FORM NO MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To,

The Members
CDSL Ventures Limited
Unit No. A-2501, Marathon Futurex,
Mafatlal Mills Compound,
N. M. Joshi Marg, Lower Parel (E),
Mumbai – 400013.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CDSL Ventures Limited (CIN: U93090MH2006PLC164885)** (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the CDSL Ventures Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2021** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the Company during the audit period)**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the Company during the audit period)**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the audit period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992*;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the audit period)**

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period)**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)** and

* The Company being a material subsidiary of the Central Depository Services (India) Limited ("CDSL"), certain employees of the Company have been categorised as Designated Persons and are covered by the Code of Conduct under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, of CDSL.

(vi) I further report that, based on the representation made by the Company and its Officers, compliance mechanism

prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has generally complied with the following laws applicable specifically to the Company:

a. SEBI {KYC (Know your client) Registration Agency} Regulation, 2011

b. Securities and Exchange Board of India Act, 1992 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Company.

c. Prevention of Money Laundering Act, 2002.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India (SS – 1 and SS – 2).

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (To the extent applicable to material subsidiary of the listed Company).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board and Committees meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and Committees of the Board, as the case may be and no dissenting views have been recorded.

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

I further report that during the audit period there were following events/actions reported having major bearing on Company's affairs:

(i) Cessation of tenure of Shri Sunil Alvares as the Manager of the Company w.e.f. October 31, 2020.

(ii) Appointment of Shri Sunil Alvares (DIN: 08943476) as the Managing Director & Chief Executive Officer (MD & CEO) of the Company w.e.f. November 1, 2020.

(iii) Reappointment of Dr. Rakesh Kumar Kakkar (DIN: 08433764) as a Director (Non-Executive) of the Company w.e.f. August 25, 2020.

For Vatsal Doshi & Associates

Vatsal K. Doshi
Proprietor
Mem. No. : A50332
CP No. : 22976
UDIN : A050332C000162928
PR No. : 1179/2021

Place : Mumbai
Date : April 23, 2021

This Report is to be read with my letter of even date which is annexed as **Annexure - I** and forms an integral part of this report.

ANNEXURE - I

(To the Secretarial Audit Report)

To,

The Members
CDSL Ventures Limited
Unit No. A-2501, Marathon Futurex,
Mafatlal Mills Compound,
N. M. Joshi Marg, Lower Parel (E),
Mumbai – 400013.

My report of even date is to be read along with this letter:

1) Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.

2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Wherever required, I have obtained the Management representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances of applicable Laws, Rules and Regulations to the Company.

5) We have conducted online verification & examination of records, as facilitated by the Company, due to COVID-19 and subsequent lockdown situation for the purpose of issuing this Report.

6) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.

7) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Vatsal Doshi & Associates

Vatsal K. Doshi
Proprietor
Mem. No. : A50332
CP No. : 22976
UDIN : A050332C000162928
PR No. : 1179/2021

Place : Mumbai
Date : April 23, 2021