | 30,000,000              | 3,000              |
| <u>Issued, Subscribed &amp; Paid up</u><br>Equity Shares of ₹10 each fully paid up | 30,000,000              | 3,000              | 30,000,000              | 3,000              |

**Terms/ rights attached to equity shares**

- 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.
- 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.

| <b>Shares held by Holding Company and its subsidiaries</b>                    | <b>As at 31st March 2016</b> |                    | <b>As at 31st March 2015</b> |                    |
|---|------------------------------|--------------------|------------------------------|--------------------|
| <b>Name of the Shareholders</b>   | <b>No. of Shares</b>         | <b>(₹) In Lacs</b> | <b>No. of Shares</b>         | <b>(₹) In Lacs</b> |
| Central Depository Services (India) Limited, Holding Company and its nominees | 15,299,999                   | 1,530.00           | 15,299,999                   | 1,530.00           |
| CDSL Ventures Limited, Subsidiary of Holding Company                          | 975,001                      | 97.50              | 975,001                      | 97.50              |

| <b>List of Shareholders holding 5% or more shares in the Company</b>          | <b>As at 31st March 2016</b> |                    | <b>As at 31st March 2015</b> |                    |
|---|------------------------------|--------------------|------------------------------|--------------------|
| <b>Name of the Shareholders</b>   | <b>No. of Shares</b>         | <b>(₹) In Lacs</b> | <b>No. of Shares</b>         | <b>(₹) In Lacs</b> |
| Central Depository Services (India) Limited, Holding Company and its nominees | 15,299,999                   | 51.00              | 15,299,999                   | 51.00              |
| Life Insurance Corporation of India   | 2,500,000                    | 8.33               | 2,500,000                    | 8.33               |
| ICICI Prudential Life Insurance Company Limited                               | 1,500,000                    | 5.00               | 1,500,000                    | 5.00               |
| HDFC Standard Life Insurance Co. Ltd.   | 1,500,000                    | 5.00               | 1,500,000                    | 5.00               |

| <b>NOTE 3</b>                   | <b>As at 31.03.2016</b> | <b>As at 31.03.2015</b> |
|---------------------------------|-------------------------|-------------------------|
|                                 | <b>(₹) In Lacs</b>      | <b>(₹) In Lacs</b>      |
| <b>RESERVES &amp; SURPLUS</b>   |                         |                         |
| <b>Profit and Loss Account</b>  |                         |                         |
| Opening Balance                 | 146.67                  | 202.22                  |
| Add: Profit/(loss) for the year | (48.71)                 | (55.55)                 |
| Closing Balance                 | <u>97.96</u>            | <u>146.67</u>           |

|  | As at 31.03.2016 | As at 31.03.2015 |
|--|------------------|------------------|
|  | (₹) In Lacs      | (₹) In Lacs      |
| <b>NOTE 4</b>  |                  |                  |
| <b>Deferred Tax Asset/(Liability)</b>  |                  |                  |
| Expenses allowed on Payment Basis  | 2.47             | 2.68             |
| Depreciation   | 4.47             | (2.06)           |
|  | <u>6.94</u>      | <u>0.62</u>      |
| <b>NOTE 5</b>  |                  |                  |
| <b>Long-Term Provisions</b>  |                  |                  |
| Provision for Leave Encashment & gratuity  | 1.50             | 0.48             |
|  | <u>1.50</u>      | <u>0.48</u>      |
| <b>NOTE 6</b>  |                  |                  |
| <b>Trade Payables</b>  |                  |                  |
| (a) Total outstanding dues of micro enterprises and small enterprises                      | -                | -                |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises |                  |                  |
| Related Parties  | -                | 17.74            |
| Others   | 7.54             | 31.56            |
|  | <u>7.54</u>      | <u>49.30</u>     |
| <b>NOTE 7</b>  |                  |                  |
| <b>Other Current Liabilities</b>   |                  |                  |
| Statutory dues payable   | 2.13             | 2.95             |
| Vendors for capital assets   | 0.91             | 6.32             |
|  | <u>3.04</u>      | <u>9.27</u>      |
| <b>NOTE 8</b>  |                  |                  |
| <b>Short-Term Provisions</b>   |                  |                  |
| Provision for Ex-Gratia  | 6.00             | 8.53             |
| Provision for Leave Encashment & gratuity  | 0.50             | 0.59             |
| Provision for MAT  | 5.90             | 5.90             |
|  | <u>12.40</u>     | <u>15.02</u>     |

**NOTE 9**
**FIXED ASSETS**

(₹) In Lacs

| DESCRIPTION                   | GROSS BLOCK AT COST |                 |            |                     | DEPRECIATION        |                  |            | NET BLOCK           |                  |                  |
|-------------------------------|---------------------|-----------------|------------|---------------------|---------------------|------------------|------------|---------------------|------------------|------------------|
|                               | As on<br>01.04.2015 | Additions       | Deductions | As on<br>31.03.2016 | Up to<br>31.03.2015 | For the year     | Deductions | Up to<br>31.03.2016 | As on 31.03.2016 | As on 31.03.2015 |
| <b>(I) TANGIBLE ASSETS</b>    |                     |                 |            |                     |                     |                  |            |                     |                  |                  |
| Computer Hardware             | 72.32<br>(72.32)    | -               | -          | 72.32<br>(72.32)    | 59.65<br>(23.51)    | 12.67<br>(36.14) | -          | 72.32<br>(59.65)    | -<br>(12.67)     | 12.67<br>(48.81) |
| Office Equipments             | 5.41                | -               | -          | 5.41<br>(5.41)      | 0.33                | 2.70<br>(0.33)   | -          | 3.03<br>(0.33)      | 2.38<br>(5.08)   | 5.08             |
| <b>Total (I)</b>              | <b>77.73</b>        | <b>-</b>        | <b>-</b>   | <b>77.73</b>        | <b>59.98</b>        | <b>15.37</b>     | <b>-</b>   | <b>75.35</b>        | <b>2.38</b>      | <b>17.75</b>     |
| <b>Previous Year</b>          | <b>(72.32)</b>      | <b>(5.41)</b>   | <b>-</b>   | <b>(77.73)</b>      | <b>(23.51)</b>      | <b>(36.47)</b>   | <b>-</b>   | <b>(59.98)</b>      | <b>(17.75)</b>   | <b>(48.81)</b>   |
| <b>(II) INTANGIBLE ASSETS</b> |                     |                 |            |                     |                     |                  |            |                     |                  |                  |
| Computer Software             | 133.44<br>(112.14)  | 0.60<br>(21.30) | -          | 134.04<br>(133.44)  | 100.03<br>(34.18)   | 32.82<br>(65.85) | -          | 132.85<br>(100.03)  | 1.19<br>(33.41)  | 33.41<br>(77.96) |
| <b>Total (II)</b>             | <b>133.44</b>       | <b>0.60</b>     | <b>-</b>   | <b>134.04</b>       | <b>100.03</b>       | <b>32.82</b>     | <b>-</b>   | <b>132.85</b>       | <b>1.19</b>      | <b>33.41</b>     |
| <b>Previous Year</b>          | <b>(112.14)</b>     | <b>(21.30)</b>  | <b>-</b>   | <b>(133.44)</b>     | <b>(34.18)</b>      | <b>(65.85)</b>   | <b>-</b>   | <b>(100.03)</b>     | <b>(33.41)</b>   | <b>(77.96)</b>   |
| <b>Total (I + II)</b>         | <b>211.17</b>       | <b>0.60</b>     | <b>-</b>   | <b>211.77</b>       | <b>160.01</b>       | <b>48.19</b>     | <b>-</b>   | <b>208.20</b>       | <b>3.57</b>      | <b>51.16</b>     |
| <b>Previous Year</b>          | <b>(184.46)</b>     | <b>(26.71)</b>  | <b>-</b>   | <b>(211.17)</b>     | <b>(57.69)</b>      | <b>(102.32)</b>  | <b>-</b>   | <b>(160.01)</b>     | <b>(51.16)</b>   | <b>(126.77)</b>  |

Note : Figures disclosed in bracket pertains to previous year.

| NOTE 10   | 31.03.2016          |                          |                          | 31.03.2015               |                     |                          |
|---|---------------------|--------------------------|--------------------------|--------------------------|---------------------|--------------------------|
|   | Face Value (₹)      | No. of units             | Book Value (₹) in Lacs   | Face Value (₹)           | No. of units        | Book Value (₹) in Lacs   |
| <b>Investment in Mutual Funds</b><br>(Quoted & fully paid up)<br>Reliance Fixed Horizon Fund - XXIV 11 Direct Plan<br><b>Sub Total (A)</b>  | -                   | -                        | -                        | 10                       | 3,948,606           | 394.86                   |
|   |                     | <b>No. Units</b>         | <b>Value (₹) in Lacs</b> |                          | <b>No. Units</b>    | <b>Value (₹) in Lacs</b> |
|   |                     | -                        | -                        |                          | 3,948,606           | 394.86                   |
| <b>Aggregate Amount of Quoted Investment</b>  |                     |                          |                          |                          |                     |                          |
| <b>Market Value/ Repurchase Price of Quoted Investments</b>   |                     |                          |                          |                          |                     |                          |
| <b>Basis of Valuation : Mutual Funds are valued at lower of cost and market value/fair value.</b>   |                     |                          |                          |                          |                     |                          |
| NOTE 11   | 31.03.2016          |                          |                          | 31.03.2015               |                     |                          |
|   | Face Value (₹)      | No. of units             | Book Value (₹) in Lacs   | Face Value (₹)           | No. of units        | Book Value (₹) in Lacs   |
| <b>Current Investments</b>  |                     |                          |                          |                          |                     |                          |
|   |                     | <b>No. Units</b>         | <b>Value (₹) in Lacs</b> |                          | <b>No. Units</b>    | <b>Value (₹) in Lacs</b> |
|   |                     | -                        | -                        |                          | -                   | -                        |
| <b>Investment in Mutual Funds</b><br>(Quoted & fully paid up)<br>Reliance Fixed Horizon Fund - XXIV 11 Direct Plan<br><b>Sub Total (A)</b>  | 10                  | 3,948,606                | 394.86                   | -                        | -                   | -                        |
|   |                     |                          | <b>394.86</b>            |                          |                     | <b>-</b>                 |
|   |                     |                          |                          |                          |                     |                          |
| (Non Trade, Unquoted & fully paid up)<br>DSP BlackRock Liquidity Fund Direct - DDR*<br>ICICI Prudential Flexible Income Plan -Direct -DDR*<br>ICICI Prudential Banking and PSU Debt Fund- Direct -Growth<br>Reliance Liquid Fund-Treasury Plan Direct Plan-DDR*<br><b>Sub Total (B)</b><br>*DDR - Daily Dividend Reinvestment<br><b>Total (A+B)</b> | 1,000               | 41,352                   | 413.80                   | -                        | -                   | -                        |
|   |                     |                          |                          | 100                      | 80,499              | 85.11                    |
|   |                     |                          |                          | 10                       | 4,209,448           | 649.51                   |
|   |                     |                          |                          | 1000                     | 15,964              | 244.07                   |
|   |                     |                          | <b>1,063.30</b>          |                          |                     | <b>978.69</b>            |
|   |                     |                          | <b>1,458.16</b>          |                          |                     | <b>978.69</b>            |
|   | <b>No. of Units</b> | <b>Value (₹) in Lacs</b> | <b>No. of Units</b>      | <b>Value (₹) in Lacs</b> | <b>No. of Units</b> | <b>Value (₹) in Lacs</b> |
|   | 4,250,799           | 1,063.30                 | 4,305,910                | 978.69                   | -                   | -                        |
|   | 3,948,606           | 394.86                   | -                        | -                        | -                   | -                        |
|   | 3,948,606           | 502.20                   | -                        | -                        | -                   | -                        |
|   | 4,250,799           | 1,129.77                 | 4,305,910                | 985.61                   |                     |                          |
| <b>Basis of Valuation : Mutual Funds are valued at lower of cost and market value/fair value.</b>   |                     |                          |                          |                          |                     |                          |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

| <b>NOTE 12</b><br><b>Trade Receivable</b><br><b>Unsecured Considered good</b>   | <b>As at 31.03.2016</b><br><b>(₹) In Lacs</b> | <b>As at 31.03.2015</b><br><b>(₹) In Lacs</b> |
|---|---|---|
| Due for a period exceeding six months from the date they are due for payment  | -   | 0.39  |
| Due for a period not exceeding six months from the date they are due for payment  | 2.73  | 5.41  |
|   | <b>2.73</b>                                   | <b>5.80</b>                                   |
| <b>NOTE 13</b><br><b>Cash &amp; Cash Equivalents</b>  |   |   |
| Cash on Hand  | 0.10  | 0.07  |
| Bank Balance  |   |   |
| - In Current Accounts   | 5.12  | 5.12  |
| - In Deposit Accounts   | 1,495.00                                      | 1,675.14                                      |
|   | <b>1,500.22</b>                               | <b>1,680.33</b>                               |
| <b>Note:</b> Balances in Deposit Account with Banks includes ₹ 645.00 lacs (As at March 31, 2015 ₹ 350), which have a remaining maturity of more than 12 months |   |   |
| <b>NOTE 14</b><br><b>Short Term Loans and Advances</b>  |   |   |
| (Unsecured, considered good)  |   |   |
| Adv tax & Tax deducted at source<br>(Net of Provision : Current Year - Rs.45.00 Lakh, Previous Year - Rs.40.79 Lakh)  | 28.63   | 15.49   |
| Advances-Staff Loan   | 0.70  | 1.67  |
| Cenvat Credit Receivable  | 54.31   | 43.60   |
| Pre Paid Expenses   | 6.16  | 4.63  |
|   | <b>89.80</b>                                  | <b>65.39</b>                                  |
| <b>NOTE 15</b><br><b>Other Current Assets</b>   |   |   |
| (Unsecured, considered good)  |   |   |
| Interest accrued on term deposits   | 55.12   | 37.99   |
|   | <b>55.12</b>                                  | <b>37.99</b>                                  |

| <b>NOTE 16</b>  | <b>01.04.2015 to<br/>31.03.2016</b> | <b>01.04.2014 to<br/>31.03.2015</b> |
|---|-------------------------------------|-------------------------------------|
| <b>Operating Income</b>   | <b>( ₹ ) In Lacs</b>                | <b>( ₹ ) In Lacs</b>                |
| New Policy (EIA) Charges- Created by CIRL                             | 0.77                                | 8.00                                |
| New Policy (EIA) Charges- Created by Insurer                          | 0.85                                | 2.03                                |
| Existing Policy Charges   | 1.71                                | 4.68                                |
| Annual Maintenance Charges-Insurance Co                               | 6.06                                | 0.08                                |
| Other Services to Insurance Companies                                 | 3.28                                | -                                   |
|   | <b>12.67</b>                        | <b>14.79</b>                        |
| <b>NOTE 17</b>  |                                     |                                     |
| <b>Non-Operating Income</b>   |                                     |                                     |
| Interest on Bank Deposits   | 151.70                              | 67.39                               |
| Income from Current Investments :                                     |                                     |                                     |
| Dividend from Mutual Funds  | 11.58                               | 14.88                               |
| - Profit on sale of Mutual Fund units                                 | -                                   | 176.40                              |
| Other Income  | 0.21                                | -                                   |
|   | <b>163.49</b>                       | <b>258.67</b>                       |
| <b>NOTE 18</b>  |                                     |                                     |
| <b>Employee Benefit Expenses</b>                                      |                                     |                                     |
| Salaries & Other allowances   | 37.41                               | 54.52                               |
| Contribution to PF & Other funds                                      | 2.81                                | 3.71                                |
| Staff welfare expenses  | 0.18                                | 0.74                                |
| Reimbursement of Salaries to staff on deputation from holding company | 10.51                               | 34.79                               |
|   | <b>50.91</b>                        | <b>93.76</b>                        |
| <b>NOTE 19</b>  |                                     |                                     |
| <b>Other operating &amp; administrative expenses</b>                  |                                     |                                     |
| Travel & Conveyance   | 6.02                                | 9.05                                |
| Communication, Telephone & Courier charges                            | 30.70                               | 24.98                               |
| Insurance   | 1.29                                | 2.08                                |
| Directors Sitting fees  | 4.10                                | 4.70                                |
| Auditor's Remuneration  |                                     |                                     |
| - As Audit Fees   | 1.00                                | 0.45                                |
| - Reimbursement of expenses   | 0.10                                | 0.08                                |
| Rent ,Rates & Taxes   | 17.73                               | 22.22                               |
| Legal & Professional Fees   | 3.79                                | 5.79                                |
| Computer Maintenance Charges  | 39.87                               | 17.96                               |
| Administrative expenses   | 9.00                                | 18.00                               |
| AP's Charges  | 9.34                                | 19.96                               |
| Business Development Expenses   | 0.08                                | 0.76                                |
| Miscellaneous Expenses  | 9.07                                | 16.52                               |
|   | <b>132.09</b>                       | <b>142.55</b>                       |

#### NOTE 20

Contingent Liabilities (to the extent not provided for) :  
 Contingent Liabilities to the extent not provided for as on 31st March 2016 is Nil ( Previous year Nil).

#### NOTE 21

##### CAPITAL AND OTHER COMMITMENTS

Estimated amount of contract to be executed on capital & revenue account and not provided for ₹0.75 Lacs (net of advances ₹0.25) as on 31.03.2016 (as on 31.03.2015 ₹17.66 Lacs) plus applicable taxes.

#### NOTE 22

a) 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.

b) 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 year's financials statements, reconciliations/adjustments.

#### NOTE 23

The Company is primarily engaged to do the business of providing insurance policy holders a facility to keep insurance policies in Electronic Form and there is no separate reportable segment as per Accounting Standard 17 on "Segment Reporting" prescribed in Companies (Accounting Standards) Rules, 2006.

#### NOTE 24

##### Related Party Disclosures:

|      |  |   |   |
|------|--|---|---|
| (a)  | List of related parties and their relationship:                      |   |   |
| (i)  | <b>Entity where control exists</b>                                   |   |   |
|      | BSE Limited – Ultimate Holding Company                               |   |   |
|      | Central Depository Services (India) Limited (CDSL) – Holding Company |   |   |
| (ii) | <b>Associates :</b>  |   |   |
|      | CDSL Ventures Limited (CVL)- Fellow Subsidiary                       |   |   |
| (b)  | <b>Transactions during the year:</b>                                 |   |   |
|      |  | <b>01.04.2015<br/>to<br/>31.03.2016<br/>(₹) In Lacs</b> | <b>01.04.2014<br/>to<br/>31.03.2015<br/>(₹) In Lacs</b> |
|      | BSE Limited  |   |   |
|      | Expenses for Director Sitting Fees & Identity Cards                  | 0.70  | 1.05  |
|      | Central Depository Services (India) Limited                          |   |   |
|      | Reimbursement of Expenses & staff on deputation (net)                | 27.65   | 76.44   |
|      | CDSL Ventures Limited  |   |   |
|      | Reimbursement of Legal & Professional Expenses                       | -   | -   |
| (c)  | <b>Balances at</b>   | <b>As at<br/>31.03.2016</b>                             | <b>As at<br/>31.03.2015</b>                             |
|      | Central Depository Services (India) Limited :                        |   |   |
|      | Payable / (Receivable)   | -   | 17.74   |

##### 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

#### NOTE 25

As at March 31,2016 , 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 26**

The company has determined the liability for Employee Benefits as on 31st March ,2016 in accordance with the revised accounting standard 15 on "Employee Benefits" prescribed in Companies (Accounting Standards) Rules,2006.

a) Defined benefit plans-Gratuity-As per Actuarial Valuation on March 31, 2016

( ₹ ) In Lacs

| <b>A Expenses Recognized in the statement of Profit &amp; Loss Account for the year ended</b> | <b>31-03-2016</b>                   | <b>31-03-2015</b>                   |
|---|-------------------------------------|-------------------------------------|
| 1 Current Service Cost  | 1.25                                | 0.70                                |
| 2 Past Service Cost   | -                                   | -                                   |
| 3 Interest Cost   | 0.10                                | 0.06                                |
| 4 Expected Return on Plan Assets  | (0.16)                              | (0.12)                              |
| 5 Net Actuarial ( Gain)/ Loss recognized for the year   | 0.66                                | (0.25)                              |
| 6 Expenses recognized in statement of P&L A/c   | 0.53                                | 0.39                                |
| <b>B Net Asset / (Liability) recognized in the Balance Sheet</b>                              |                                     |                                     |
| 1 Present Value of Obligation   | 1.92                                | 1.23                                |
| 2 Fair Value of Plan Assets at the end of the year  | 2.47                                | 1.45                                |
| 3 Funded Status   | 0.55                                | 0.22                                |
| 4 Unrecognised Actuarial Gain/ (Loss)   | -                                   | -                                   |
| 5 Unrecognised Past Service Cost- non vested benefits   | -                                   | -                                   |
| 6 Net Assets / (Liability) recognized in the Balance Sheet                                    | 0.55                                | 0.22                                |
| <b>C Changes in present value of obligations</b>  |                                     |                                     |
| 1 Present Value of Obligation as at April 01, 2015  | 1.23                                | 0.72                                |
| 2 Interest Cost   | 0.10                                | 0.06                                |
| 3 Current Service Cost  | 1.25                                | 0.70                                |
| 4 Benefits Paid   | -                                   | -                                   |
| 5 Actuarial (Gain)/Loss on Obligation   | (6.52)                              | (0.26)                              |
| 6 Present Value of Obligation as at March 31,2016   | 1.92                                | 1.23                                |
| <b>D Changes in Fair Value of Plan Assets</b>   |                                     |                                     |
| 1 Fair Value of Plan Assets as at April 01 , 2015   | 1.45                                | 1.28                                |
| 2 Expected Return on Plan Assets  | 0.16                                | 0.12                                |
| 3 Contributions   | 0.85                                | 0.06                                |
| 4 Benefits Paid   | -                                   | -                                   |
| 5 Actuarial Gain / (Loss) on plan assets  | 0.01                                | (0.00)                              |
| 6 Fair Value of Plan Assets as at March 31,2016   | 2.47                                | 1.45                                |
| <b>E Fair Value of Plan Assets</b>  |                                     |                                     |
| 1 Fair Value of Plan Assets as at April 01,2015   | 1.45                                | 1.28                                |
| 2 Actual Return on Plan Assets  | 0.17                                | 0.11                                |
| 3 Contributions   | 0.85                                | 0.06                                |
| 4 Benefits Paid   | -                                   | -                                   |
| 5 Fair Value of Plan Assets as at March 31,2016   | 2.47                                | 1.45                                |
| 6 Funded Status (including unrecognised past service cost)                                    | 0.55                                | 0.22                                |
| 7 Excess of Actual over estimated return on Plan Assets                                       | 0.01                                | (0.00)                              |
| <b>F Actuarial Gain / (Loss) Recognized</b>   |                                     |                                     |
| 1 Actuarial Gain/(Loss) for the year (Obligation)   | 0.65                                | 0.26                                |
| 2 Actuarial Gain /(Loss) for the year (Plan Assets)   | 0.01                                | (0.00)                              |
| 3 Total Gain / (Loss) for the year  | 0.66                                | 0.25                                |
| 4 Actuarial Gain / (Loss) recognized for the year   | 0.66                                | 0.25                                |
| 5 Unrecognized Actuarial Gain / (Loss) at March 31, 2016                                      | -                                   | -                                   |
| <b>G Movements in the Liability recognized in Balance Sheet</b>                               |                                     |                                     |
| 1 Opening Net Liability   | (0.22)                              | (0.56)                              |
| 2 Expenses recognized in Profit & Loss A/c  | 0.53                                | 0.39                                |
| 3 Contribution Paid   | (0.85)                              | (0.06)                              |
| 4 Closing Net Liability   | (0.55)                              | (0.22)                              |
| <b>H Actuarial Assumptions</b>  |                                     |                                     |
| 1 Mortality   | <b>IALM (2006-08)</b><br><b>Ult</b> | <b>IALM (2006-08)</b><br><b>Ult</b> |
| 2 Discount Rate as at March 31,2016   | 7.46%                               | 7.77%                               |
| 3 Rate of Increase in Compensation  | 4.00%                               | 4.00%                               |

**NOTE 27**

|  | 01.04.2015<br>to<br>31.03.2016 | 01.04.2014<br>to<br>31.03.2015 |
|--|--------------------------------|--------------------------------|
| Numerator - Net Profit as per Profit & Loss Account (Amount in ₹ Lacs)                     | (48.71)                        | (55.55)                        |
| Denominator – Weighted Average Number of Equity Shares outstanding during the year (No.'s) | 30,000,000                     | 30,000,000                     |
| Nominal Value of Shares (₹)  | 10                             | 10                             |
| Basic and Diluted Earnings per share ( Amount in ₹ )                                       | (0.16)                         | (0.19)                         |

**NOTE 28**

Previous year's figures have been regrouped whenever necessary.

**Signatures to Notes 1 to 28**
**For and on behalf of the Board of Directors**

**G. Anantharaman**  
Director

**C. D. Khambata**  
Managing Director

**R. K. Rao**  
Company Secretary

**Bharat Sheth**  
Chief Financial Officer

Place : Mumbai  
Date : April 26, 2016





