



## **CDSL INSURANCE REPOSITORY LIMITED**

(CIN: U74120MH2011PLC219665)

### **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 Joydeep Dutta	Managing Director (upto 31.12.2019)
Shri Girish Amesara	Director (From 29.01.2020)
Shri Amit Mahajan	Managing Director (From 21.01.2020)

### **Management**

Shri Ramkumar K.	Executive Vice President
Shri Bharat Sheth	Chief Financial Officer (up to 31.12.2019)
Shri R.K.Rao	Vice President & Company Secretary (up to 31.03.2020)

### **Auditors**

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

### **Registered Office**

25<sup>th</sup> Floor, Marathon Futurex,  
N.M.Joshi Marg, Lower Parel,  
Mumbai – 400 - 013

### **Bankers**

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



## CDSL INSURANCE REPOSITORY LIMITED

### NOTICE

CIN: U74120MH2011PLC219665

Regd. Office: Marathon Futurex, 25<sup>th</sup> floor, A-Wing, Mafatlal Mills Compound,  
N.M. Joshi Marg, Lower Parel, Mumbai 400013.

**NOTICE** is hereby given that the Ninth Annual General Meeting of the members of **CDSL INSURANCE REPOSITORY LIMITED** will be held on Tuesday, September 01, 2020 at 01:00 p.m. (IST) through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") to transact the following businesses:

#### **ORDINARY BUSINESS:**

1. **To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 and the reports of Board and Statutory Auditors thereon**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**

**"RESOLVED THAT** the Audited Standalone Financial Statements for the Financial Year ended March 31, 2020 and report of the Statutory Auditors thereon and the Reports of the Board of Directors thereon along with all annexures as laid before this Annual General Meeting be and are hereby received, considered and adopted."

2. **To appoint a Director in place of Shri N Rangachary (DIN: 00054437), Nominee Director, who retires from office by rotation and being eligible, offers himself for re-appointment.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri N Rangachary (DIN: 00054437), Nominee Director who retires by rotation at this meeting be and is hereby appointed as a Director of the Company liable to retire by rotation."

#### **SPECIAL BUSINESS:**

3. **To re-appoint Shri SSN Moorthy (DIN 6508812) as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**

**"RESOLVED THAT** in accordance with Article 177 and other applicable provisions of the Articles of Association of the Company read with the provisions of Section 149 and other applicable provisions, if any, of the Companies Act, 2013 and based on the recommendations of the Board, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Shri S.S.N.Moorthy (DIN 6508812) as Independent Director of the Company for a second term period of five years with effect from 27th December 2019 till 26th December, 2024 not liable to retire by rotation."



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**“RESOLVED FURTHER THAT** any Director or the Chief Financial Officer or Company Secretary be and is severally authorised to do all such acts, deeds, matters and things as it may consider necessary, expedient or desirable in order to give effect to the above Resolution.”

**4. To appoint Shri Girish Amesara (DIN 8683963) as Director of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**

**“RESOLVED THAT** in accordance with Article 177 and other applicable provisions of the Articles of Association of the Company read with the provisions of Section 161(1) of the Companies Act, 2013 and other applicable provisions, if any, and based on the recommendations of the Board, the consent of the Members of the Company be and is hereby accorded for the appointment of Shri Girish Amesara (DIN 8683963) as Director of the Company being the nominee of the Holding Company viz. Central Depository Services (India) Limited, liable to retire by rotation.”

**“RESOLVED FURTHER THAT** any Director or the Chief Financial Officer or Company Secretary be and is severally authorised to do all such acts, deeds, matters and things as it may consider necessary, expedient or desirable in order to give effect to the above Resolution.”

**5. To appoint Shri Amit Mahajan (DIN 6984769) as Director of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**

**“RESOLVED THAT** in accordance with Article 177 and other applicable provisions of the Articles of Association of the Company read with the provisions of Section 161(1) of the Companies Act, 2013 and other applicable provisions, if any, and based on the recommendations of the Board, the consent of the Members of the Company be and is hereby accorded for the appointment of Shri Amit Mahajan (DIN 6984769) as Director of the Company being the nominee of the Holding Company viz. Central Depository Services (India) Limited, not liable to retire by rotation.”

**“RESOLVED FURTHER THAT** any Director or the Chief Financial Officer or Company Secretary be and is severally authorised to do all such acts, deeds, matters and things as it may consider necessary, expedient or desirable in order to give effect to the above Resolution.”

**6. To appoint Shri Amit Mahajan (DIN 6984769) as Managing Director of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in accordance with Article 177 and other applicable provisions of the Articles of Association of the Company read with the provisions of Section 196, 197, 198, and other applicable provisions, if any, of the Companies Act, 2013 read with provisions of Parts I, II and III of Schedule V to Companies Act, 2013, the consent of the Members of the Company be and is hereby accorded, subject to approval of IRDAI,



## **CDSL INSURANCE REPOSITORY LIMITED**

for the appointment of Shri Amit Mahajan (DIN 6984769) as the Managing Director of the Company for a period of three years with effect from the date of IRDAI's approval letter, and whose office shall not be subject to retirement by rotation."

**"RESOLVED FURTHER THAT** remuneration payable to Shri Amit Mahajan during the said period of three years shall be 'NIL' as per explanation given in the explanatory statement annexed to this Notice."

**"RESOLVED FURTHER THAT** any Director or the Chief Financial Officer or the Company Secretary severally be and is authorised to do all such acts, deeds, matters and things as it may consider necessary, expedient or desirable in order to give effect to the above Resolution."

**By order of the Board of Directors  
For CDSL Insurance Repository Limited**

SD/-

**Yash Goswami  
Company Secretary**

**Place:** Mumbai

**Date:** August 10, 2020

**REGISTERED OFFICE**

Marathon Futurex, 25th Floor,  
A-Wing, Mafatlal Mills Compound,  
N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013.



## CDSL INSURANCE REPOSITORY LIMITED

### NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed. The Annual General Meeting ("AGM") of the Company is scheduled to be held on Tuesday, September 01, 2020, at 01:30 p.m. (IST) through two-way Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") and the voting for items to be transacted in the Notice to this AGM shall be in compliance with applicable provisions of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the "Rules"), as amended from time to time, and the General Circular No. 14/ 2020 dated April 8, 2020, the General Circular No. 17/ 2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by Companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19" and General Circular No. 20/ 2020 dated May 5, 2020, in relation to "Clarification on holding of Annual General Meeting (AGM) through video Conferencing (VC) or Other Audio Visual Means (OAVM)" issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars"). The deemed venue for the AGM shall be the Registered Office of the Company.
2. Further, pursuant to the MCA Circulars, the Notice of the AGM along with the Annual Report for FY 2019-20 is sent in electronic form only to the Members of the Company. The Notice calling the Ninth AGM has been uploaded on the website of the Company at [www.cirl.co.in](http://www.cirl.co.in).
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC or OAVM, physical attendance of Members has been dispensed with. Accordingly, in terms of the above-mentioned MCA Circulars, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Members attending the meeting through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act 2013. Unless the demand for poll is made by any Member, the Chairman shall conduct the vote by show of hands.
5. As per the provisions of Clause 3.A.III. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 3, 4, 5 & 6 of the accompanying Notice are considered to be unavoidable by the Board and hence, forming part of this Notice.
6. The meeting shall be conducted through Video Conference facility available in e-meeting application software that is Lifesize application. Necessary Link to join the meeting and procedure to operate that e meeting platform will be send to the members to their registered email ids. Members are requested to click on the link to access the meeting.



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7. The facility for joining the AGM through VC/OAVM will open 15 minutes before the scheduled time for commencement of the AGM.
8. Corporate members intending to send their authorised representatives to attend the Annual General Meeting as per Section 113 of the Companies Act, 2013 are requested to send a certified copy of their Board resolution authorizing their representative to attend and vote on their behalf at the meeting to Mr. Yash Goswami, Company Secretary on his email ID: [yashg@cdslindia.com](mailto:yashg@cdslindia.com).
9. The extract of register of directors, key managerial personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the register of contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be provided for inspection to any person who are attending the meeting via electronic mode, if requested.
10. The Members may email to Mr. Yash Goswami, Company Secretary [yashg@cdslindia.com](mailto:yashg@cdslindia.com) for any assistance to attend the meeting through e-meeting application that is lifesize application.
11. Since the AGM will be held through VC or OAVM, the Route Map is not annexed in this Notice.

**By order of the Board of Directors  
For CDSL Insurance Repository Limited**

SD/-

**Yash Goswami  
Company Secretary**

**Place:** Mumbai

**Date:** August 10, 2020



## **CDSL INSURANCE REPOSITORY LIMITED**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, SETTING OUT THE MATERIAL FACTS CONCERNING EACH ITEM OF SPECIAL BUSINESS:**

#### **Item No. 06:**

Upon recommendation of the Nomination and Remuneration Committee (NRC) in its meeting held on October 16, 2019, Shri S.S.N.Moorthy was re-appointed as Independent Director of the Company by the Board in its meeting held on October 16, 2019 for a second term period of five years from December 27, 2019 to December 26, 2024 subject to approval of the Members by way of Special Resolution as provided in Section 149(10) of the Companies Act, 2013. Disclosure of such appointment is being made in the Board's Report (for the year 2019-20) as required under section 149(10) of the Companies Act, 2013.

Shri S.S.N.Moorthy was appointed by the Board on December 27, 2014 as an Additional Director in the category of Independent Director. Thereafter, in the 4th Annual General Meeting held on June 11, 2015 the Members passed a resolution for appointing Shri S.S.N.Moorthy as Director in the category of Independent Director for a period of 5 years from December 27, 2014 upto December 26, 2019, not liable to retire by rotation. As per Section 149(10) of the Companies Act, 2013, he is eligible to be re-appointed for one more term of five consecutive years on passing of a Special Resolution by the Members and disclosure of such appointment in Board's Report. The NRC in its meeting held on October 16, 2019 had recommended the re-appointment of Shri S.S.N. Moorthy for a second term of five years effective from December 27, 2019 to December 26, 2024.

Shri S.S.N.Moorthy IRS (Income-tax 1973) has worked in various capacities in the Income Tax Department such as Assistant Commission, Additional Commissioner, Commissioner and Chief Commissioner of Income Tax in various places during the period from 1973 to the year 2008. Thereafter, he was appointed as Chairman of Central Board of Direct Taxes (CBDT), New Delhi for two years from January 2009 to December 2010. He has overall experience of over 4 decades having worked in various senior capacities in the Revenue Service of the Government of India before retiring as Chairman of the CBDT in the year 2010. Thereafter, he has worked as a Member, Securities Appellate Tribunal (SAT), Mumbai for the period from January 2011 till December 2012.

The Board is of the view that the knowledge and experience of Shri S.S.N.Moorthy will be of immense benefit to the Company and therefore, recommends to the Members his re-appointment as Independent Director not liable to retire by rotation for a second term period of five years from December 27, 2019 to December 26, 2024 by passing the proposed Special Resolution.

None of the Directors of the Company except Shri S.S.N.Moorthy is deemed to be concerned or interested in the above resolution.





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### **Item No. 4**

The Board of Directors appointed Shri Girish Amesara as an Additional Director of the Company on January 29, 2020 under Section 161(1) of the Companies Act, 2013. His term of office as Additional Director expires at the ensuing Ninth AGM of the Company. In the meantime, the Company has received a notice under Section 160 of the Companies Act, 2013 from a member of the Company proposing the candidature of Shri Girish Amesara for the office of Director.

Shri Girish Amesara is Chief Financial Officer of Central Depository Services (India) Limited, Holding company and is nominated by CDSL as Directors of the Company. Shri Girish Amesara is a qualified Chartered Accountant having more than two decades of relevant experience. Prior to his employment with CDSL, he was the Financial Controller in BSE Ltd. for about six years.

The Board is of the view that the knowledge and experience of Shri Girish Amesara will be of immense benefit to the Company and therefore, recommends their appointment as Director of the Company to the shareholders.

None of the Directors/Key Managerial Personnel or their relatives, except Shri Girish Amesara, is concerned or interested financially or otherwise in the said Resolution.

### **Item No. 5 & 6:**

The Board of Directors appointed Shri Amit Mahajan as an Additional Director of the Company on January 21, 2020 under Section 161(1) of the Companies Act, 2013. His term of office as Additional Director expires at the ensuing Ninth Annual General Meeting of the Company. In the meantime, the Company has received a notice under Section 160 of the Companies Act, 2013 from a member of the Company proposing the candidature of Shri Amit Mahajan for the office of Director.

The Company's Managing Director, Shri Joydeep Dutta has since retired on superannuation on 31.12.2019 from the services of CDSL and the company. Upon nomination from CDSL and upon the recommendations of the NRC, the Board in its meeting held on January 21, 2020 had appointed Shri Amit Mahajan, Chief Technology Officer, CDSL as an Additional Director in place of Shri Joydeep Dutta. The Board has also appointed Shri Amit Mahajan as Managing Director of the Company for a period of three years subject to approval of the Members and further subject to approval of the IRDAI.

Shri Amit Mahajan is the Chief Technology Officer of CDSL and is having excellent qualification and experience in the field of Technology. Prior to joining CDSL, Shri Amit Mahajan headed the Information Products and Procurement function at BSE Ltd. He was also responsible for all digital initiatives of BSE, including BSE's website and its mobile apps. He has been instrumental in monetising the website and making it a sustainable revenue centre. Shri Amit Mahajan has over 2 decades of experience in management of IT application project portfolios across stock exchanges, depositories, eCommerce, telecom and retail sectors. Shri Amit Mahajan is a Bachelor of Engineering from BITS Pilani, India and an MMS from Mumbai University.





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The Board is of the view that the knowledge and experience of Shri Amit Mahajan will be of immense benefit to the Company and therefore, recommends his appointment as Managing Director of the Company to the shareholders for a period of three years subject to approval of the IRDAI.

None of the Directors of the Company except Shri Amit Mahajan is deemed to be concerned or interested in the above resolution.

### DISCLOSURES RELATING TO DIRECTORS SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2):

Name of the Director	Shri SSN Moorthy	Shri Girish Amesara	Shri Amit Mahajan
Designation	Independent Director	Additional Director	Managing Director
Date of Birth/Age	Date of Birth - 27.12.1950 Age - 69	Date of Birth - 27.08.1969 Age - 50	Date of Birth - 04.04.1972 Age-48 years
Date of First Appointment	28.11.2016	10.10.2019	25.07.2015
Qualification	Please refer explanatory statement for Item no.03	Please refer explanatory statement for Item no.04	Please refer explanatory statement for Item no.05 & 06
Details of shareholding in the Company	NIL	NIL	NIL
Terms and Conditions of Appointment/ Reappointment	Please refer explanatory statement for Item no.03	Please refer explanatory statement for Item no.04	Please refer explanatory statement for Item no.05 & 06
Remuneration sought	NIL	NIL	NIL
Remuneration last drawn	NIL	NIL	NIL
Number of Board meetings attended during the year 2019-2020	04	01	01
Details of Directorship in other Companies	01	02	02
Chairman/Member of the Committee of the Board of Directors of the Company	None	None	None



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<b>Name of the Director</b>	<b>Shri SSN Moorthy</b>	<b>Shri Girish Amesara</b>	<b>Shri Amit Mahajan</b>
Details of relationship with other Directors, manager and Key Managerial Personnel	None	None	None
Experience	Please refer explanatory statement for Item no.03	Please refer explanatory statement for Item no.04	Please refer explanatory statement for Item no.05 & 06

**By order of the Board of Directors  
For CDSL Insurance Repository Limited**

SD/-

**Yash Goswami  
Company Secretary**

**Place:** Mumbai

**Date:** August 10, 2020



## Directors' Report

To  
All Members,  
CDSL Insurance Repository Limited

Your Directors are pleased to present the Ninth Annual Report along with Audited Financial Statements of your Company for the Financial Year ended 31<sup>st</sup> March, 2020.

### 1. State of Companies Affairs:

#### a. Financial Highlights

Particulars	For the Year ended 31 <sup>st</sup> March, 2020 (Rs. in lakhs)	For the Year ended 31 <sup>st</sup> March, 2019 (Rs. in lakhs)
Income	339.86	279.95
Expenditure	82.23	82.58
Profit/ (Loss) before Depreciation and Tax	257.63	197.37
Depreciation	03	4.66
Profit / (Loss) before Tax	254.63	192.71
Deferred Tax/Current Tax	150.03	(11.54)
MAT net of credit entitlement		
Profit/ (Loss) after Tax	104.60	204.25
Other comprehensive income (Net of Tax)	0.27	(1.22)
Total comprehensive income	104.87	203.03

Note: Previous year's figures have been regrouped as per IND AS.

The Company proposes to transfer NIL amount to the reserves of the Company.

#### b. Financial Comments

### 2. Operational Statistics

As on March 31, 2020, your company has 5.50 lakh active eIAs (electronic insurance accounts) as against 5.14 lakh active eIAs as on March 31, 2019 in the Repository. As on March 31, 2020, around 3,06,655 electronic policies constituting 2,96,028 Life insurance policies, 261 Motor e-insurance policies and 10,366 health e-insurance policies have been credited in the eIAs as against 2,36,437 electronic policies constituting 2,28,095 life insurance policies, 136 motor insurance policies and 8,206 health insurance policies as on March 31, 2019. The aforesaid figures indicate that there is a positive trend in creating electronic -insurance policies albeit at a slow pace.

**a) Tie-up with insurance companies**

Your company has signed IR-Insurer agreements with 22 out of 24 life insurance companies and 20 general insurance companies out of 33 general insurance companies as per table given below:

➤ **Life Insurance companies signed up with CIRL:**

<b>Sr. No.</b>	<b>Name of the Insurance Company</b>
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	Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited
7	DHFL Pramerica Life Insurance Company Limited
8	Edelweiss Tokio Life Insurance Company Limited
9	Exide Life Insurance Company Limited
10	Future Generali India Life Insurance Company Limited
11	HDFC Standard Life Insurance Company Limited
12	ICICI Prudential Life Insurance Company Limited
13	IDBI Federal Life Insurance Company Limited
14	India First Life insurance Company Limited
15	Kotak Mahindra OM Life Insurance Limited
16	Max Life Insurance Company Limited
17	PNB Metlife India Insurance Company Limited
18	Reliance Life Insurance Company Limited
19	Sahara India Life Insurance Company Limited
20	Star Union Dai-ichi Life Insurance Company Limited
21	SBI Life Insurance Company Limited (Renewal Pending)
22	TATA AIA Life Insurance Company Limited

**Life Insurance companies not signed up with CIRL**

<b>Sr. No.</b>	<b>Name of the Insurance Company</b>
1	Life Insurance Corporation of India
2	Shriram Life Insurance Company Limited

➤ **Non-life Insurance companies signed up with CIRL**

<b>Sr. No.</b>	<b>Name of the Insurance Company</b>
1	Acko General Insurance Company Limited
2	Aditya Birla Health Insurance Company Limited
3	Bajaj Allianz General Insurance Company Limited

Sr. No.	Name of the Insurance Company
4	Bharti AXA General Insurance Company Limited
5	Future Generali India Insurance Company Limited
6	HDFC Ergo General Insurance Company Limited
7	ICICI Lombard General Insurance Company Limited
8	Kotak Mahindra General Insurance Company Limited
9	Liberty General Insurance Company Limited
10	Magma HDI General Insurance Company Limited
11	Max Bupa Health Insurance Company Limited
12	Raheja QBE General Insurance Company Limited
13	Reliance General Insurance Company Limited
14	Reliance Health Insurance Company Limited
15	Religare Health Insurance Company Limited
16	Royal Sundaram Alliance Insurance Company Limited
17	SBI General Insurance Company Limited
18	Shriram General Insurance Company Limited
19	Star Health and Allied Insurance Company Limited
20	Universal Sompo General Insurance Company Limited

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

#### **b) Approved Persons**

Under the Guidelines issued by IRDAI, insurance repositories are permitted to appoint 'Approved Persons' to act as marketing Agents for generating business, subject to registration with IRDAI. As on March 31, 2020, your company has appointed 319 Approved Persons all over the country who are duly registered with IRDAI.

CIRL's services are extended through its agents called Approved Person (AP). The AP is the link between the eIA holder and CDSL IR. An eIA holder who opens a eIA with a AP can utilise the services offered by CDSL IR. While the AP processes the instructions of the eIA holder, the account and records thereof is maintained with CIRL. An AP is thus a "Point of Service" for the eIA.

All the DPs of CDSL and Corporate agents / Brokers of Insurance Companies can act as service providers on behalf of CIRL for which they will have to be registered as 'Approved Person' with CIRL after going through the registration process duly approved by IRDAI.

### 3. 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 is waiting to be taken on board the electronic system. The total eIAs across the IRs has now crossed 50 lakhs holding about 50 lakhs policies in electronic form as compared to the total policy holding population of about 45 crore. eInsurance Account holders can now hold their Motor Vehicle and Health (Mediclaime) policies in the same account, as well. 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 to 5 years provided holding of insurance policies through eIAs is made mandatory by the regulator.

However, the growth is slack even after IRDAI issued revised guidelines mandating issuance of electronic policies mainly because an electronic policy has been defined as "a policy document which is an evidence of insurance contract issued by an insurer digitally signed in accordance with the applicable provision prescribed by law and issued in an electronic form either directly to the policyholder or through the platform of registered Insurance repository". Thus most of the life insurers prefer to issue policy documents physically and display the same on their websites, thus complying with the extant regulations.

The popularity of the concept of electronic insurance policy will get a filip only if the regulator, IRDAI were to make holding the policies through eIA mandatory as was the case with the equity shares.

### 4. Capital Structure

The Share Capital structure of the Company as on March 31, 2020, is as follows:

Particulars	Amount in Rupees
<b>Authorised Capital</b>	
3,00,00,000 Equity Shares of Rs. 10/- each	30,00,00,000/-
<b>Total</b>	<b>30,00,00,000/-</b>
Issued, Subscribed and Paid Up Share Capital	
3,00,00,000 Equity Shares of Rs. 10/- each	30,00,00,000/-
<b>Total</b>	<b>30,00,00,000/-</b>

Central Depository Services (India) Limited holds directly 51% of the paid-up capital of your Company, while CDL Ventures Limited (CVL), a wholly owned subsidiary of CDSL holds 3.25% of the paid up capital whereas remaining 45.75% is held by ten insurance companies in Life and Non-Life sectors. The company's net worth as on March 31, 2020 is Rs. 38.13 crores. As per the guidelines of IRDAI, networth requirement stipulated for setting up insurance repositories is Rs.25-crore which has been met by your company as on March 31, 2020.

During the year under review, your company has not issued and allotted any shares.

## **5. 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.

## **6. Extract of Annual Return**

In accordance with the provisions of section 92(3) and section 134 (3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, an extract of Annual Return of the Company for the year ended March 31, 2020, is provided in the prescribed form MGT – 9 as **Annexure-I** which forms part of this report.

The extract of the annual return is also placed on the website of the Company 'www.cirl.co.in.'

## **7. Directors**

In accordance with the provisions of Section 152(6)(c) of the Companies Act, 2013, Shri N. Rangachary will retire by rotation at the ensuing Annual General Meeting, and is eligible for re-appointment. Necessary resolution seeking his re-appointment has been proposed in the notice of the 9th Annual General Meeting.

Shri S.S.N. Moorthy, Independent Director was appointed on December 27, 2014 for a period of five years upto December 26, 2019. In terms of Section 149(10) of the Companies Act, 2013, Shri Moorthy is eligible for re-appointment for one more term of five years provided the appointment is made by the Members by way of a Special Resolution and a disclosure is made in the Board's Report. Upon recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on October 16, 2019 has re-appointed Shri S.S.N. Moorthy as Independent Director for one



more term of five years from December 27, 2019 upto December 26, 2024 and accordingly a Special Resolution is being proposed in the notice of the Ninth Annual General Meeting.

During the year under review, the following changes took place in the composition of the Board of Directors.

Sr. No.	Name of the Director	Particulars of Change	Effective date
01	Shri Joydeep Dutta, Managing Director	Ceased to be Director on account of attaining super-annuation from the services of CDSL	31.12.2019
02	Shri Amit Mahajan*	Appointed as Managing Director	21.01..2020
03	Shri Girish Amesara	Appointed as an Additional Director	29.01.2020
04	Shri Nehal Vora	Appointed as an Additional Director	16.10.2019
		Resigned on account of pre-occupation	09.01.2020

\*approval of IRDAI awaited.

## 8. Board Meetings

The Board of Directors of your company met four 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, 2019 3:00 p.m.	25 <sup>th</sup> Floor, Marathon Futurex, A Wing, N.M.Joshi March, Lower Parel, Mumbai 400013	05	Nil
2	23rd July, 2019 3:00 p.m.		04	01
3	16th October, 2019 3:00 p.m.		06	Nil
4	21st January, 2020 3:00 p.m.		06	NIL

## 9. 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 31<sup>st</sup> March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**10. 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 re-appointed two Independent Directors as under:

Sr. No.	Name of the Independent Director	Date of re-appointment
1.	Shri G. Anantharaman	24th April, 2019
2.	Shri S.S.N. Moorthy	16 <sup>th</sup> October, 2019

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

### **11. 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 composition of the 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 twice during the year under review on 16<sup>th</sup> October, 2019 and 21<sup>st</sup> January, 2020 in which all the Members were present.

### **12. 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 and independent directors forming a majority.

The Audit Committee acts in accordance with the Terms of Reference specified by the Board in writing.

The composition of the Audit Committee is as under:

**Chairman:** Shri G. Anantharaman  
**Members:** Shri N. Rangachary  
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 members present</b>	<b>Number of Members to whom Leave of absence was granted</b>
1	24 <sup>th</sup> April, 2019 2:30 p.m.	25 <sup>th</sup> Floor, Marathon Futurex, A Wing, N.M.Joshi March, Lower Parel, Mumbai 400013	03	Nil
2	23rd July, 2019 2:30 p.m.		03	Nil
3	16th October, 2019 2:30 p.m.		03	NIL
4	21st January, 2020 2:30 p.m.		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 victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate and exceptional cases.

### **13. 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 it's Committees and of the Chairperson of the Company was carried out.

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) of Independent Directors, by the Board
- (ii) of Non-Independent Directors, by the Independent Directors in separate meeting
- (iii) of the Board as a whole and its Committees, by the Independent Directors in separate meeting
- (iv) of the Chairperson of your Company, by the Independent Directors in separate meeting after taking into account the views of the Executive/Non-Executive Directors
- (v) of individual Directors, by the Nomination and Remuneration Committee in its meeting.

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.

#### **14. Related Party Transactions**

During the year, the company has entered into contracts and arrangement with related parties as annexed in **Annexure-II**.

The said transactions were in the ordinary course of business and at arm's length basis.

#### **15. Details of Loans, Guarantee and Investments:**

Whilst your Company has not given any loan or given any guarantee during the year under review, details of investments are given in the Notes to the Financial Statements.

#### **16. Deposits:**

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

#### **17. Auditors and Auditors Report:**

##### **a) Statutory Auditors:**

M/s. Lodha & Co., Statutory Auditors of your Company, were appointed by the Members till the year 2020-21 subject to ratification at every Annual General Meeting. However, the provisions relating to ratification of appointment of the Statutory Auditors have been omitted by the Companies (Amendment) Act, 2017 with effect from May 07, 2018.

Further, M/s. Lodha & Co have confirmed their eligibility for the financial year 2020-2021 vide their letter dated May 02, 2020.

**b) Auditors Report:**

The Auditors' Report does not contain any qualification, reservation or adverse remarks.

**c) Instances of fraud, if any, reported by the Auditors:**

There have been no instances of fraud reported by the aforesaid Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

**18. Subsidiary Companies, Joint Venture or Associate Companies:**

Your Company continues to be the subsidiary company of Central Depository Services (India) Limited during the year under review.

Further, your company didn't have any subsidiary or joint-venture or associate company.

**19. Material Changes and Commitments**

There were no material changes and commitments between the end of the year under review and the date of this report, which could have an impact on the Company's operation in the future or its status as a "going concern".

**20. Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the company's operations in future:**

During the year under review, no material Orders were passed by the Regulators / Courts / Tribunals, impacting the Company's going concern status and future Operations

**21. 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.

## **22. 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.

## **23. 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.

## **24. Human Resources:**

Your Company has as on March 31, 2020, only one permanent employee who is the Company Secretary and Compliance officer. With a view to keeping the operating cost at bear minimum, the day-to-day operations of your company is being handled by staff members of Group Company.

## **25. Report by Internal Complaints Committee**

Since there are no women employees in your company, the provisions relating to Internal Complaints Committee are not applicable to your company.

## **26. Compliance with the Secretarial Standards:**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

## **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/Group Company.

**For and behalf of the Board  
CDSL Insurance Repository Limited**

SD/-

**N Rangachary  
Chairman**

Place: Mumbai

Date: May 13, 2020



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on March 31, 2020**

**Annexure 1**

**I.**

i)	CIN:-	U74120MH2011PLC219665
ii)	Registration Date -	7/12/2011
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	25th Floor, Marathon Futurex, A Wing, N.M.Joshi Marg, Lower Parel, Mumbai 400 013.
vi)	Whether listed company	No
Vii)	Name , Address and Contact details of Registrar and Transfer Agen, if any	N.A.

**II.**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the compnay
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 -**

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY/ ASSOCIATE	% of shares held held	Applicable Section
1	Central Depository Services (India) Limited. 25th Floor, Marathon Futurex, A Wing, N.M.Joshi Marg, Lower Parel, Mumbai - 400013	U67120MH1997PLC11244	HOLDING	54%	Section 2(87) of Companies Act, 2013

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

**i) Category-wise Share Holding**

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physica l	Total	% of total	Demat	Physica l	Total	% of total	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF		4	4			4	4		
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	16274995	1	16274996	54.25	16274995	1	16274996	54.25	N.A.
e) Banks / FI									
f) Any Other....									
<b>Sub-total (A) (1):-</b>	16274995	5	16275000	54.25	16274995	5	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>	16274995	5	16275000	54.25	16274995	5	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	13725000		13725000	45.75	13725000		13725000	45.75	Nil
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	13725000		13725000	45.75	13725000		13725000	45.75	Nil
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital									
c) Others (specify)									
<b>Sub-total (B)(2):-</b>	0		0		0		0		
<b>Total Public</b>	13725000		13725000	45.75	13725000		13725000	45.75	Nil
<b>Shareholding (B)=(B)(1)+ (B)(2)</b>									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	29999995	5	30000000	100	29999995	5	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	0

**(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		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
	<b>For Each of the Top 10 Shareholders</b>				
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

<b>(v) Shareholding of Directors and Key Managerial Personnel:</b>					
Sr No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	<b>For Each of the Directors and KMP</b>	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	s	1*	Negligible		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		<b>NIL</b>		
	At the End of the year	1*	Negligible		
<b>Note * One Director holds 1 share jointly with CDSL and the Beneficial Ownership has been transferred to CDSL.</b>					

<b>V. INDEBTEDNESS</b>				
<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
	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				
<b>Total (i+ii+iii)</b>				
Change in Indebtedness during the financial year				
Addition				
Reduction				
<b>Net Change</b>				
Indebtedness at the end of the financial year		<b>NIL</b>		
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			<b>NIL</b>		
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/ Manager					Total Amount
		*****	*****	*****			
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				NIL		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961						
2	Stock Option						
3	Sweat Equity						
4	Commission						
	- as % of profit						
	- others, specify...						
5	Others, please specify						
	<b>Total (A)</b>						
	Ceiling as per the Act						

B.  
Remuneration to other directors:

Sr. no.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri G. Anantharaman	Shri S.S.N. Moorthy	Shri N. Rangachary	Shri Nayan Mehta		
	3. Independent Directors -Fee for attending board / committee meetings -Commission -Others, please specify	225000	225000	NIL	NIL		450000
	4. Other Non-Executive Directors  • Fee for attending board / committee meetings  • Commission • Others, please specify	NIL	NIL	225000	125000		350000
	Total (2)	225000	225000	225000	125000		800000
	Total (B)=(1+2)						
	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				
		CEO	Company Secretary	CFO		
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	2,440,712	0		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0		
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission - as % of Profit - others, specify...	0	0	0	0	0
5	Others, please specify Company's Contribution	0	90288		0	0
	Total		2,531,000	0	0	0

## Annexure II

## FORM NO. AOC.2

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto  
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

## 1. Details of contracts or arrangements or transactions not at arm's length basis

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

## 2. Details of material contracts or arrangement or transactions at arm's length basis

Amount in `

(a)	(b)	(c)	(d)	(e)	(f)
Name(s) of the related party	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
BSE Limited Associate	Director sitting fees paid	On actual basis	177,000		
Central Depository Services (India) Limited Holding Company	Rent, administrative expenses and salary reimbursement of employees on deputation paid	As per board approval dt.	3,983,448	MOU dt.16.07.11 /15.02.12 /10.04.13/Board approval dt. 28.10.17/20.08.18 for rent. Salary on actual basis	
Central Depository Services (India) Limited Holding Company	Loan - Taken	As per Approval	555,271		
CDSL Ventures Limited Fellow subsidiary	KRA charges Paid	On actual basis	7,375		

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Audit of the Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of **CDSL Insurance Repository Limited**, which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020 and its profit, total comprehensive income, change in equity and cash flows for the year ended on that date.

#### **Basis of opinion**

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

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

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

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

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

## **Management's Responsibility for the Standalone Ind AS Financial Statements**

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

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

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

## **Auditor's Responsibility for the Audit of the Financial Statements**

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

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are

also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the standalone financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

## **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 including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

During the year, the Company has not paid any remuneration to its directors, except for sitting fees.

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

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

**Place: Mumbai**  
**Date : 13<sup>th</sup> May, 2020**

**R. P. Baradiya**  
**Partner**  
**Membership No: 44101**

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

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
b) The Company has carried out physical verification of all its fixed assets during the year. In our opinion, the frequency of verification is reasonable considering the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
c) The Company does not own any immovable property. Therefore, Para 3(i) (c) of the Order is not applicable to the Company.
- ii. The Company does not have any inventory. Therefore, the Para 3(ii) of the Order is not applicable to the Company.
- iii. During the year the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- iv. The Company has neither given any loans nor provided any guarantee or security during the year. In respect of investments, the provisions of section 185 and 186 of the Act have been complied with.
- v. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Therefore, the Para 3(vi) of the Order is not applicable to the Company.
- vii. a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, Goods & Service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.  
  
b) According to the records of the Company, there are no dues of income tax or sales tax or service tax or Goods & Service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.



- viii. The Company has not taken any loan or borrowing from a financial institution, bank, government or debenture holders. Therefore, Para 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised any money by way of initial public offer or further public offer during the year or in the recent past and has not taken any term loan. Therefore, Para 3 (ix) of the Order is not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- xi. The Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. The Company is not Nidhi Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company.
- xiii. All transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the order is not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with directors or persons connected with him under section 192 of the Act.
- xvi. As the Company is governed by the provisions of 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. Para 3 (xvi) of the Order is not applicable to the Company.

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

**R. P. Baradiya**  
**Partner**  
**Membership No: 44101**

**Place : Mumbai**  
**Dated : 13<sup>th</sup> May, 2020**

**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, 2020 in conjunction with our audit of Standalone Ind AS financial statements of the Company for the year ended March 31, 2020.

**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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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**

**Place: Mumbai**  
**Date : 13<sup>th</sup> May, 2020**

**R. P. Baradiya**  
**Partner**  
**Membership No: 44101**

CDSL INSURANCE REPOSITORY LIMITED Regd Office : A-2501, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai- 400013 CIN : U74120MH2011PLC219665 Balance Sheet as at March 31, 2020				
(₹ in Lakh)				
	Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	a. Property, Plant and Equipment	3	2.90	5.90
	b. Other intangible assets	4	-	-
	c. Financial assets			
	i. Investments	5	657.59	1,175.58
	ii. Other financial assets	6	201.33	431.41
	d. Other non current assets	8	-	111.40
	<b>Total Non-Current Assets</b>		<b>861.82</b>	<b>1,724.29</b>
2	<b>Current assets</b>			
	a. Financial assets			
	i. Investments	5	1,896.73	1,211.19
	ii. Trade receivables	9	6.45	18.31
	iii. Cash and cash equivalents	10	30.59	15.59
	iv. Bank balances other than (iii) above	10	1,040.13	727.61
	v. Other financial assets	6	0.03	-
	b. Other current assets	8	79.69	77.93
	<b>Total Current Assets</b>		<b>3,053.62</b>	<b>2,050.63</b>
	<b>Total Assets (1+2)</b>		<b>3,915.44</b>	<b>3,774.92</b>
	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	a. Equity share capital	11	3,000.00	3,000.00
	b. Other equity	12	812.53	707.66
	<b>Total Equity</b>		<b>3,812.53</b>	<b>3,707.66</b>
2	<b>Non-current liabilities</b>			
	a. Deferred tax liabilities (Net)	13	65.09	40.37
	<b>Total Non-Current Liabilities</b>		<b>65.09</b>	<b>40.37</b>
3	<b>Current liabilities</b>			
	a. Financial liabilities			
	i. Trade payables	14	-	-
	i) Total outstanding dues of micro enterprises and small enterprises			
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		14.87	8.91
	ii. Other financial liabilities	15	6.62	3.58
	b. Other current liabilities	16	5.76	3.57
	c. Provisions	17	0.10	4.82
	d. Current tax liabilities (Net)	7	10.47	6.01
	<b>Total Current Liabilities</b>		<b>37.82</b>	<b>26.89</b>
	<b>Total Equity and Liabilities (1+2+3)</b>		<b>3,915.44</b>	<b>3,774.92</b>
	<b>Significant accounting policies</b>	2		
	<b>See accompanying notes forming part of the financial statements</b>	1-33		

As per our attached report of even date

For and on behalf of the Board of Directors

**For Lodha and Company**  
Chartered Accountants

**N Rangachary**  
Chairman  
DIN:00054437

**Amit Mahajan**  
Director  
DIN:06984769

**R.P. Baradiya**  
Partner  
Membership No. 44101  
Place : Mumbai  
Date : May 13, 2020

**Yash Goswami**  
Company Secretary  
Membership No. A42770

**Nilesh Kittur**  
Chief Financial Officer

<b>CDSL INSURANCE REPOSITORY LIMITED</b> <b>Regd Office : A-2501, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai- 400013</b> <b>CIN : U74120MH2011PLC219665</b> <b>Statement of Profit and Loss for the year ended March 31, 2020</b> <b>(₹ in Lakh)</b>				
Particulars		Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Revenue from operations	18	44.72	38.16
2	Other income	19	295.14	237.71
3	<b>Total Income (1+2)</b>		<b>339.86</b>	<b>275.87</b>
4	<b>Expenses</b>			
	Employee benefits expense	20	22.67	21.95
	Depreciation and amortisation expense	3&4	3.00	4.66
	Administration and Other expenses	21	59.56	61.81
	<b>Total expenses</b>		<b>85.23</b>	<b>88.42</b>
5	<b>Profit before tax (3-4)</b>		<b>254.63</b>	<b>187.45</b>
6	<b>Tax expense:</b>	22		
	Current tax		14.00	-
	Deferred tax		24.63	(11.86)
	MAT		-	44.17
	MAT Credit Entitlement		-	(44.17)
	Prior period tax adjustment		111.40	-
	<b>Total tax expenses</b>		<b>150.03</b>	<b>(11.86)</b>
7	<b>Profit for the year (5-6)</b>		<b>104.60</b>	<b>199.31</b>
8	<b>Other comprehensive income</b>			
	Items that will not be reclassified to profit or loss			
	i. Remeasurements of the defined benefit plans;		0.36	(0.50)
	ii. Income tax relating to items that will not be reclassified to profit or loss		(0.09)	0.14
	<b>Other comprehensive income (net of tax)</b>		<b>0.27</b>	<b>(0.36)</b>
9	<b>Total Comprehensive Income for the year (7+8)</b>		<b>104.87</b>	<b>198.95</b>
10	<b>Earnings per equity share(EPS) :</b>	23		
	Basic and Diluted EPS (₹)		0.35	0.66
	Face value of share (₹)		10.00	10.00
	Weighted average number of shares		30,000,000	30,000,000
	<b>Significant accounting policies</b>	2		
	<b>See accompanying notes forming part of the financial statements</b>	1-33		

As per our attached report of even date

For and on behalf of the Board of Directors

**For Lodha and Company**  
Chartered Accountants

**N Rangachary**  
Chairman  
DIN:00054437

**Amit Mahajan**  
Director  
DIN:06984769

**R.P. Baradiya**  
**Partner**  
Membership No. 44101  
Place : Mumbai  
Date : May 13, 2020

**Yash Goswami**  
Company Secretary  
Membership No. A42770

**Nilesh Kittur**  
Chief Financial Officer

**CDSL INSURANCE REPOSITORY LIMITED**  
**Regd Office : A-2501, Marathon Futorex, N. M. Joshi Marg, Lower Parel, Mumbai- 400013**  
**CIN : U74120MH2011PLC219665**

**Statement of Changes in Equity for the year ended March 31, 2020**

(₹ in Lakh)

<b>A. Equity Share Capital</b>	
<b>Balance as at April 1, 2018</b>	3,000.00
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2019</b>	3,000.00
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2020</b>	3,000.00

**B. Other Equity**

(₹ in Lakh)

Particulars	Reserve and surplus
	Retained Earnings
<b>Balance as at April 1, 2018</b>	<b>508.71</b>
Profit for the year	199.31
Other comprehensive income for the year	(0.36)
<b>Balance at March 31, 2019</b>	<b>707.66</b>
Profit for the year	104.60
Other comprehensive income for the year	0.27
<b>Balance as at March 31, 2020</b>	<b>812.53</b>

Significant accounting policies

2

See accompanying notes forming part of the financial statements

1-33

As per our attached report of even date

For and on behalf of the Board of Directors

**For Lodha and Company**  
Chartered Accountants

**N Rangachary**  
Chairman  
DIN:00054437

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**Nilesh Kittur**  
Chief Financial Officer

<b>CDSL INSURANCE REPOSITORY LIMITED</b> <b>Regd Office : A-2501, Marathon Futorex, N. M. Joshi Marg, Lower Parel, Mumbai- 400013</b> <b>CIN : U74120MH2011PLC219665</b> <b>Cash Flow Statement for the year ended March 31, 2020</b> <b>(₹ in Lakh)</b>		
Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year	104.60	199.31
Adjustments for		
Income tax expenses recognised in profit and loss account	150.03	(11.86)
Depreciation and Amortisation Expenses	3.00	4.66
Provision for Gratuity and compensated absences	0.29	3.03
Net gain arising on financial assets measured at FVTPL	(203.54)	(148.12)
Interest Income	(91.60)	(75.78)
Dividend Income	-	(11.05)
Remeasurements of the defined benefit plans	0.36	(0.50)
Provision for Expected Credit Loss	-	0.35
<b>Operating profit before working capital changes</b>	<b>(36.86)</b>	<b>(39.96)</b>
<b>Movements in Working Capital</b>		
(Increase) / Decrease in Trade Receivables	11.86	(8.78)
(Increase) / Decrease in Other Assets / Other Financial Assets	(1.79)	(4.00)
Increase / (Decrease) in Trade Payables	5.96	(0.45)
Increase / (Decrease) in Other Current Liabilities / Provisions	0.22	0.81
<b>Cash Generated from / (used in) Operations</b>	<b>(20.61)</b>	<b>(52.38)</b>
Direct taxes paid (net of refunds)	(9.54)	(37.29)
<b>Net cash generated from / (used in) Operating Activities</b>	<b>(30.15)</b>	<b>(89.67)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of PPE, including intangible assets, capital work in progress and capital advances	-	(6.00)
Purchase of investments	(200.00)	(473.96)
Sale of investments	236.00	547.93
Investments in fixed deposits with banks	(728.25)	(430.00)
Proceeds from maturity of fixed deposits with banks	667.79	380.00
Interest Received	69.61	58.94
Dividend Received	-	11.05
<b>Net cash generated from / (used in) Investing Activities</b>	<b>45.15</b>	<b>87.96</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net cash generated from / (used in) Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>15.00</b>	<b>(1.71)</b>
Cash and Cash Equivalents at the beginning of the year	15.59	17.30
<b>Cash and Cash Equivalents at the end of the year</b>	<b>30.59</b>	<b>15.59</b>
Cash and cash equivalents at the end of the year comprises		
i) Cash on Hand	0.07	0.07
ii) Balances with Banks-Current Accounts	30.52	15.52

Significant accounting policies

2

See accompanying notes forming part of the financial statements

1-33

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

2. Previous year figures have been regrouped/regrouped/reclassified wherever necessary.

As per our attached report of even date

For and on behalf of the Board of Directors

For Lodha and Company  
Chartered Accountants

N Rangachary  
Chairman  
DIN:00054437

Amit Mahajan  
Director  
DIN:06984769

R.P. Baradiya  
Partner  
Membership No. 44101  
Place : Mumbai  
Date : May 13, 2020

Yash Goswami  
Company Secretary  
Membership No. A42770

Nilesh Kittur  
Chief Financial Officer

**CDSL INSURANCE REPOSITORY LIMITED**

**CIN: U74120MH2011PLC219665**

**Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2020**

**1. 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.

**2. Significant Accounting Policies:**

**a) Statement of compliance**

The financial statements as at and for the year ended March 31, 2020 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013, read together with the companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on May 13, 2020.

**b) Basis of preparation**

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

**c) Functional and presentation currency**

The financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees has been rounded to the nearest lakh except share and per share data.

**d) Use of Estimates:**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the statement of profit and loss in the year in which the estimates are revised.



#### e) Property, Plant & Equipment

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

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

#### f) Intangible assets

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

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

Intangible assets consist of computer software.

#### g) Depreciation/Amortization/Impairment Loss

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

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

Description of asset	Useful life as per the Schedule II (in years)	Useful life applied (in years)
Computer Hardware	3	2
Computer software – Perpetual	3	2
Computer software – Subscription License	3	As per useful life or whichever is less

The carrying amounts of assets are reviewed at each Balance Sheet date, the asset is treated as impaired when its carrying cost exceeds the recoverable amount. Impairment loss, if any, is charged to the Statement of Profit and Loss for the year in which the asset is identified as impaired. Reversal

of impairment loss recognized in the prior years is recorded when there is an indication that impairment losses recognized for the asset no longer exist or have decreased.

## **h) Fair Value Measurement**

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

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

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

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

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

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

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

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

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

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

## i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

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

### I. Classification of financial assets

Company has classified and measured Financial Assets into following:

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

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

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

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

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

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

### II. Classification of Financial Liabilities

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

## j) Employee Benefits

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

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

**(i) Defined Contribution Plans:**

**Provident Fund**

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

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

**(ii) Defined Benefits Plans:**

**Gratuity**

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

**Compensated absences**

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

Actuarial gains/losses at the end of the year accrued to the defined benefit plans are taken to Other Comprehensive Income for the respective financial year.

**k) Borrowing Cost**

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

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

#### **l) Current tax and deferred tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Deferred tax is recognized using balance sheet approach. The deferred tax for timing differences between the book and tax profits for the year is accrued for, using the tax rates and laws those have been substantively enacted as of the balance sheet date. Deferred tax assets arising from differences are recognized to the extent that there is reasonable certainty that these would be realized in future.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

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

#### **m) Foreign Currency Translation**

The functional currency of CDSL Insurance Repository Limited is Indian rupees

All foreign currency transactions are recorded at exchange rate prevailing on the date of the transaction. All foreign currency current assets/liabilities are translated at the rates prevailing on the date of the Balance Sheet. Foreign exchange rate difference arising on settlement/ conversion is recognized in the Statement of Profit and Loss.

#### **n) Revenue Recognition**

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

Interest is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.

Dividend is recognized when the unconditional right to receive payment is established.

#### **o) Provisions and Contingencies**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognized nor disclosed in the financial statements.

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

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

**q) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**r) Earnings per share**

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

**s) Impairment**

**Financial assets carried at amortised cost and FVTOCI**

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the

financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

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

### **Non-financial assets**

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

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

## **t) Leases**

### **As a Lessee:**

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

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

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

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

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

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

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

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

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

#### **As a Lessor:**

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

#### **u) Current / Non-current classification**

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

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

1. it is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle;
2. it is held primarily for the purpose of being traded;
3. it is expected to be realized within twelve months after the balance sheet date; or
4. it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date
5. All other assets are classified as non-current.



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

1. it is expected to be settled in, the entity's normal operating cycle;
2. it is held primarily for the purpose of being traded; it is due to be settled within twelve months after the balance sheet date; or
3. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.
4. All other liabilities are classified as non-current.

**v) Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**w) Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

**x) Segment Reporting**

The Company is engaged in the business of providing insurance repository services and the operations are carried out within India and hence there is no separate reportable segment as per Indian Accounting Standard 108 on "Operating Segment" prescribed in Companies (Accounting Standards) Rules, 2015.

**y) Rounding off Amounts**

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

### 3 Property, Plant and Equipment

(₹ in Lakh)

Particulars	Computers Hardware	Office equipments	Total
<b>Cost or deemed cost</b>			
Balance as at April 1, 2018	12.67	5.08	17.75
Additions during the year ended March 31, 2019	6.00	-	6.00
Deductions / adjustments	-	-	-
<b>Balance as at March 31, 2019</b>	<b>18.67</b>	<b>5.08</b>	<b>23.75</b>
Balance as at April 1, 2019	18.67	5.08	23.75
Additions during the year ended March 31, 2020	-	-	-
Deductions / adjustments	2.03	-	2.03
<b>Balance as at March 31, 2020</b>	<b>16.64</b>	<b>5.08</b>	<b>21.72</b>

Particulars	Computers Hardware	Office equipments	Total
<b>Accumulated depreciation and impairment</b>			
Balance as at April 1, 2018	12.67	5.08	17.75
Depreciation for the year ended March 31, 2019	0.10	-	0.10
Deductions / Adjustments	-	-	-
<b>Balance as at March 31, 2019</b>	<b>12.77</b>	<b>5.08</b>	<b>17.85</b>
Balance as at April 1, 2019	12.77	5.08	17.85
Depreciation for the year ended March 31, 2020	3.00	-	3.00
Deductions / Adjustments	2.03	-	2.03
<b>Balance as at March 31, 2020</b>	<b>13.74</b>	<b>5.08</b>	<b>18.82</b>

Particulars	Computers Hardware	Office equipments	Total
<b>Net Book Value</b>			
As at March 31, 2020	2.90	-	2.90
As at March 31, 2019	5.90	-	5.90

#### 4 Other intangible assets

(₹ in Lakh)

Particulars	Software	Total
<b>Cost or deemed cost</b>		
Balance as at April 1, 2018	64.01	64.01
Additions during the year ended March 31, 2019	-	-
Deductions / adjustments	-	-
<b>Balance as at March 31, 2019</b>	<b>64.01</b>	<b>64.01</b>
Balance as at April 1, 2019	64.01	64.01
Additions during the year ended March 31, 2020	-	-
Deductions / adjustments	-	-
<b>Balance as at March 31, 2020</b>	<b>64.01</b>	<b>64.01</b>

Particulars	Software	Total
<b>Accumulated amortisation and impairment</b>		
Balance as at April 1, 2018	59.45	59.45
Amortisation for the year ended March 31, 2019	4.56	4.56
Deductions / Adjustments	-	-
<b>Balance as at March 31, 2019</b>	<b>64.01</b>	<b>64.01</b>
Balance as at April 1, 2019	64.01	64.01
Amortisation for the year ended March 31, 2020	-	-
Deductions / Adjustments	-	-
<b>Balance as at March 31, 2020</b>	<b>64.01</b>	<b>64.01</b>

Particulars	Software	Total
<b>Net Book Value</b>		
<b>As at March 31, 2020</b>	-	-
<b>As at March 31, 2019</b>	-	-

## 5 Investments

Particulars		No. of Units		(₹) in Lakh	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Details of Non-current investments</b>					
Quoted	<b>Investment in units of mutual funds - Quoted</b>				
Quoted	DSP Fixed Maturity Plan Sr 210-36M - Direct Growth	-	5,000,000.00	-	572.63
	Nippon India Fixed Horizon Fund - XXXV-Sr 14-Direct -Growth	5,520,267.32	5,520,267.32	657.59	602.95
	<b>Total of non - current investments (a)</b>			<b>657.59</b>	<b>1,175.58</b>
<b>Details of current investments</b>					
Quoted	<b>Investment in units of mutual funds - Quoted</b>				
	DSP Fixed Maturity Plan Sr 210-36M - Direct Growth	5,000,000.00	-	615.48	-
				<b>615.48</b>	<b>-</b>
Unquoted	<b>Investment in units of mutual funds - Unquoted</b>				
	DSP Liquidity Fund - Direct - Growth	2,820.57	11,351.34	80.12	303.46
Unquoted	DSP Low Duration Fund - Direct - Growth	1,381,167.78	-	205.86	-
Unquoted	ICICI Prudential Banking and PSU Debt Fund- Direct -Growth	4,209,447.84	4,209,447.84	995.27	907.73
				<b>1,281.25</b>	<b>1,211.19</b>
	<b>Total of current investments (b)</b>			<b>1,896.73</b>	<b>1,211.19</b>
	<b>Total of investments (a+b)</b>			<b>2,554.32</b>	<b>2,386.77</b>

Particulars	As at 31.03.2020	As at 31.03.2019
	(₹) in Lakh	(₹) in Lakh
Aggregate market value of quoted investments	1,273.07	1,175.58
Aggregate market value of unquoted investments	1,281.25	1,211.19

## 6 Other financial assets

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non Current</b>		
Bank Deposits	188.43	430.00
(maturity more than 12 months)		
Accrued Interest on Bank Deposits	12.90	1.41
	<b>201.33</b>	<b>431.41</b>
<b>Current</b>		
Unbilled revenue	0.03	-
<b>Total</b>	<b>0.03</b>	<b>-</b>

## 7 Income tax asset and liabilities

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Current tax assets</b>		
Income Tax	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Current tax liabilities</b>		
Income Tax payable Income Tax payable (Net of Advance Tax Rs.154.58 Lacs, PY Rs.159.38 Lakh)	10.47	6.01
<b>Total</b>	<b>10.47</b>	<b>6.01</b>

## 8 Other assets

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non Current</b>		
MAT Credit Entitlement	-	111.40
<b>Total</b>	<b>-</b>	<b>111.40</b>
<b>Current</b>		
Prepaid Expenses	0.67	2.57
GST/CENVAT Credit Receivable	78.98	75.36
Advance to Creditors	0.04	-
<b>Total</b>	<b>79.69</b>	<b>77.93</b>

## 9 Trade Receivables

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
-Trade Receivable considered good - Secured	-	-
-Trade Receivable considered good - Unsecured	6.45	18.31
- Trade receivable - credit impaired	0.35	0.35
Less: Allowance for doubtful debt	(0.35)	(0.35)
<b>Total</b>	<b>6.45</b>	<b>18.31</b>

1. Trade receivables are dues in respect of services rendered in the normal course of business.
2. The Normal credit period allowed by the company ranges from 0 to 25 days.
3. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables on individual basis.
4. There are no dues by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Particulars	As at 31.03.2020	As at 31.03.2019
Balance at beginning of the year	0.35	-
Add - Trade receivable - credit impaired	-	0.35
<b>Total</b>	<b>0.35</b>	<b>0.35</b>

## 10 Cash and cash equivalents

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

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Current</b>		
Cash on hand	0.07	0.07
<b>Balance with Banks</b>		
<b>Owned fund</b>		
In Current Accounts	30.52	15.52
<b>Total</b>	<b>30.59</b>	<b>15.59</b>
<b>Bank Balance other than above</b>		
<b>Balance with Banks</b>		
<b>Owned fund</b>		
In Deposit Accounts	969.81	667.79
Accrued Interest on Bank Deposits	70.32	59.82
<b>Total</b>	<b>1,040.13</b>	<b>727.61</b>

## 11 Equity Share Capital

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Equity Share Capital</b>		
<b>Authorised share capital:</b> 30,000,000 Equity Shares of ₹ 10/- each with voting rights	3,000.00	3,000.00
<b>Issued share capital:</b> 30,000,000 Equity Shares of ₹ 10/- each with voting rights	3,000.00	3,000.00
<b>Subscribed and fully paid-up share capital</b> 30,000,000 Equity Shares of ₹ 10/- each with voting rights	3,000.00	3,000.00
<b>Total</b>	<b>3,000.00</b>	<b>3,000.00</b>

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

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
<b>As at March 31, 2019</b>			
- Number of shares	30,000,000	-	30,000,000
- Amount (₹) In lakh	3,000.00	-	3,000.00
<b>As at March 31, 2020</b>			
- Number of shares	30,000,000	-	30,000,000
- Amount (₹) In lakh	3,000.00	-	3,000.00

### Terms/rights attached to equity shares

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

ii ) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Shares held by Holding Company and its subsidiaries	As at 31.03.2020		As at 31.03.2019	
Name of the Shareholders	No. of shares	(₹) In Lakh	No. of shares	(₹) In Lakh
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

List of Shareholders holding 5% or more shares in the Company	As at 31.03.2020		As at 31.03.2019	
Name of the Shareholders	No. of shares	%	No. of shares	%

Central Depository Services (India) Limited, Holding Company and its nominees	15,299,999	51.00	15,299,999	51.00
CDSL Ventures Limited, Subsidiary of Holding Company	975,001	3.25	975,001	3.25
Life Insurance Corporation of India	2,500,000	8.33	2,500,000	8.33
ICICI Prudential Life Insurance Company	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



**12 Other equity****(₹ in Lakh)**

<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Retained earnings	812.53	707.66
<b>Total</b>	<b>812.53</b>	<b>707.66</b>

**12.1 Retained earnings****(₹ in Lakh)**

<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Opening Balance	707.66	508.71
Profit for the year	104.60	199.31
Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of income tax)	0.27	(0.36)
<b>Total</b>	<b>812.53</b>	<b>707.66</b>

## 13 Deferred tax balances

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred tax assets	1.31	3.12
Deferred tax liabilities	66.40	43.49
<b>TOTAL</b>	<b>(65.09)</b>	<b>(40.37)</b>

(Refer Note 32)

Deferred tax (liabilities) / assets in relation to:

(₹ in Lakh)

Particulars	Opening balance as at 01.04.2018	Recognised in Profit and loss for year ended 31.03.2019	Recognised in Other Comprehensive Income for year ended 31.03.2019	Closing balance as at 31.03.2019	Recognised in Profit and loss for year ended 31.03.2020	Recognised in Other Comprehensive Income for year ended 31.03.2020	Closing balance as at 31.03.2020
<b>1. Deferred tax Assets</b>							
Provision for compensated absences, gratuity and other employee benefits	1.69	(0.45)	0.14	1.38	(1.14)	(0.09)	0.15
On difference between book balance and tax balance of fixed assets	0.98	0.76	-	1.74	(0.58)		1.16
<b>Total</b>	<b>2.67</b>	<b>0.31</b>	<b>0.14</b>	<b>3.12</b>	<b>(1.72)</b>	<b>(0.09)</b>	<b>1.31</b>
<b>2. Deferred Tax Liabilities</b>							
On Changes in Fair Value of Investment	54.93	(11.56)	-	43.37	22.91		66.28
On difference between book balance and tax balance of fixed assets	0.12	-	-	0.12			0.12
<b>Total Liabilities</b>	<b>55.05</b>	<b>(11.56)</b>	<b>-</b>	<b>43.49</b>	<b>22.91</b>	<b>-</b>	<b>66.40</b>
<b>Net Asset/ (Liabilities)</b>	<b>(52.38)</b>	<b>(11.87)</b>	<b>0.14</b>	<b>(40.37)</b>	<b>24.63</b>	<b>(0.09)</b>	<b>(65.09)</b>

**14 Trade Payables****(₹ in Lakh)**

Particulars	As at 31.03.2020	As at 31.03.2019
a) Total outstanding dues of micro enterprises and small enterprises (refer note 29)	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises:-		
Trade payables (refer note below)	3.62	8.91
Related Party		
- Central Depository Services Limited (refer note 27)	11.18	-
- CDSL Ventures Limited (refer note 27)	0.07	-
<b>Total</b>	<b>14.87</b>	<b>8.91</b>

**Note:**

As at March 31, 2020, 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

**15 Other financial liabilities****(₹ in Lakh)**

Particulars	As at 31.03.2020	As at 31.03.2019
Payable for purchase of Property, Plant and Equipment	0.91	0.91
Accrued Employee Benefits expense	0.16	2.67
Other liabilities (refer note 27)	5.55	-
<b>Total</b>	<b>6.62</b>	<b>3.58</b>

**16 Other current liabilities****(₹ in Lakh)**

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Owned :</b>		
Statutory Remittances	4.57	2.07
Advance From Customer	1.19	1.50
Other Liabilities	-	-
<b>Total</b>	<b>5.76</b>	<b>3.57</b>

**16 Provisions****(₹ in Lakh)**

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Compensated absences	0.02	4.41
Provision for Gratuity (refer note 30)	0.08	0.41
<b>TOTAL</b>	<b>0.10</b>	<b>4.82</b>

**18 Revenue from operations**

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Sale of services in relation to:</b>		
Life Insurance Policies	44.42	37.60
Health Insurance Policies	0.29	0.55
Motor Insurance Policies	0.01	0.01
<b>Total</b>	<b>44.72</b>	<b>38.16</b>

**19 Other income**

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>a) Interest income earned on financial assets that are not designated as at fair value through profit or loss</b>		
Bank deposits (at amortised cost)	91.60	75.78
<b>b) Dividend income</b>		
Dividends from investment in Mutual Funds (designated at cost or at FVTPL)		
Dividend income	-	11.05
<b>c) Other gains or losses:</b>		
Net gain / (loss) on sale of Investments through FVTPL	203.54	148.12
<b>d) Others</b>		
Miscellaneous income	-	2.76
<b>Total</b>	<b>295.14</b>	<b>237.71</b>

**20 Employee benefits expense**

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Salaries, allowances and bonus	18.02	19.02
Contribution to provident and other Funds	1.33	0.94
Staff welfare expenses	0.01	0.01
Reimbursement of Salaries to staff on deputation from Holding Company	3.31	1.98
<b>Total</b>	<b>22.67</b>	<b>21.95</b>

**21 Administration and other expenses**

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Travel & Conveyance	1.20	3.85
Communication, Telephone & Courier charges	0.43	0.92
Insurance	0.50	0.62
Directors Sitting fees	9.00	9.00
<b>Auditor's Remuneration</b>		
- As Audit Fees	1.00	1.00
- Reimbursement of expenses	0.08	0.08
Rent ,Rates & Taxes	22.14	19.59
Legal & Professional Fees	1.97	3.42
Computer Maintenance Charges	12.71	12.90
Administrative expenses	6.00	6.00
Approved Persons Charges	0.05	-
Provision for Expected Credit Loss	-	0.35
Outsourcing Expenses	-	2.38
Printing & Stationary	0.30	0.32
Miscellaneous Expenses	4.18	1.38
<b>Total</b>	<b>59.56</b>	<b>61.81</b>

## 22. Taxes

### 22.1. Income tax expense

The major components of income tax expense for the year ended March 31, 2020 and 2019 are as under:

#### 22.1.1 Profit or loss section

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Prior period tax adjustment (refer note 32)	111.40	-
Current tax	14.00	-
Deferred tax	24.63	(11.86)
<b>Total income tax expense recognised in profit or loss</b>	<b>150.03</b>	<b>(11.86)</b>

#### 22.1.2 Other comprehensive section

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Remeasurement of the defined benefit plans	0.36	(0.50)
<b>Total income tax expense recognised in other comprehensive income</b>	<b>(0.09)</b>	<b>0.14</b>

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

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(A) Profit before tax	254.63	187.45
(B) Enacted tax rate in India	25.17%	27.82%
(C) Expected tax expenses (A*B)	64.09	52.15
(D) Other than temporary differences		
Effect of fair value of investments / tax in different rates	(50.09)	(41.21)
Effect of income that is exempt from taxation	0.00	(3.07)
Expenses disallowed / (allowed)	0.00	0.51
Effects due to unabsorbed losses /DTA	24.63	(20.24)
Prior period tax adjustmtnets - Shifting to new tax rate	111.40	0.00
Total adjustments	85.94	(64.01)
(E) Tax expenses after adjustments (C+E)	150.03	(11.86)
(F) Tax expenses recognised in Profit or Loss	150.03	(11.86)

## 23. Earnings per share (EPS)

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

Particulars	For the year ended	
	31.03.2020	31.03.2019
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS	30,000,000	30,000,000
Effect of dilutive equity shares outstanding during the year	-	-
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of dilutive EPS	30,000,000	30,000,000
Face Value per Share	10/-	10/-
Profit after tax (₹ in Lakh)	104.60	199.31
Basic and Diluted EPS ₹	0.35	0.66

## 24. Financial instruments

Financial instruments by category:

(₹ in Lakh)

Particulars	Carrying Value	
	31.03.2020	31.03.2019
<b>i) Financial assets</b>		
<b>a) Amortised Cost</b>		
Trade receivable	6.45	18.31
Cash and cash equivalents	30.59	15.59
Bank balances other than cash and cash equivalents	1,040.13	727.61
Other financial assets	201.36	431.41
<b>Total</b>	<b>1,278.53</b>	<b>1,192.92</b>
<b>b) FVTPL</b>		
Investment in mutual funds	2,554.32	2,386.77
<b>Total</b>	<b>2,554.32</b>	<b>2,386.77</b>
<b>ii) Financial liabilities</b>		
<b>Amortised Cost</b>		
Trade payables	14.87	8.91
Other financial liabilities	6.62	3.58
<b>Total</b>	<b>21.49</b>	<b>12.49</b>

### Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31.03.2020	31.03.2019		
Investments in mutual funds	2,554.32	2,386.77	Level 1	Quoted bid prices in an active market

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

The management assessed that fair value of cash and bank balances, fixed deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair value of the quoted bonds and mutual fund are based on price quotations at reporting date. The fair value of unquoted instruments and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires the management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of fair value for these unquoted equity investments.

## 25. Financial risk management

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

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

### Credit risk

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



- **Trade and other receivables**

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

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

None of the customers accounted for more than 10% of the receivables and revenue for the years ended March 31, 2020 and March 31, 2019.

- **Investments**

The Company limits its exposure to credit risk by making investment as per the investment policy. Further investment committee of company review the investment portfolio on monthly basis and recommend or provide suggestion to the management. The Company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020 and March 31, 2019.

Particulars	As at	
	31.03.2020	31.03.2019
Trade payables		
< 1 year	14.87	8.91
1-5 years	-	-
> 5 years	-	-
Other financial liabilities		
< 1 year	6.62	3.58
1-5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>21.49</b>	<b>12.49</b>

(₹ in Lakh)

The table below provides details regarding the contractual maturities of significant financial assets as at March 31, 2020 and March 31, 2019.

Particulars	As at	
	31.03.2020	31.03.2019
Investments*		
< 1 year	1,896.73	1,211.19
1 - 5 years	657.59	1,175.58

(₹ in Lakh)

Particulars	As at	
	31.03.2020	31.03.2019
> 5 years	-	-
<b>Total</b>	<b>2,554.32</b>	<b>2,386.77</b>
Other financial assets		
< 1 year	0.03	-
1 - 5 years	201.33	431.41
> 5 years	-	-
<b>Total</b>	<b>201.36</b>	<b>431.41</b>
Trade receivables		
< 1 year	6.45	18.31
1 - 5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>6.45</b>	<b>18.31</b>
Cash and cash equivalents		
< 1 year	30.59	15.59
1 - 5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>30.59</b>	<b>15.59</b>
Bank balances other than cash and cash equivalents		
< 1 year	1,040.13	727.61
1 - 5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>1,040.13</b>	<b>727.61</b>

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

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

### Market risk

The Company's business, financial condition and results of operations are highly dependent upon the regulatory intervention and in particular upon the volume of electronic policies held in the Insurance Repository by the Insurance companies which is presently voluntary in nature and similar factors, as a significant portion of our revenue depends, either directly or indirectly, on trading, listing, clearing and settlement transaction-based fees.

The Company's financial condition and results of operations are also dependent upon the success of the adoption by the insurance companies of electronic policies and other related services, which, in turn, is directly dependent on the personal interest of our customers i.e. policyholders.

- **Foreign Currency risk**

The Company's foreign currency risk arises in respect of foreign currency transactions. The Company's foreign currency expenses is insignificant, while a significant portion of its costs are in Indian rupees.

As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's expenses measured in rupees may decrease. Due to lessor quantum of expenses from foreign currencies, the Company is not much exposed to foreign currency risk.

- **Interest rate risk**

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

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

- **Regulatory risk**

The Company requires a number of regulatory approvals, licenses, registrations and permissions to operate our business, including at a corporate level as well as at the level of each of its components. For example, the Company have licenses from IRDA in relation to insurance policy services, Some of these approvals are required to be renewed from time to time. The Company operations are subject to continued review and the governing regulations that may change. The Company regulatory team constantly monitors the compliance with these rules and regulations.

## 26. Capital management

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

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

## 27. Related Party Details

(a)	List of related parties and their relationship:
(i)	<b>Entity where control exists:</b>
	Central Depository Services (India) Limited (CDSL) – Holding Company
(ii)	<b>Fellow subsidiaries</b>
	CDSL Ventures Limited CDSL Commodity Repository Limited
(iii)	<b>Associates :</b>
	BSE Limited Multi Commodity Exchange of India Limited
(iv)	<b>Directors:</b>
	Shri N. Rangachary, Chairman Shri G. Anantharaman, Independent Director Shri S.S.N. Moorthy, Independent Director Shri Nayan Mehta, Director

	Shri Nehal Vora, Director (from 16.10.2019 to 09.01.2020) Shri Amit Mahajan, Director (from 21.01.2020) Shri Girish Amesara, Director (from 29.01.2020)		
(v)	<b>Key Management Personnel</b>		
	Shri Joydeep Dutta-Managing Director (up to 31.12.2019) Shri Bharat Sheth-CFO (up to 31.12.2019) Shri. Raghunath Rao - Company Secretary (up to 31.03.2020)		
(b)	<b>Transactions during the year:</b>		
	<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
		₹ in Lakh	₹ in Lakh
	<b>BSE Limited</b>		
	Receiving of services	1.77	1.18
	<b>Central Depository Services (India) Limited</b>		
	Receiving of services	39.83	33.21
	Other liability –Expenses paid on behalf of company and interest on the same	5.55	-
	<u>Balances outstanding at the end of the year</u>		
	Trade payables	11.18	-
	Other liability –Expenses paid on behalf of company and interest on the same	5.55	
	<b>CDSL Ventures Limited</b>		
	Receiving of services	0.07	-
	<u>Balances outstanding at the end of the year</u>		
	Trade payables	0.07	-
	<b>Compensation to KMP's</b>		
	Shri. Raghunath Rao - Company Secretary up to 31.03.2020 Short term employee benefits Salaries , Allowances and Bonus	24.41	18.63
	Shri. Bharat Sheth - CFO up to 31.12.2020 Short term employee benefits Salaries , Allowances and Bonus	3.31	1.98

**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.

**28. Contingent liabilities and Commitments :**

Particulars	As at 31.03.2020	As at 31.03.2019
	( ₹ ) In Lakh	( ₹ ) In Lakh
<b>Contingent liabilities</b>		
Claims against the not acknowledged as debt:	-	-
<b>Commitments :</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	-	-
Intangible assets	-	-

There is no pending litigation as on March 31, 2020.

**29. Additional information to the financial statements****29.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at 31.03.2020	As at 31.03.2019
	( ₹ ) In Lakh	( ₹ ) In Lakh
(a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day	-	-
(b) Interest due and payable for delay during the year	-	-
(c) Amount of interest accrued and unpaid as at year end	-	-
(d) The amount of further interest due and payable even in the succeeding year	-	-

**29.2 Lease** - Based on the assessment of Company and considering absence of clear demarcation of space provided by holding company , there is no identified assets as covered under Ind AS 116.

**30.** The Company has determined the liability for Employee Benefits As at March 31, 2020 in accordance with the IND AS 19 on "Employee Benefits".

a) Defined benefit plans-Gratuity-As per Actuarial Valuation on March 31, 2020

Valuation Result as at	( ₹ ) In Lakh	
	31.03.2020	31.03.2019
<b>Reconciliation of defined benefit obligation</b>		
Opening Defined Benefit Obligation	2.44	1.66

<b>Valuation Result as at</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Transfer in/(out) obligation	0.00	0.00
Current service cost	0.29	0.28
Interest cost	0.08	0.00
Components of actuarial gain/losses on obligations:	0.00	0.00
Due to Change in financial assumptions	0.01	0.50
Due to change in demographic assumption	0.00	0.00
Due to experience adjustments	(0.27)	0.00
Past service cost	0.00	0.00
Loss (gain) on curtailments	0.00	0.00
Liabilities extinguished on settlements	0.00	0.00
Liabilities assumed in an amalgamation in the nature of purchase	0.00	0.00
Exchange differences on foreign plans	0.00	0.00
Benefits paid	0.00	0.00
<b>Closing Defined Benefit Obligation</b>	<b>2.55</b>	<b>2.44</b>
<b>Other Comprehensive Income for the current period</b>		
Components of actuarial gain/losses on obligations:	0.01	0.50
Due to Change in financial assumptions	0.00	0.00
Due to change in demographic assumption	(0.27)	0.00
Due to experience adjustments	(0.10)	0.00
Return on plan assets excluding amounts included in interest income	(0.36)	0.50
<b>Amounts recognized in Other Comprehensive (Income) / Expense</b>	<b>0.01</b>	<b>0.50</b>
<b>Profit and loss account for the period</b>		
Service cost:		
Current service cost	0.29	0.28
Past service cost	0.00	0.00
Net interest cost	0.03	0.00
<b>Total included in 'Employee Benefit Expense'</b>	<b>0.32</b>	<b>0.28</b>
<b>Reconciliation of plan assets</b>		
Opening value of plan assets	2.03	1.96
Transfer in/(out) plan assets	0.00	0.00
Interest Income	0.05	0.00
Return on plan assets excluding amounts included in interest income	0.10	0.00
Assets distributed on settlements	0.00	0.00
Contributions by employer	0.29	0.00
Assets acquired in an amalgamation in the nature of purchase	0.00	0.00
Exchange differences on foreign plans	0.00	0.00
Benefits paid	0.00	0.00

<b>Valuation Result as at</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Adjustment to the Opening fund	0.00	0.07
<b>Closing value of plan assets</b>	2.47	2.03
<b>Funded status of the plan</b>		
Present value of funded obligations	2.55	2.44
Fair value of plan assets	(2.47)	(2.03)
<b>Net Liability (Asset)</b>	0.08	0.41
<b>Reconciliation of net defined benefit liability</b>		
Net opening provision in books of accounts	0.41	(0.30)
Transfer in/(out) obligation	0.00	(0.07)
Transfer (in)/out plan assets	0.00	0.00
Employee Benefit Expense as per	0.32	0.28
Amounts recognized in Other Comprehensive (Income	(0.36)	0.50
Benefits paid by the Company	0.00	0.00
Contributions to plan assets	(0.29)	0.00
<b>Closing provision in books of accounts</b>	0.08	0.41
<b>Principle actuarial assumptions</b>		
Discount Rate	6.85% p.a	6.44% p.a
Salary Growth Rate	7.00% p.a	4.00% p.a
Withdrawal Rates	0.50% p.a at all ages	0.50% p.a at all ages
Rate of Return on Plan Assets	6.85% p.a	6.44% p.a
<b>Summary Data</b>		
Number of Employees	1	1
Total Monthly Salary (Rs.)	0.30	0.60
Average Monthly Salary (Rs.)	0.30	0.60
Average Age (Years)	27.57	61.00
Average Past Service (Years)	0.07	7.00
Average Future Service (Years)	32.43	-
Weighted Average Duration (Years)	28.79	-
Number of Employees	1	1

b) Gratuity is administered through Group Gratuity Scheme with Life Insurance Corporation of India. The LIC raises demand for annual contribution for gratuity amount based on its own computation without providing entire details as required by the IND AS 19. Hence the company obtains separate actuarial valuation report as required under IND AS 19 from an independent Actuary. The maximum amount as per these two valuation reports is recognized as liability in the books of accounts. The expected return on plan assets is based on market expectation at the beginning of the year, for the returns over the entire life of the related obligations.

### **31. Estimation of uncertainties relating to the global health pandemic from COVID-19**

The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too. Various governments have introduced a variety of measures to contain the spread of the virus. The Indian government had announced countrywide lockdown which is continued at present.

In this nation-wide lock-down period, though all the services across the nation were suspended (except the specified essential services), some establishments including securities market intermediaries could operate and were exempted from the lock-down.

The management has, at the time of approving the financial statements, assessed the potential impact of the COVID-19 on the Company. Based on the current assessment, the management is of the view that impact of COVID 19 on the operations of the Company and the carrying value of its assets and liabilities is not likely to be material.

- 32.** The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the company has recognised Provision for Income Tax for the year ended 31st March 2020 and re-measured its Deferred Tax Liability basis the rate prescribed in the said section. Accordingly, an amount of Rs. 112.90 Lakh has been charged to statement of profit and loss.
- 33.** Figures for the previous year have been regrouped / reclassified and rearranged wherever necessary to correspond with the current year classification / disclosure.

Signatures to Notes 1 to 33 forming part of financial statements

**For and on behalf of the board of directors**

**N Rangachary**

Chairman

DIN:00054437

Place : Mumbai

Date : May 13, 2020

**Amit Mahajan**

Director

DIN:06984769

**Yash Goswami**

Company Secretary

M. No.A42770

**Nilesh Kittur**

Chief Financial Officer