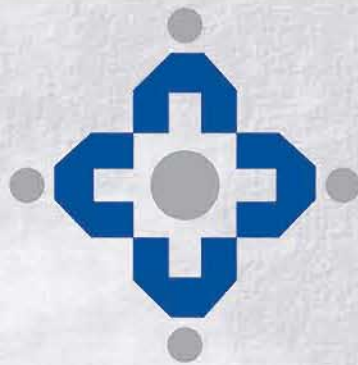


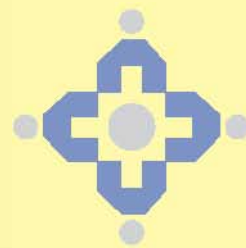


ANNUAL REPORT
2012 - 2013



Central Depository Services (India) Limited

At CDSL...



We celebrate earth day... everyday!

**DP Statement
Dispatch**

e-Voting

NAD

e-Insurance

e-Notices

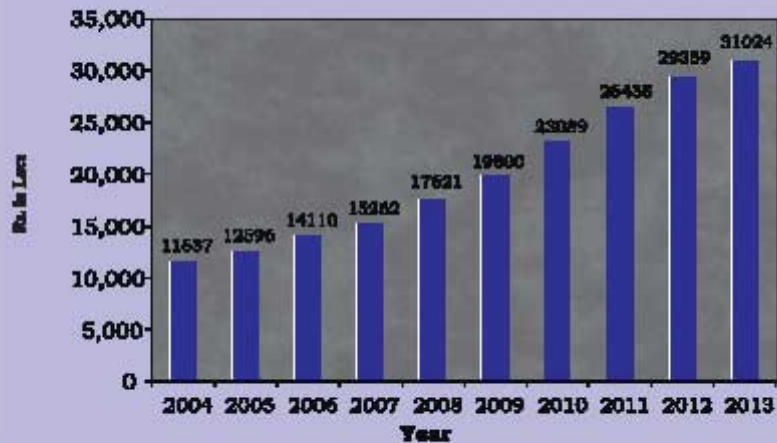
**KYC
Registration**

**Depository
Services**

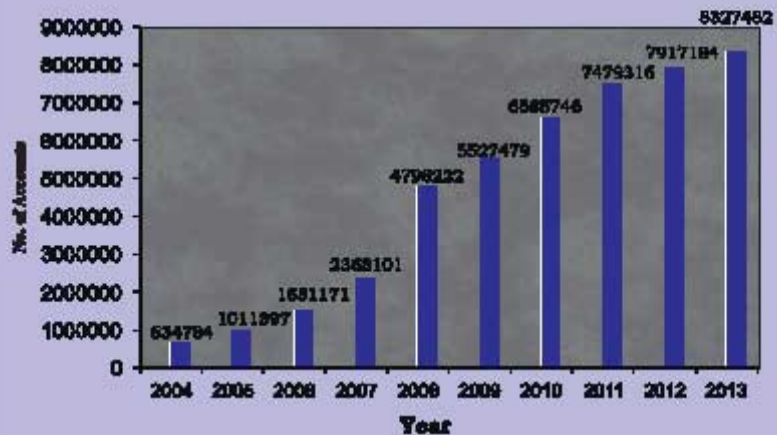
Financial Highlights

P & L account	Rs in Lakhs										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Income from Operations	1357.57	2109.03	3163.18	3770.53	6505.27	5852.51	8121.17	8538.48	7825.91	7535.53	
Other Income	1525.95	780.45	774.86	1066.29	1338.73	1691.35	2017.36	1670.62	2398.38	2912.97	
Total Income	2883.52	2889.48	3938.04	4836.82	7844.00	7543.86	10138.53	10209.10	10224.29	10448.50	
Total Expenditure	1506.06	1504.42	1708.38	2205.01	2659.46	2886.60	3396.59	3354.73	3318.83	5069.74	
Profit Before Tax	1377.46	1385.06	2229.66	2631.81	5184.54	4657.26	6741.94	6854.37	6638.70	5306.49	
Provision for Taxation	356.61	425.54	715.46	749.61	1509.11	1255.19	1990.04	2050.54	1892.98	1196.52	
Profit After Tax	1020.85	959.52	1514.20	1882.20	3675.43	3402.07	4751.90	4803.83	4745.72	4109.97	
Equity	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	
Reserves & Surplus	1186.59	2146.11	3660.31	4812.01	7170.84	9350.31	12638.76	15985.15	18909.09	20573.87	
Net worth	11636.59	12596.11	14110.31	15262.01	17620.84	19800.31	23088.76	26435.15	29359.09	31023.87	
Earning Per Share (Rs)	0.98	0.92	1.45	1.80	3.52	3.26	4.55	4.60	4.54	3.93	
Book Value Per Share (Rs)	11.14	12.05	13.50	14.60	16.86	18.95	22.09	25.30	28.09	29.69	
Return on Net Worth (%)	8.77%	7.62%	10.73%	12.33%	20.86%	17.18%	20.58%	18.17%	16.16%	13.25%	

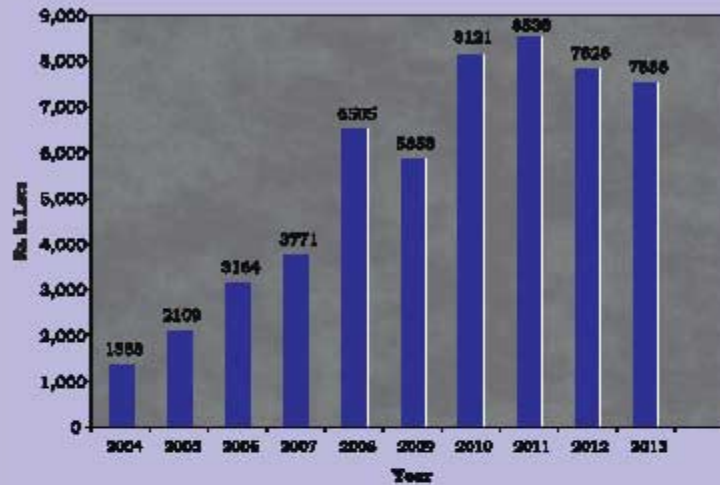
NET WORTH



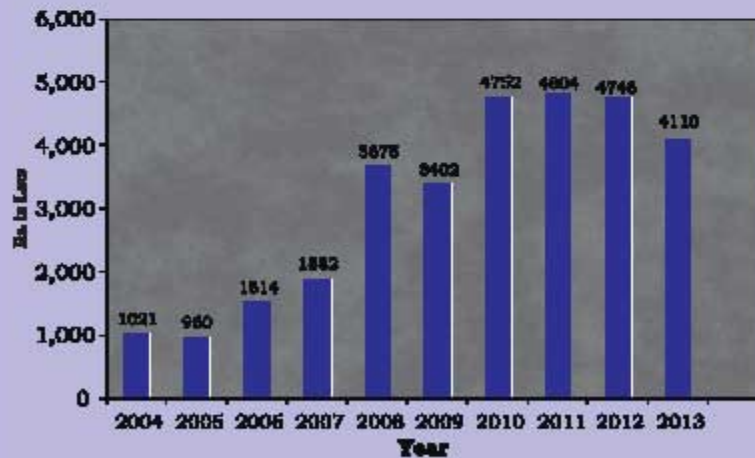
BO ACCOUNTS



OPERATIONAL INCOME



PROFIT AFTER TAX



Central Depository Services (India) Limited

Board of Directors

Shri N. Rangachary	Public Interest Director & Chairman
Shri T. S. Narayanasami	Public Interest Director
Dr. R. N. Nigam	Public Interest Director [Appointed on 22 nd April, 2013]
Smt. Ela Bhatt	Public Interest Director [Appointed on 22 nd April, 2013]
Shri Ashishkumar Chauhan	Share Holder Director
Shri Neeraj Swaroop	Share Holder Director
Shri V. Balasubramaniam	Share Holder Director [Appointed on 28 th May, 2012]
Shri P. Pradeep Kumar	Share Holder Director [Appointed on 23 rd July, 2012]
Shri P. S. Reddy	Managing Director & CEO

Management Team

Shri P.S. Reddy	Managing Director & CEO
Shri Cyrus Khambata	Executive Vice President – Business Development [Currently on deputation to CDSL Ventures Limited]
Shri Uppili Krishnan	Chief Technology Officer
Shri Bharat Sheth	Senior Vice President & Chief Financial Officer
Shri Sunil Alvares	Senior Vice President – Business Development
Shri Ramkumar K.	Senior Vice President – New Projects
Smt. Nayana Ovalekar	Senior Vice President – Operations
Shri Satish L. Budhakar	Senior Vice President & Group Company Secretary

Bankers

Bank of India

Auditors

Registered Office

Deloitte Haskins & Sells
Chartered Accountants
'Heritage', 3rd Floor,
Near Gujarat Vidyapith
Off Ashram Road,
Ahmedabad - 380014

17th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400001

Corporate Identification Number: U67120MH1997PLC112443

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Consolidated Financial Statements	90
Notes to Consolidated Financial Statements.....	94

Directors' Report

Your Directors have pleasure in presenting the Fifteenth Annual Report, along with Audited Statement of Accounts of your company for the year ended 31st March, 2013. Despite adverse capital market conditions, your company has improved its performance, though marginally, during the period under review as evidenced by the key financial indicators mentioned below:

Financial Highlights

Particulars	Year ended 31st March, 2013 (₹ million)	Year ended 31st March, 2012 (₹ million)
Income	1044.85	1022.42
Expenditure	355.83	296.48
Profit before Depreciation and Taxation	689.02	725.94
Depreciation	18.48	35.40
Profit before exceptional items and tax	670.54	690.54
Exceptional/Extraordinary items -Municipal tax /Loss due to fire	7.23	26.67
Profit before contribution to BOPF & Tax	663.31	663.87
Contribution to BOPF	132.66	0.00
Profit Before Tax	530.65	663.87
Provision for Taxation	135.50	193.00
Provision for Deferred Tax for the year	(15.84)	(3.70)
Profit after Tax	410.99	474.57
Balance brought forward	1843.29	1574.63
Profit available for appropriation	2254.28	2049.20
Proposed dividend	209.00	156.75
Tax (including surcharge and education cess on dividend)	35.52	25.43
Transfer to General Reserve	30.82	23.73
Surplus carried to Balance Sheet	1978.94	1843.29

Your company registered a gross income of ₹1,044.85 million, an increase of 2.19 % over the previous year. The income from operations comprising of transaction charges, annual issuers fees, account maintenance charges, settlement charges, corporate action charges, etc. during the year under review decreased from ₹ 782.59 million to ₹753.55 million, recording a decline of 3.71% over the year 2011-12. As per amended Depositories & participants regulations by SEBI, transfer of ₹ 132.66 million is made to investor protection Fund. After contribution to Investor protection Fund, Profit Before Tax (PBT) for the financial year 2012-13 stands at ₹530.65 million and Profit After Tax (PAT) at ₹410.99 million. Profit Before Tax and Profit After Tax are not comparable with previous year since there was no provision for contribution to Investor protection Fund for the year ended March 31, 2012. Prior to transfer of ₹132.66 million to Investor Protection Fund the profit for the current year is lower by ₹0.56 million as compared to the previous year.

Dividend

In view of the fact that net profit of the company has increased only marginally, your Directors, in order to have a stable dividend policy recommend a dividend of ₹ 2 per share (20%) for the year ended 31st March, 2013. The dividend will be subject to dividend distribution tax to be paid by the company.

The Capital Market Environment

According to the Economic Survey 2013, India's GDP growth is projected at 5% in Financial Year 2012-13, the lowest in a decade and is projected at 6.1-6.7 % in Financial Year 2013-14. Concerns of high interest rates, rising inflation, rising crude prices, depreciation of the rupee, a series of scams and uncertainty in global financial markets had an adverse effect on the markets. The BSE-30 SENSEX which opened at 17,430 on 1st April, 2012, touched a high of 20,203 in January 2013 only to close at 18,835 on 31st March, 2013.

The performance of the primary market during Financial Year 2012-13 witnessed fewer IPOs as compared to the previous year. With the continuing adverse market conditions, the cumulative amount mobilised for the period from April, 2012 to February 2013, was ₹9,787.4 crore through 49 issues as against ₹44,610.2 crore raised through 62 issues during the corresponding period in 2011-12.

Operational Highlights

In spite of volatile market conditions and lack of enthusiasm on the part of investors towards new capital issues, your company could register a very good growth in its depository operations during the year 2012 - 13. This is reflected in the increase in the number of demat accounts opened and increase in the number of depository participants, as shown below. In order to sustain the growth in its depository business, your company continues to focus on enhancement of operational efficiency, upgradation of technology, user friendly approach and investor education through seminars.

Securities admitted

Securities like equity shares, preference shares, mutual fund units, debt instruments, government securities, certificates of deposit, commercial papers and a host of other instruments are available for dematerialization by the investors. Details of the securities / commodity warehouse receipts admitted with CDSL are given below:

Securities	Year ended 31 st March, 2013	Year ended 31 st March, 2012	Increase over the previous year (%)
Equity Shares	7,321	6,970	5.04
Debt Instruments	6,911	5,962	15.92
Other Securities	17,796	19,753	-9.91
Total	32,028	32,685	-2.01

Position of Securities / commodity warehouse receipts held in the System

The value and volume of the securities / commodity warehouse receipts held with CDSL in the year under review as compared to the previous year are indicated below:

Holding of Securities	Year ended 31st March, 2013	Year ended 31st March, 2012	Increase over the previous year (%)
Value (in million ₹)	9,869,239	10,255,511	-3.76
Volume (in million)	151,814	133,572	13.65

Depository Participants and Service Centres

As on 31st March, 2013, 577 depository participants held valid registration certificates of Securities and Exchange Board of India (SEBI) as compared to 567 valid SEBI registrations as on 31st March 2012. With a large number of DP network, investors spread across 28 States and 7 Union Territories can avail of CDSL's depository services. Further, investors have access to 12,601 DP service centres spread across more than 2000 cities / towns as on 31st March 2013. CDSL has introduced new category of DP called 'Limited Depository Participant' (LDP) to facilitate stock brokers having net worth of ₹one crore- to become CDSL DP (with attending restriction on number of accounts etc), which would lead to increase in number of DPs and widespread availability of CDSL services.

Beneficial Owner Accounts

During the year under review, 7.52 lakh Beneficial Owner (BO) accounts were added, taking the total number of such accounts to 109.67 lakhs and the net BO accounts to 83.27 lakhs as on 31st March, 2013. The comparative figures of gross and net BO accounts as on 31st March, 2012 and 31st March, 2013 are given in the following table:

Year ended 31st March, 2013	Year ended 31st March, 2012	Increase over the previous year's cumulative figure	
		Number	Percentage
(Gross) 10,967,176	(Gross) 10,214,904	752,272	7.36
(Net) 8,327,482	(Net) 7,917,184	410,298	5.18

Investor Awareness / Education Seminars

184 Investor Awareness Programmes (IAPs) were conducted across the country in 2012-13 with a view to increase investor awareness of the dematerialization facility and its benefits. During these IAPs, investors were informed about the procedure and precautions to be followed for handling their demat accounts while explaining the concepts such as on-line trading, Application Supported By Blocked Amount (ASBA), demat of open ended mutual funds, Basic Service Demat Accounts (BSDA), Rajiv Gandhi Equity Savings Scheme (RGESS), facilities like easi, easiest etc. These programs were conducted not only in metros and Tier-1 cities, but also in Tier-2 and Tier 3 cities. During the Seminars information pamphlets in English, Hindi and other regional languages were distributed for the benefit of investors.

CDSL hosted 14th Asia-Pacific Central Securities Depository Group (ACG) Cross - Training Seminar in Mumbai, India during May 28 - June 1, 2012

The Asia-Pacific CSD Group (ACG) is an association of Central Securities Depositories (CSDs) in the Asia-Pacific region with 30 member institutions as of date. The Cross-Training Seminar is hosted by the Members each year by rotation to provide officials of members with the opportunity to learn the business operations and various services provided or to be implemented by other members in the region.

Your company is a member of ACG. It hosted the 14th ACG Cross-Training Seminar (14ACGCTS) from May 28 to June 1, 2012 at Trident Hotel, Nariman Point, Mumbai.

The seminar was inaugurated by Chairman, Shri N. Rangachary, in the presence of Shri G. Anantharaman, Former Whole-Time Member, Securities and Exchange Board of India and Shri Ashishkumar Chauhan, Managing Director & CEO, BSE Limited. The Seminar was attended by over seventy delegates from twenty member institutions and industry representatives and fourteen countries from India and abroad.

New Initiatives

Transaction cum Holding Statement

Your company has during the financial year started a new service of sending transaction cum holding statements for all DPs. Initially, the facility of sending only transaction cum holding statements in physical form was offered. This service has been extended to include services of sending statements through email. In the first quarter of the financial year 2013 - 14, your company is planning to introduce services of incorporating the DP bill details in the transaction cum holding statement.

Distinctive Numbers (DN) Database

SEBI had instructed the Depositories to put in place a system to capture data pertaining to distinctive numbers of securities with a view to ensure complete reconciliation of issued capital and listed capital. The Exchanges were also advised by SEBI to update the database with the data on unlisted securities pending listing. We have in the CDSL DN database system data pertaining to more than 3000 ISINs uploaded by about 35 RTAs.

Easiest - Upload on Sundays and extension of time duration

Easiest is the internet based facility made available by your company to beneficial owners and clearing members permitting them to electronically submit their off-market, on-market and early pay-in instructions. The beneficial owners and clearing members can now upload transactions through easiest on Sundays and system holidays. The time duration for upload of transactions on other days has also been increased.

Your company has successfully implemented Basic Services Demat Account (BSDA) whereby the DPs make available a demat account with limited services and no / lower Annual Maintenance Charge as per conditions laid down by SEBI. The Rajiv Gandhi Equity Savings Scheme (RGESS) has also been implemented with additional features whereby the 'New Retail Investor Certificate' has been made available to the beneficial owner through internet enabled service – easi. The DPs have also been given a facility through which they can generate the 'New retail investor certificate' and 'Valuation Report' for RGESS investments.

Web CDAS

Your Company is in process of developing browser based Depository application. The same is currently under testing and will be released to users during this financial year.

ISO 27001 Re-certification

Your Company has undergone periodic audit post re-certification for ISO 27001 conducted by DNV and have been recommended for continuation of the Certificate.

BS25999 Certificate

Your company has adopted BS 25999 standard in order to ensure preparedness of the company for Business Continuity Management system. DNV has conducted audit and certificate is awarded in April, 2012.

The main objective of Business Continuity Management System of CDSL is to ensure continuity of critical operations and provide services and support to all its customers and stakeholders within a reasonable timeframe to continue the business operations at pre-defined levels and to comply with any legal, regulatory, contractual and business requirements.

ISO 9001

Your company has undergone ISO 9001 certification by DNV for E-voting Service. Coveted certificate is granted for 3 years from March, 2013.

Qualified Depository Participant (QDP) and Qualified Foreign Investor (QFI)

SEBI has introduced a new category of investor viz.QFI. This category of investor can invest in equity directly or in equity based mutual fund units. The investors can maintain demat accounts only with a special category of DPs viz.QDP. 29 DPs are registered with SEBI to conduct operations through CDSL as QDPs and 3 QDP applications are pending at various stages.

e-Voting

CDSL has been running the e-Voting system successfully since the last couple of years. We have as on 31st, March 2013, signed agreements with 152 companies to

handle the e-Voting services. 48 companies out of these 152 companies have executed 55 instances of e-Voting in the system. We are in the process of revamping the system and have introduced options for custodians and corporates to create logins and vote using the said logins. We are also in discussion with Institutional Investor Advisory Services (IIAS) which extends investor advisory services to have a single sign-on to assist FII investors, AMC investors, etc. in voting based on the recommendations given by IIAS.

e-Notices

CDSL has been running the e-Notices (also called go-green) system successfully since the last couple of years. We have as on 31st March 2013, signed agreements with 40 companies to handle the go-green services out of which 28 companies have used our services to send communication through email.

Corporate Social Responsibility (CSR)

Companies have increasingly started to consider the impact of their activities on society and the environment. As the concerns of various stakeholders towards social and environmental issues are growing, increasing the positive impact of their activities has become critical for the long term survival of companies worldwide. As a consequence, many companies have officially implemented corporate social responsibility (CSR) programs. As a part of its CSR, your company had decided to empower 'Physically Challenged' and 'Under Privileged' individuals by providing them training in capital market and depository operations and thereafter arrange for their suitable employment, to the extent possible.

After the success of the “CDSL's Outreach Program For Empowerment” (COPE - I and COPE – II), due to depressed market conditions the program was not carried out this year as most of the DPs have frozen new recruitments to control their costs.

Your company has taken an initiative in the month of October 2012 to empower NGO's to meet their basic requirements of clothing along with stationary items. Accordingly your company had shortlisted 2 NGO's viz. SUPPORT MUMBAI (Society undertaking Poor People Onus for Rehabilitation) and The Salvation Army (Home for Orphan, old &

blind). With the social aspect being in mind an overwhelming response was seen from the employees. We had collected 13 bags including both clothes and stationery for both the NGO's.

E-certificates- National Academic Depository

In the year under review, your company has bid for the prestigious project of National Academic Depository through the RFP document issued by Central Board for Secondary Education (CBSE). You will be pleased to know that your company has earlier responded to the RFP issued by CBSE and is awaiting feedback from CBSE regarding the selection of the bidder. The application development for the project has been done jointly with Infosys Technologies Ltd. The pilot project is being run currently.

Prevention of Money Laundering Act

The Prevention of Money Laundering Act, 2002 (PMLA) has been brought into force with effect from 1st July, 2005. CDSL and its depository participants fall under the category of 'intermediaries' under section 12 of the SEBI Act and hence, PMLA and the policy guidelines issued by the regulators to combat money laundering are applicable to their depository operations. As required under the guidelines, CDSL has designated Principal Officer and an alternate officer to ensure compliance with these guidelines. CDSL conducts training programs and updates depository participants on compliance of the aforesaid guidelines. CDSL has prepared policy guidelines for implementation of PMLA and the same is reviewed periodically.

Subsidiaries of CDSL

➤ CDSL Ventures Ltd

Your company had floated a wholly owned subsidiary in the year 2006 viz:- CDSL Ventures Ltd (CVL) to undertake the common KYC for investors in Mutual Fund industry. CVL is the pioneer in the common KYC system. After promulgation of SEBI {KYC (Know Your Client) REGISTRATION AGENCY} Regulations, 2011 CVL became the first KRA registered with SEBI. The regulations mandate the intermediaries to upload the KYC of all clients to the KRA. An investor now does not have to do KYC again while

approaching another intermediary in the capital market. CVL today holds about 110 lakh records of Capital Market Investors under the KRA. CVL has earned a profit after tax of ₹ 793.63 lakhs as on 31st March, 2013.

➤ **Central Insurance Repository Limited**

Your Company had under the “Guidelines on Insurance repositories and electronic issuance of insurance policies” issued by IRDA, floated a separate subsidiary viz:- Central Insurance Repository Ltd (CIRL), in the year 2011 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 the issuance and maintenance of insurance policies. Eminent public sector and private sector insurance companies have contributed to the equity capital of CIRL. The software required for the project has been developed and tested. The company is in readiness to launch its business soon after the License from IRDA is received

Ownership Pattern

As at the end of the year under review, the shareholding pattern of your company is as under:

Category of shareholders	Equity Share Capital (₹in '000)	Percentage of shareholding
Banks	468,646	44.84
Stock Exchanges	576,346	55.16
Others	8	Negligible
Total	1,045,000	100.00

Details of the equity shares held by the shareholders of the company are given in **Annex A** to the Directors' Report.

Fixed Deposits

Your company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made thereunder.

Directors

SEBI vide its letter dated 8th April, 2013 approved the constitution of the Board of Directors of CDSL in pursuance of SEBI (Depositories and Participants) (Amendment) Regulations, 2012 and approved appointment of Shri N.Rangachary as the Chairman of the Board of Directors. Further SEBI nominated Shri N.Rangachary, Shri. T.S. Narayanasami, Dr. R. N. Nigam and Smt. Ela Bhatt as Public Interest Directors on the Board of CDSL for a period of three years. As per amended regulations their term of three years is subject to retirement and reappointment. Shri Rangachary and Shri Narayanasami are already the directors of CDSL. Their term will be valid upto 7th April, 2016. The term of Dr. R. N. Nigam and Smt. Ela Bhatt will be valid upto 21st April, 2016 i.e for a period of three years from the date of their appointment as additional director designated as Public Interest Directors.

During the year under review, Shri Madhu Kannan, director – BSE Limited resigned with effect from 10th May, 2012 and Shri S. Raman, director – Canara Bank resigned with effect from 12th October, 2012. Further Shri Alok Kumar Misra, director – Bank of India resigned with effect from 13th October, 2012. Shri V. Balasubramaniam, Shri P. Pradeep Kumar, Dr. R. N. Nigam and Smt. Ela Bhatt were appointed as additional directors during the year and will hold office till commencement of the Fifteenth Annual General Meeting.

Shri N. Rangachary retires by rotation at the Fifteenth Annual General Meeting and is eligible for re-appointment. The Board recommends appointment of Shri V. Balasubramaniam, Shri P. Pradeep Kumar, Dr. R. N. Nigam and Smt. Ela Bhatt as Directors on the Board.

The Board has placed on record its appreciation of the valuable services rendered by Shri Madhu Kannan, Shri S. Raman and Shri Alok Kumar Misra during their tenure as directors of the company.

Auditors

Deloitte Haskins & Sells, Chartered Accountants the Statutory Auditors whose term is valid upto ensuing Annual General Meeting have furnished a certificate to the effect that their appointment, if made, would be in accordance with the limit specified under Section 224(1B) of the Companies Act, 1956. Their appointment as Statutory Auditors of the company is required to be made by a Special Resolution pursuant to Section 224A of the said Act.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Considering the nature of operations of your company, the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to information to be furnished on conservation of energy and technology absorption are not applicable. The company has, however, used information technology extensively in its operations.

Details of foreign exchange earnings and outgo during the year under review are as under:

Particulars	Year ended 31st March, 2013 (₹in million)	Year ended 31st March, 2012 (₹in million)
Earnings	Nil	Nil
Outgo		
Travel expenses	0.43	1.83
Others	0.55	0.54
Total	0.98	2.37

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors reports that:

- i) in preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations relating to material departure, if any, have been provided;
- ii) accounting policies have been selected and applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; and
- iv) the annual accounts have been prepared on a going-concern basis.

Implementation of Code of Corporate Governance

As per the SEBI (Depositories and Participants) (Amendment) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for the listed companies mutatis mutandis are applicable to the depository. Your company had been, voluntarily observing the Code of Corporate Governance by adopting most of the good corporate governance policies as per Clause 49 of the Listing Agreement. The status of implementation of the Code of Corporate Governance is given in **Annex A**.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year ended 31st March, 2013 is attached as **Annex B**.

Appointment of Directors

A brief resume of each director who will be appointed/ re-appointed at the ensuing Annual General Meeting is given in **Annex C**.

Particulars of Employees

Information as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, is enclosed to this report.

Human Resource Development

The company always recognized its Human assets as a critical resource essential for the growth of the company. It therefore accords high importance to human resource development and consciously endeavors to enhance the quality and competence of its employees across cadres. It conducts induction programmes for new entrants. Nominating employees for training at reputed institutions and for attending seminars in India and abroad in capital market related areas, particularly relating to depositories, has always been a part of human resource development programme of the company. Industrial relations during the year continued to be cordial.

Acknowledgement

Your Directors place on record their sincere gratitude for the support, guidance and cooperation the company received from Ministry of Finance, SEBI and other regulatory agencies. The Directors also acknowledge with thanks the continued support of the BSE Ltd the holding company, Beneficial Owners, Depository Participants, Stock Exchanges, Clearing Houses, Issuers, and Registrar and Transfer Agents. The Directors also express their appreciation for the unflinching dedication of the employees whose performance, professionalism and commitment for rendering high quality services to the clientele of the company has been commendable.

For and on behalf of the Board

Sd/-

N. Rangachary
Chairman

Place : Mumbai

Date : 22nd April, 2013



CDSL

Annex A

Corporate Governance

Company's Philosophy on Code of Corporate Governance

The company has always been committed to good corporate governance practices based on fairness, equity, accountability, transparency and commitment to ethical values. It has prescribed Code of Conduct and Ethics for its directors and Key Management Personnel. It has also framed a policy which is applicable for all employees of the company to prevent unauthenticated market related news or rumours. The policies and business strategies of the company aim at providing secure and efficient depository services to investors within the prescribed legal framework. Business strategies are framed and implemented within compliance requirements.

Board of Directors

a) Composition

As on 31st March 2013, the Board consisted of seven directors including the Managing Director & CEO. Amongst six non-executive directors, four were sponsor/shareholder directors and two were independent/public interest directors. Shri N. Rangachary, who is an independent director, is also the non-Executive Chairman of the company. After SEBI approval, the composition of the Board has been brought in line with the provisions of the SEBI (Depositories and Participants) (Amendment) Regulations, 2012 in the Board meeting held on 22nd April, 2013.

All the Directors have informed about their Directorship and Membership on the Board Committees of other companies. Details of directorship and Board Committee membership of Directors in other public limited companies as on 31st March, 2013 are as under:

Name of the Director	Category	No. of directorships in other companies	No. of Board Committee memberships in other companies	No. of Chairmanships in Board Committees of other companies
Shri N. Rangachary, Chairman	Non-Executive-Independent	10	2	5
Shri T.S. Narayanasami	Non-Executive-Independent	15	-	-

Name of the Director	Category	No. of directorships in other companies	No. of Board Committee memberships in other companies	No. of Chairmanships in Board Committees of other companies
Shri Ashishkumar Chauhan	Non-Executive	9	1	-
Shri Neeraj Swaroop	Non-Executive	8	-	-
Shri V. Balasubramaniam	Non-Executive	3	2	-
Shri P. Pradeep Kumar	Non-Executive	2	-	-
Shri P. S. Reddy	Managing Director & CEO	1	1	-

b) Meetings and Attendance

The Board meets atleast once in a quarter to review the quarterly financial results and operations of the company. In addition, the Board also meets as and when necessary to address specific issues relating to the business. During the year, the Board met five times i.e. on 16th April, 2012, 28th May, 2012, 23rd July, 2012, 19th October, 2012 and 28th January, 2013. Details of attendance of the Directors at the Board meetings and the last Annual General Meeting are given hereunder:

Name of the Directors	No. of Board meetings held during the tenure	No. of Board meetings attended	Attendance at the last AGM
Shri N. Rangachary	5	5	Yes
Shri Madhu Kannan	1	1	NA
Shri Ashishkumar Chauhan	5	5	Yes
Shri T. S. Narayanasami	5	4	No
Shri S. Raman	3	-	No
Shri Alok Kumar Misra	3	-	No
Shri Neeraj Swaroop	5	4	No

Shri V. Balasurbramaniam	4	3	NA
Shri P. Pradeep Kumar	3	2	NA
Shri P. S. Reddy	5	5	Yes

To ensure smooth functioning of the company, the Board has constituted various Board committees, including Audit Committee, Remuneration Committee and Nomination Committee.

c. Board Procedures

The Board meetings are governed by the predetermined agenda. The Agenda alongwith the comprehensive notes and background material are circulated well in advance before each meeting to all Directors for facilitating effective discussion and decision making. The information as specified in Annexure IA to the clause 49 of the Listing Agreement is regularly made available to the Board. The proceedings of the meetings of the Board and its committees are recorded in the form of minutes and the draft minutes are circulated to the Board / Committee for perusal. The important decisions taken at the Board meetings are communicated to the concerned departments promptly.

d. Committees of the Board

There are five Committees of the Board, viz. Audit Committee, Share Allotment & Transfer Committee, Remuneration/Compensation & Organization Committee, Nomination Committee and Ethics Committee. The Board decides terms of reference for these committees. The minutes of the committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance of these committees are provided hereunder:

Audit Committee

a) Composition of the Committee

The Audit Committee as constituted on 22nd April, 2013 consists of 6 non-executive directors, out of which two third are independent/public interest directors. The members on the Audit Committee possess expertise in the fields of finance, accounting, banking and capital market. The Statutory Auditors, internal and concurrent auditors and heads of functional departments are permanent invitees to the Audit Committee meetings. The Company Secretary acts as the secretary to the Committee. The scope of activities and terms of reference of the Audit Committee is as set out in Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956. The following directors are members of the Committee:

1. Shri N. Rangachary
2. Shri T. S. Narayanasami
3. Dr. R. N. Nigam
4. Smt Ela Bhatt
5. Shri Ashishkumar Chauhan
6. Shri P. Pradeep Kumar

b) Role of the Audit Committee

The Audit Committee oversees the financial reporting process and disclosure of financial information. The Committee examines the annual financial statements and discusses in detail the adequacy of financial control systems with the external and internal auditors. The Committee recommends appointment of internal, concurrent and statutory auditors and reviews reports submitted by internal and concurrent auditors. It also oversees the operations of depository participants on the basis of the audit and inspection reports submitted by the company's own inspection teams.

c) Meetings and Attendance

The Committee met four times during the year 2012-13 i.e. on 16th April 2012, 23rd July 2012, 19th October, 2012 and 28th January, 2013. The record of attendance of the members of the Committee at these meetings is given hereunder:

Sr. No.	Name of the member	No. of meetings held during the tenure	No. of meetings attended
1.	Shri N. Rangachary	4	4
2.	Shri Ashishkumar Chauhan	3	3
3.	Shri P. Pradeep Kumar	2	1
4.	Shri Madhu Kannan	1	1
5.	Shri T. S. Narayanasami	4	4

Remuneration / Compensation and Organisational Committee

The Remuneration/ Compensation and Organisational Committee consists of non-executive directors. The Committee's terms of reference includes reviewing annually the remuneration to be paid to the whole time directors and recommending fixation / revision in the remuneration for approval of the Board within the maximum limit approved by the members. The Committee also decides on recruitment and personnel policy of CDSL. The following directors were members of the Committee as on 31st March, 2013:

Sr. No.	Name of the member	No. of meetings held during the tenure	No. of meetings attended
1.	Shri N. Rangachary	1	1
2.	Shri T. S. Narayanasami	1	1
3.	Shri Ashishkumar Chauhan	1	1
4.	Shri Neeraj Swaroop	1	1
5.	Shri P. Pradeep Kumar	Not Applicable	Not Applicable

Dr. R. N. Nigam and Smt. Ela Bhatt the public interest directors have been nominated on Remuneration / Compensation and Organisational Committee on 22nd April, 2013.

Details of remuneration paid to the directors

Managing Director

Currently the Board consists of only one executive director viz. Shri P. S. Reddy, Managing Director & CEO. The remuneration payable to him has been approved by the Remuneration / Compensation and Organizational Committee. The remuneration payable to him is commensurate with the responsibility conferred upon him by the Board and scope of its operations. The Remuneration includes basic salary, performance linked incentive, other allowances, company's contribution to provident fund and taxable value of perquisites.

Non-Executive Directors:

The non-executive Directors are paid remuneration by way of sitting fee. The Company pays sitting fee of ₹15,000/- for attending each Board meeting and ₹10,000/- for attending each meeting of the Board Committee to the non-executive directors. The Chairman is paid sitting fee of ₹20,000/- for attending each Board meeting and Board Committee meeting chaired by him.

Details of the sitting fees paid to the Executive and Non-Executive Directors during the year under review are as under:

Name	Shri N. Rangachary	Shri T. S. Narayanasami	Shri Madhu Kannan*	Shri Ashishkumar Chauhan *
Director Identification Number	00054437	01786981	02647756	00898469
Date of Birth	10.06.1938	18.05.1949	27.07.1973	16.03.1968
Qualification	FCA, FICWAI, FCS	B.SC (Chennai University)	B.E. (Hons.) in Electrical and Electronics,	B.Tech. in mechanical engineering (IT),

			M.Sc (Hons.) in Economics from BITS, Pilani, India	Post Graduate Diploma in Management (IIM)
			M.B.A. in Finance from Vanderbilt University, USA.	
Salary (₹)	-	-	-	-
Allowances (₹)	-	-	-	-
Perquisites (₹)	-	-	-	-
Sitting fee (₹)	2,80,000	1,70,000	45,000	1,55,000
Other compensation (₹)	-	-	-	-
Total (₹)	2,80,000	1,70,000	45,000	1,55,000

Name	Shri S. Raman*	Shri Alok Kumar Misra*	Shri Neeraj Swaroop
Director Identification Number	02511138	00163959	00061170
Date of Birth	07.09.1952	23.09.1952	15.07.1958
Qualification	B. Com Master in Economics (Nagpur University) CAIIB ACIB, London	M. Sc Statistics (Lucknow University) CAIIB	MBA (IIM, Hyderabad) Engineering Graduate (IIT, Delhi)
Salary (₹)	-	-	-
Allowances (₹)	-	-	-
Perquisites (₹)	-	-	-
Sitting fee (₹)	-	-	-
Other compensation (₹)	-	-	-
Total (₹)	-	-	-

Name	Shri V. Balasubramaniam*	Shri P. Pradeepkumar*	Shri P.S. Reddy
Director Identification Number	00625701	03614568	01064530
Date of Birth	30.07.1971	02.10.1955	20.02.1963
Qualification	M.Com (Mumbai University) ICWAI Certified Information Systems Auditor	Post Graduate in Statistics, Madras University	B.A. (Economics), (Andhra University, Visakhapatnam) M.A. (Economics), (University of Hyderabad, Hyderabad)
Salary (₹)	—	—	3,770,281
Allowances (₹)	—	—	2,219,103
Perquisites (₹)	—	—	39,600
Sitting fee (₹)	65,000	60,000	—
Other compensation (₹)	—	—	3,062,144
Total (₹)	65,000	60,000	9,091,128

(* Sitting Fees are paid to the Nominating Institutions)

The Company has not granted any Stock Options to any of its Directors.

Directors with materially significant, pecuniary or business relationship with the company

Notes to Financial Statements furnish the transactions with related parties, as stipulated under Accounting Standards. Apart from the aforesaid related party transactions, there are no transactions of material nature with the Directors which may have conflict with the interest of the company. There is no pecuniary or business relationship between the Non-executive Directors and the company.

Nomination Committee:

In terms of Corporate Governance Voluntary Guidelines 2009 issued by Ministry of Corporate Affairs, the Board has constituted Nomination Committee in June, 2010 to recommend appointment of Independent Directors and Executive Directors for approval of the Board. The following directors are the members of this committee:-

1. Shri N. Rangachary
2. Shri T. S. Narayanasami
3. Dr R. N. Nigam
4. Smt Ela Bhatt
5. Shri Ashishkumar Chauhan
6. Shri P. Pradeep Kumar

General Body Meetings :

	12th annual General Meeting	13th Annual General Meeting	14th Annual General Meeting
Day & Date	Monday 16 th August, 2010	Thursday 2 nd June, 2011	Monday 28 th May, 2012
Time	2.30 p.m.	12.00 noon	2.30 p.m.
Venue	BSE Board Room, 26 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	BSE Board Room, 26 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	BSE Board Room, 26 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001
Book Closure	- Nil -	- Nil -	- Nil -
Payment of Dividend	₹1.2 per share i.e. 12%	₹1.2 per share i.e. 12%	₹1.5 per share i.e. 15%
Dividend payment date	16 th August,2010	2 nd June, 2011	28 th May, 2012
No. of Special resolutions set out at the AGM	1	1	1

All special resolutions set out in the notices of the Annual General Meetings were passed by the shareholders by show of hand method at the respective meetings with requisite majority.

CEO / CFO Certificate

As required by Clause 49(V) of the Listing Agreement, the CEO/ CFO Certificate for the FY 2012-13 signed by Shri P. S. Reddy, Managing Director & CEO and Shri Bharat Sheth, Chief Financial Officer forms part of the Annual Report.

Disclosures

Disclosures on materially significant related party transactions

Your Company has not entered into any transaction of a material nature except transactions with related parties which are furnished under “Related Party Disclosure”.

Details of non-compliance(s) by the company

Your company has complied with all the requirements of the Securities and Exchange Board of India (SEBI) on matters related to Capital Markets or any other matter, as may be applicable from time to time. There were no penalties imposed or strictures passed against the company by the statutory authorities in this regard.

Compliance with mandatory requirements

Your company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreement to the extent they are applicable to a depository. A certificate from M/s. S. G. & Associates, Company Secretaries confirming the compliance, is annexed to the Directors Report and forms part of the Annual Report.

The Board

Your Company maintains the expenses relating to the office of the non-executive Chairman and reimburses all the expenses incurred in performance of his duties. All the independent directors of the company possess the requisite qualifications and experience which enable them to contribute effectively to the company.

Remuneration / Compensation and Organization Committee

Your Company has set up a Remuneration / Compensation and Organisation Committee of the Directors to determine the Company's policy on remuneration packages for all executive directors and employees. The Committee consists of non-executive directors. Shri N. Rangachary is the Chairman of the Committee.

Audit Qualifications

During the period under review, there are no audit qualifications in the Company's financial statements. The Company continues to adopt the best practices to ensure a regime of unqualified financial statements.

Training of Board Members

The Directors endeavour to keep themselves updated with changes in the global economy and legislation.

Mechanism for evaluating non-executive Board Members

Your company currently does not have a mechanism for evaluating the performance of the Non-executive board members.

Whistle Blower Policy

Your Company has adopted a Whistle Blower Policy with an objective to provide employees a framework and to establish a formal mechanism or process whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication. In accordance with the Policy, an Ethics Committee has been constituted comprising of Shri. N. Rangachary, Shri T. S. Narayanasami, Smt. Ela Bhatt and Shri V. Balasubramaniam. The employees can make Disclosures to the Ethics Committee regarding any malpractices or event or activity that may have occurred in the organization and which may be considered as unethical or fraudulent. The employees may, where the matters are of grave nature, make Protected Disclosures directly to the Chairperson of the Ethics Committee of the Board of Directors of the Company.

Means of Communications

The company issues communiqués to its depository participants and to Registrar and Transfer Agents as and when necessary. In addition to this the company disseminates information about important developments in the depository related areas to all users through its website-www.cdslindia.com. 'CDSL Infoline', a bi-monthly publication and e-infoline, a monthly publication of the company, provides latest updates to the market participants.

Your Company also allows DPs to submit BO Grievance Reports and internal audit reports electronically.

Code of Conduct

The Board has laid down a Code of Conduct for all Board members and Key Management Personnel of the Company. All Board members and Key Management Personnel have affirmed compliance with the Code. The declaration to this effect signed by Shri P. S. Reddy, Managing Director and CEO forms the part of the report.

General Shareholder Information

Fifteenth Annual General Meeting

Day & Date	Monday, 10 th June, 2013
Time	1:30 p.m.
Venue	BSE Board Room, 26 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001
Book Closure	- Nil -
Payment of Dividend	20%
Dividend payment date	10 th June, 2013

Financial Year:

The company's Financial Year commences from 1st April and ends on 31st March of the following year.

Listing on Stock Exchange

The shares of the company are not listed on any Stock Exchange.

Registrar and Transfer Agent

The company has established in-house facility for the purpose of recording issue/transfer of shares in both physical and dematerialized form. Hence the company has not appointed any Registrar and Transfer Agent.

Share Transfer System:

The company has Share Allotment and Transfer Committee. The Committee consists of non-executive directors. Shri N. Rangachary is the Chairman of the Committee.

Shareholding Pattern

The company's issued and paid up capital of ₹104.50 crores consists of 10.45 crore shares of ₹10/- each. Details of the shares held by different shareholders as on 31st March, 2013 are as follows:

Sr. No.	Name	No. of Shares held	Percentage
1	BSE Limited	56,634,600	54.20
2	Bank of India	5,820,000	5.57
3	Bank of Baroda	5,300,000	5.07
4	State Bank of India	10,000,000	9.57
5	HDFC Bank Ltd.	7,500,000	7.18
6	Standard Chartered Bank Limited	7,500,000	7.18
7	Canara Bank	6,744,600	6.45
8	Union Bank of India	2,000,000	1.91
9	Bank of Maharashtra	2,000,000	1.91
10	The Calcutta Stock Exchange Limited	1,000,000	0.96
11	Others	800	Negligible
	Total	104,500,000	100.00

Annual Report

Annual Report containing, inter alia, Audited Accounts, Directors' Report, Auditors' Report, Consolidated Financial Statements and other related information is circulated to all shareholders. The Management Discussion and Analysis Report and the Corporate Governance Report annexed to the Directors' Report also forms part of the Annual Report.

Address for Correspondence

Any query on Annual Report may be addressed to Shri Satish Budhakar, Senior Vice President & Group Company Secretary at the following address:

Central Depository Services (India) Limited
17th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001
Tel : (Direct) 022 – 22722847 / 22728432
(Board) 22723333 / 22723224
Fax : 022 – 22722072
Email : satishb@cdslindia.com

For and on behalf of the Board
Sd/-

Place : Mumbai

N. Rangachary

Date : 22nd April, 2013

Chairman

Declaration as required under Clause 49 of the Listing Agreement with respect to the Code of Conduct

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2013.

P. S. Reddy
Managing Director & CEO

Place : Mumbai
Date : 22nd April, 2013

**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE OVERNANCE REQUIREMENTS
UNDER CLAUSE 49 OF LISTING AGREEMENT**

To the Members of

Central Depository Services (India) Limited

We have examined the compliance of conditions of Corporate Governance by Central Depository Services (India) Limited, for the year ended on 31st March, 2013, as applicable to listed companies

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement to the extent they are applicable to a Depository.

We further state that such compliance 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 **SG & Associates**

Company Secretaries

Suhas Ganpule

(Proprietor)

M. No. ACS 12122

C.P. No. 5722

Date : 17th April, 2013

Place Mumbai



CDSL

Annex B

Management Discussion and Analysis Report

1. Introduction

Your company as a depository is an important Market Infrastructure Institution in the Indian capital market. It provides depository services in respect of various types of securities through depository participants and has put in place necessary infrastructure for recording allotment and transfer of securities in dematerialized form and to protect the interest of the investors. Since the commencement of its operations twelve years ago, the company has emerged as a convenient, dependable and secure depository and has accomplished high level of operational efficiency over the years.

2. Industry Structure and Developments

The depository provides infrastructure for maintenance of records of the beneficial owners and facilitates transfer of securities. The depository participants, who are agents of CDSL provide an interface between the depository and beneficial owners. The clearing houses / clearing corporations of stock exchanges and commodity exchanges are electronically connected for processing settlement of transactions. The activities like dematerialization and rematerialisation of securities/ warehouse receipts, corporate actions such as issue of rights and bonus shares, consolidation, subdivision and redemption of securities and revalidation of warehouse receipts are carried out by the issuers of securities or their Registrars and Transfer Agents who have established electronic connectivity with your company.

3. Opportunities and Threats

The depository system has helped to enhance liquidity, facilitate faster transfer of securities, reduce transaction costs, and prevent various risks associated with the erstwhile system of holding securities in physical form. Currently various types of securities such as equity shares, debentures, bonds, certificate of deposits, commercial paper are admitted with CDSL for dematerialization. Your company has also commenced admission of open ended Mutual Fund units, which can now be purchased on the mutual fund platform of BSE and NSE.

Opportunities

SEBI has made it mandatory for the top 500 companies to register for the e-Voting facility. Although, the charges have been waived currently to promote this product, this product holds tremendous opportunity in the future as there are over 6000 listed companies. The introduction of the RGESS would also facilitate in encouraging new retail investors to open their demat accounts, which augurs well for the depositories.

Threats

With adverse market conditions, the revenues of our DPs have also dipped considerably due to low market volumes. Further, many DPs are finding it unviable to remain in this business due to increase in compliance and the associated costs. Some of the issues which could impact business are:

- Dps are unable to expand their foot print as they require a NISM certified official in each branch offering the service. As a result, many DPs in order to become compliant have started closing down branches which will impact the reach of the depository.
- SEBI has introduced the concept of Basic Service Demat Account (BSDA), where an investor having a portfolio less than ₹ 50,000/- will not pay any AMC. Further, these DPs have to mandatorily send a statement to the investor even for NIL balance accounts. Since a major percentage of accounts fall into this category, it effectively means that DPs income could get adversely affected. At the same time there would be an outgo for dispatch of physical statements. In order to reduce the impact, we expect a large number of nil balance accounts to be closed by the DPs.

4.Segment wise / product wise Performance

The depository services of CDSL cannot be classified into different business segments or products. Its performance may, therefore, be viewed in an integrated manner from the data furnished hereunder:

a. Operational highlights:

Sr. No.	Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012	Growth in percentage (%) terms
1	Beneficial Owner Accounts			
	- Gross	10,967,176	10,214,904	7.36
	- Net	8,327,482	7,917,184	5.18
2	Holdings of securities			
	Value (in million ₹)	9,850,377	1,02,05,690	-3.48
	Volume (in million)	151,792	1,33,570	13.64
3	Number of Depository Participants	577	566	1.94

b. Financial Performance

The company registered a gross income of ₹ 1044.85 million in 2012-13 as against ₹ 1022.42 million in the previous financial year reflecting an increase of 2.19 %. The profit after tax amounted to ₹410.99 million as against the net profit of ₹474.57 million in the previous year, reflecting a decline of 13.40 % over the previous year. The decline is due to provision of ₹132.66 million towards Beneficial Owners Protection Fund as against Nil for the previous year. The financial performance of the company is mainly dependent on the capital market conditions.

Discussion on financial performance with respect to operational performance for the year 2012 - 13
1. Operating Revenues:

The income from operations was ₹753.55 million as against ₹782.59 million for the previous year. The major contributors towards operational income were custodial fees from Issuers at ₹389.76 million, IPO / corporate action charges at ₹ 49.15 million and Transaction charges at ₹218.50 million.

2. Other Income :

Other income consisting of interest on bank deposits, interest on debt investment, dividend from mutual funds, profit earned on sale of mutual fund units, management consultancy fees and rental income, was at ₹291.30 million, registering an increase of 21.46% over the previous year.

3. Operating, Maintenance and Other expenses, Depreciation & Amortization:

Total expenses including personnel cost, system maintenance charges, other expenses and depreciation amounted to ₹374.31 million as compared to ₹331.88 million for the previous year.

4. Contribution to Beneficial Owners Protection Fund amounting to ₹132.66 million is made in the current year as against nil in the previous year.

5. Profit :

(i) Profit Before Tax (PBT) amounted to ₹530.65 million as against ₹663.87 million for the previous year.

(ii) A sum of ₹135.50 million was provided for Income Tax for the year ended 31st March, 2013.

The net profit for the year ended 31st March 2013 was ₹410.99 million as against ₹474.57 million for the previous year.

Future Outlook

The global financial crisis has affected virtually every economy in the world, and India is no exception. In the crisis year of 2008-09, growth dropped to 6.7 per cent, but it recovered smartly thereafter. In fact, in the two years after the crisis, 2008-09 and 2009-10, growth averaged 9.0 per cent which compares favourably with the average growth of 9.5 per cent in the three years before the crisis. However, last year, 2011-12, growth moderated to 6.2 per cent, and according to advanced estimates released by the Central Statistical Organisation (CSO), the GDP (Gross Domestic Product) growth during 2012-13 is estimated at 5% as compared to a growth rate of 6.2% in 2011-12.

This is India's lowest economic growth rate in a decade as growth has decelerated, high inflation and with a record high current account deficit. Business confidence has been hit by a rising fiscal deficit, vacillating commitment to reforms and governance concerns, all of which dampened investor perceptions on returns to investment.

The transactions processed by your company are inextricably linked to settlement of trades on the stock exchanges. CDSL's business prospects are, therefore, essentially driven by the volume of transactions which again is in a large measure determined by stock market sentiment and activity level. During the year 2012-13, although the stock market indices have increased by 8%, the volumes have remained subdued, which has impacted the number of debit transactions on CDSL by 10%. Further, with the number of investors having declining as compared to the previous years, maintaining the earlier pace of growth of its depository operations will be a challenge. However, no efforts will be spared to achieve satisfactory financial results for the year 2013-14.

6. Risk Management

Concurrent audit of all critical functional areas of the company like admission of Depository Participants, admission of securities, registration of RTAs, corporate actions etc. is carried out by an independent firm of Chartered Accountants. Operational as well as financial areas are covered in the internal audit which is carried out by the independent firm of Chartered Accountants. Assets verification and detecting revenue leakages, if any, fall within the scope of internal auditors. Post audit reviews are carried out to ensure follow up on the observations made. The scope of the internal and concurrent audit is determined by the Audit Committee and the audit reports are reviewed by this Committee on regular basis.

A Risk Management Committee has been constituted to assess and recommend strategies to mitigate the risks involved in depository and depository participant business.

As a risk management measure, SMS alerts are sent by CDSL directly to BOs for any

debit or credit transaction, modifications in important client details like address, nominee etc., pledge transactions, credits received through dematerialization, IPOs and /or corporate actions.

CDSL has continued with its policy to lay more stress on compliance so as to ensure that the integrity of the depository system is not compromised, since this is a key driver for sustainable growth. CDSL has also obtained a Comprehensive Package Policy to cover risks associated with Securities Depository Operations with indemnity limit of ₹50 Crores (Any one Accident) and ₹100 Crores (Any one Year) covering the company and its depository participants. A similar policy covering risks associated with operations in warehouse receipts held in electronic form has been obtained with indemnity limit of ₹10 Crores (Any one Accident) and ₹20 Crores (Any one Year). CDSL performs periodic Information Systems Audit with a view to secure its IT environment and to improve various IT related processes. The comprehensive System Audits which covers entire IT infrastructure is carried out by external system auditors. CDSL has benchmarked its IT practices with ISO27001 standard and is certified for the same by DNV. CDSL is also certified with BS 25999 standard by DNV. The Vulnerability Assessment /Penetration Testing Audits are also carried out by external auditors at regular intervals. The compliance of audit is done promptly, the progress of which is monitored by Technology Development Advisory Committee.

7. Monitoring of DP Operations

CDSL evaluates adequacy of internal controls and procedures and to ensure adherence to compliance requirements by the depository participants, who provide an interface to investors in extending depository services.

The depository participants of CDSL have to mandatorily appoint independent Chartered Accountant firms to conduct concurrent audit of risk prone areas on 100% basis. This is in addition to the internal audit that they are required to carry out and submit report to CDSL every half year. CDSL also conducts regular inspection of depository participants and Registrar and Transfer Agents in order to improve the efficiency of operations of depository participants and ensure compliance with

regulatory provisions. During last financial year, CDSL conducted inspections of all its active depository participants through its own inspection team.

To enhance the overall compliance level, CDSL has taken initiatives to educate depository participants across the country. CDSL conducts compliance training programmes for depository participants. To ensure that internal auditors of depository participants are equipped with knowledge about depository participant operations, CDSL conducts training for internal auditors of depository participants with special focus on auditing tools and procedures.

Cautionary Statement:

Observations made in the Management Discussion and Analysis describing CDSL's objectives, expectations, aspirations and projections are based on experience relating to behavioural pattern of capital market. Actual results may vary in tandem with the capital market conditions and regulatory environment.

For and on behalf of the Board

Place : Mumbai

Date : 22nd April, 2013

Sd/-

N. Rangachary

Chairman

Annex C

Profile of Directors seeking appointment / reappointment at the Annual General Meeting.

Shri N. Rangachary

Shri N. Rangachary started his career as Indian Revenue Service Officer in 1960. He served as the Chairman of Central Board of Direct Taxes until 1996. He was the founding Chairman of Insurance Regulatory and Development Authority (IRDA) and held the office until June 2003. He also served as Advisor to the Government of Andhra Pradesh on Finance, Risk Management and Insurance from November 2003 to November 2008. He has been an Independent Director on many reputed companies. He is Honorary Member of the Indian Institute of Actuary. He was honored with “International Insurance Award” in the year 1999 and 2000 by the International Insurance Council, USA. He is a Fellow Member of the Institute of Chartered Accountants of India, Institute of Cost and Works Accountants of India and Institute of Company Secretaries of India.

Shri V. Balasubramaniam

Shri V. Balasubramaniam is the Chief Business Officer at BSE Ltd responsible for the Markets – Trading Business, Data Business, Listings Business and Index Business and a part of the Executive Management Committee. He has more than 2 decades of experience in managing business and technology operations in the capital markets and derivatives market industry. He did his Masters in Commerce from the University of Mumbai and a Rank holder from the Institute of Costs and Works Accountants of India. He is also a Certified Information Systems Auditor. He was part of the Core team involved in setting up the National Stock Exchange (NSE) and played a key role in the setting up of NSE trading systems for the Equity segment, creation of indices (Nifty 50), introduction of Certification program and Equity Derivatives market segment of NSE. Post his tenure at NSE, he joined the Reliance Group and worked there for a decade where he was involved in numerous initiatives including handling the automation efforts for various verticals in the group. He has also set up and operated the brokerage business at Basis Point Securities and Basis Point Commodities as CEO which

specialized in automated trading. He also has three successful startups to his credit. As Co-founder of Marketplace Technologies, he was a key driving force in building Marketplace Technologies into one of India's leading software and IT Services Company focused on stock, commodities, currency and derivatives markets. Marketplace Technologies was acquired by the Bombay Stock Exchange in September 2009 and he joined BSE as Head - Special Initiatives reporting into the MD & CEO. As part of this responsibility, he worked as the Chief Operating Officer of United Stock Exchange a start-up exchange on the Currency Derivatives market space and successfully managed the launch of this exchange till Nov 2010. Additionally, he now oversees the Training business which is housed under BSE Institute Limited (BIL) as a Board Member and serves as a Director on the boards of Central Depository Services (India) Limited, Indian Clearing Corporation Limited, BOI Shareholding Limited and The Calcutta Stock Exchange Limited. He also serves in numerous committees of BSE (e.g. Chairman of the Index Committee), CDSL, CSE and BIL.

Shri P. Pradeep Kumar

Shri P. Pradeep Kumar, presently is the Dy. Managing Director & GE (Global Market), State Bank of India. A post graduate in Statistics from Madras University, he started his career in SBI as a Probationary Officer in 1976. He has held a variety of assignments in retail banking, SME, corporate banking and information technology. He was country Head of the US Operations of the Bank for 4 years (2006 – 2010). Before the current assignment, he was head of the Global IT operations of the Bank. He was also Managing Director of State Bank of Travancore (2010 -11). He is an avid cricket fan, crossword enthusiast and connoisseur of old Hindi film music.

Dr. R. N. Nigam

Dr. R. N. Nigam, is a Associate Professor in Commerce (Senior Most)-Ex-Head-Rtd. & Acting Principal of Delhi College Of Arts & Commerce. He is also appointed as a Regional Coordinator of Indo Latin American Chamber of Commerce and Industry, Chennai. He is a M.Com from University of Delhi, LLB, Post Graduate in Company Law and had obtained Ph. D in Management Accounting. He has a vast experience of 42 years in teaching field. He is also on the Committees of various colleges / institutions. Dr. Nigam had written over 40 papers, which are published in leading journals such as

Chartered Accountant, Chartered Secretary (Instt. Of Co. Secretaries of India), Company News and Notes, Shareholders Journal, Papers presented at the International UGC Seminars, etc. He is also on the Editorial Board of Three Management Journals of International Level. He is a Member on the Editorial Board of Journal of Management-D.B.Jain Institute of Management, Chennai. He was also the chairman of The Accreditation Team- National Board of Accreditation, New Delhi. He was honored with Outstanding Teacher Award by Salwan Education Trust, New Delhi, University Grants Commission award for conducting research on valuation of Corporate Assets and U.N. constituted International Trade Summit Award, 2004 for Academic Excellence. He was invited by the EEC Commission (European Union), Brussel to have discussions on Practice of Inflation Accounting in EEC Countries.

Smt. Ela Bhatt

Smt. Ela Ramesh Bhatt, is the founder of the “Self-Employed Women's Association of India” (SEWA.) A lawyer by training, she is a part of the international labour, cooperative, women, and micro-finance movements who has won several national and international awards. She is also the founder member of “The Elders”, a group of world leaders to contribute their wisdom, independent leadership and integrity to tackle some of the world's toughest problems. She received her Bachelor of Arts degree from the M.T.B. College in Surat in 1952. In 1954 she received her degree in law and a Gold Medal for her work on Hindu Law. She then taught English for a short time at SNDT Women's University, in Mumbai. In 1955 she joined the legal department of the Textile Labour Association (TLA) in Ahmedabad. She was one of the founders of Women's World Banking in 1979 with Esther Ocloo and Michaela Walsh, and served as its chair from 1980 to 1998. She was also a trustee of the Rockefeller Foundation. She was granted an honorary Doctorate degree in Humane Letters by Harvard University in June 2001. In 2012, she received a Doctor of Humane Letters, from Georgetown University and has received an honorary doctorate from Universite Libre De Bruxelles in Brussels, Belgium. She also holds honorary doctorates from Yale and University of Natal. Smt. Bhatt was honored with Padma Shri in 1985, and the Padma Bhushan in 1986. She was also awarded the Ramon Magsaysay Award for Community Leadership in 1977, the Right Livelihood Award in 1984 and the Niwano Peace Prize for 2010 for her work empowering poor women in India. On November 2010, US Secretary of State

Hillary Clinton honoured Smt.Bhatt with the Global Fairness Initiative Award for helping move more than a million poor women in India to a position of dignity and independence. Smt. Bhatt was also honoured with the prestigious Radcliffe Medal on May 27, 2011 for her efforts in helping uplift women, which had a significant impact on society. In November 2011, Smt. Bhatt was selected for the Indira Gandhi Prize for Peace, Disarmament and Development 2011 for her lifetime achievements in empowering women through grassroots entrepreneurship. Smt. Ela Bhatt has also written a book titled “We are poor but so many: the story of self-employed women in India” which has been translated in Gujarati, Urdu, Hindi and is currently being translated in French and Tamil

CEO AND CFO CERTIFICATE

To the Board of Directors
Central Depository Services (India) Ltd.

We, P. S. Reddy, Managing Director & CEO and Bharat Sheth, Chief Financial Officer certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2013 and that to the best of our knowledge and belief :
 - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- (d) We have indicated to the Auditors and the Audit Committee that -
 - i. there have not been any significant changes in internal control over financial reporting during the year under reference;
 - ii. there has been a significant change in accounting policy in respect of Short Term Employee Benefits policy. The required disclosure in this

- regard is made in the notes to the financial statements; and
- iii. there have not been any instances during the year of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

P. S. Reddy
Managing Director & CEO

Bharat Sheth
Chief Financial Officer

Place : Mumbai

Date : 22nd April, 2013

AUDITORS' REPORT

TO THE MEMBERS OF CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (“the Company”), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March , 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1.As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in theAnnexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2.As required by Section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the accounting standards referred to in Section 211(3C) of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Diectors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No.117365W)

Kalpesh J. Mehta
Partner
(Membership No.48791)

MUMBAI, 22 April 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(I) Having regard to the nature of the Company's business / activities / result / transactions, etc. clauses (ii), (vi), (viii), (x), (xi), (xii), (xiii), (xvi), (xvii), (xviii), (xix), and (xx) of CARO are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) According to the information and explanation given to us, the Company has neither granted nor taken any loan, secured or unsecured, to / from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchases of fixed assets and the sale of services. During the course of our audit, we have not observed any major weakness in such internal controls.

(v) To the best of our knowledge and according to the information and explanation

given to us there are no contracts or arrangements, particulars of which needed to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.

- (vi) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
 - (c) Details of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved-excluding interest (Rs. in lakhs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2009-10 & AY 2010-11	67.58
Service Tax	Service Tax	Commissioner of Service Tax	FY 2004-05 to FY 2009-10	2256.00

- (viii) Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
- (ix) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company are not prima facie prejudicial to the interests of the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No.117365W)

Kalpesh J. Mehta
Partner
(Membership No.48791)
MUMBAI, 22 April 2013

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
Balance Sheet as at 31st March 2013

Particulars	Note No.	(₹) In Lacs	(₹) In Lacs
		Amount as at 31 - March -2013	Amount as at 31 - March -2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	10,450.00	10,450.00
(b) Reserves and surplus	4	20,573.87	18,909.09
2 Non - current liabilities			
(a) Other Long term liabilities	5	2,159.99	2,071.24
3 Current liabilities			
(a) Trade payables	6	204.68	419.44
(b) Other current liabilities	7	2,102.02	650.55
(c) Short - term provisions	8	2,876.22	1,994.29
TOTAL		38,366.78	34,494.61
II. ASSETS			
1 Non - current assets			
(a) Fixed assets	9		
(i) Tangible assets		613.39	521.50
(ii) Intangible assets		172.23	1.97
(b) Non-current investments	10	6,205.78	9,406.93
(c) Deferred tax assets (net)	24	458.22	299.74
(d) Long - term loans and advances	11	1,040.52	607.61
2 Current assets			
(a) Current investments	10	26,136.13	19,809.93
(b) Trade receivables	12	350.25	443.16
(c) Cash and Bank Balances	13	3,008.78	3,013.03
(d) Short- term loans and advances	14	182.87	127.76
(e) Other current assets	15	198.60	262.99
TOTAL		38,366.78	34,494.61
See accompanying notes forming part of the financial statements	1 & 2		

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

N Rangachary
Chairman

P. S. Reddy
Managing Director & CEO

Kalpesh J. Mehta
Partner

Satish Budhakar
Sr.Vice President (Legal)
& Group Company Secretary

Bharat sheth
Sr.Vice President &
Chief Financial officer

Place : Mumbai
Date : 22nd April 2013

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
Statement of Profit and Loss for the year ended 31st March 2013
(₹) In Lacs (₹) In Lacs

Particulars	Refer Note No.	For the year ended 31 March 2013	For the year ended 31 March 2012
I. Revenue from operations	16	7,535.53	7,825.91
II. Other income	17	2,912.97	2,398.38
III. Total Revenue (I + II)		10,448.50	10,224.29
IV. Expenses:			
Employee benefits expense	18	1,560.59	1162.81
Depreciation and amortization expense	9	184.84	354.02
Other expenses (Including contribution to IPF Rs. 1327 Lacs in current year)	19	3,324.31	1802.00
Total expenses		5,069.74	3,318.83
Profit before exceptional and extraordinary items and tax (III-IV)		5,378.76	6,905.47
VI. Exceptional items - Municipal tax		-	266.77
VI. Profit before extraordinary items and tax		5,378.76	6,638.70
VII. Extraordinary Items - Loss due to fire (Net)		72.27	-
VIII. Profit before tax (VI- VII)		5,306.49	6,638.70
IX Tax expense:			
(1) Current tax		1,355.00	1930.00
(2) Deferred tax		(158.48)	(37.02)
X Profit for the year from continuing operations (VIII-IX)		4,109.97	4,745.72
XI Profit for the year		4,109.97	4,745.72
XII Earnings per equity share: Basic and Diluted		3.93	4.54
XIII Nominal Value per share (Rupees)		10.00	10.00
See accompanying notes forming part of the financial statements	1 & 2		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner

Place : Mumbai
Date : 22nd April 2013

For and on behalf of the Board of Directors

N Rangachary
Chairman

Satish Budhakar
Sr.Vice President (Legal)
& Group Company Secretary

P. S. Reddy
Managing Director & CEO

Bharat sheth
Sr.Vice President &
Chief Financial officer

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
Cash Flow Statement for the year ended 31 March 2013

	For the year ended 31 March 2013	For the year ended 31 March 2012
	(₹) In Lacs	(₹) In Lacs
CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAXES	5,306.49	6,638.70
Net Profit for non-cash and other items to be disclosed separately		
Add : Depreciation	184.84	354.02
Provision for Doubtful Debts	149.89	91.00
Loss Due to fire	72.27	-
Less : Profit from sale of Investments	1,508.18	883.43
Income from mutual funds	365.33	147.17
Provision no longer required written back	-	1.69
Advisory Fees	-	36.26
Profit on sale of fixed assets(net)	8.05	2.93
Interest Income on Fixed Deposits	302.91	706.91
Interest Income on Investment in Debt Instruments	570.37	587.90
	(2,347.85)	(1,921.27)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,958.63	4,717.43
Advisory Fees	-	36.26
<u>Adjustment for changes in working capital</u>		
Trade Receivables	(56.98)	(47.75)
Short-term loans and advances	(55.11)	(142.31)
Trade payables	(214.77)	1.11
Other Long term liabilities	88.75	132.40
Other current liabilities	1,451.47	412.03
Short-term provisions	258.68	(53.03)
	1,472.03	338.72
CASH GENERATED FROM OPERATIONS	4,430.66	5,056.15
Taxes Paid	(1,780.03)	(2,117.90)
A NET CASH PROVIDED BY OPERATING ACTIVITIES	2,650.63	2,938.25
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(531.93)	(122.77)
Sale of Fixed Assets	8.16	3.27
Insurance Claim received for Fire damage	4.56	-
Purchase of Investments(Net)	(39,351.09)	(30,307.21)
Sale proceeds of Investments	37,734.22	22,464.27
Deposits with Banks	28.36	5,034.78
Dividend Received	365.33	147.17
Interest Received	884.31	1,289.87
B NET CASH USED IN INVESTING ACTIVITIES	(858.08)	(1,490.62)

CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid including Dividend Distribution Tax	(1,821.79)	(1,457.43)
C NET CASH USED IN FINANCING ACTIVITIES	<u>(1,821.79)</u>	<u>(1,457.43)</u>
NET INCREASE / DECREASE IN CASH & CASH EQUIVALENTS (A+B+C)	<u>(29.23)</u>	<u>(9.80)</u>
Cash and Cash Equivalents at the beginning of the year	163.03	172.83
Cash and Cash Equivalents at the end of the period	133.78	163.03
	<u>(29.23)</u>	<u>(9.80)</u>
1 . Cash and Cash Equivalents comprises of		
Cash and Cheques on Hand	53.04	0.44
With scheduled bank on		
Current Accounts	79.53	161.40
With RBI - Current Account	1.21	1.19
	<u>133.78</u>	<u>163.03</u>
2. Reconciliation of Cash and Cash Equivalents		
Cash and Bank Balances as per Balance Sheet	3,008.78	3,013.03
Bank Deposits with maturity date after three months	2,875.00	2,850.00
Cash and Cash Equivalents as per Cash Flow Statement	<u>133.78</u>	<u>163.03</u>

Notes :

The above statement has been prepared by using the indirect method as per Accounting Standard 3 - Cash Flow Statement issued by the Institute of Chartered Accountants of India.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner

Place : Mumbai
Date : 22nd April 2013

For and on behalf of the Board of Directors

N Rangachary
Chairman

Satish Budhakar
Sr.Vice President (Legal)
& Group Company Secretary

P. S. Reddy
Managing Director & CEO

Bharat sheth
Sr.Vice President &
Chief Financial officer

Notes forming part of the financial statements

1. General Information

Central Depository Services (India) Limited (CDSL) was set up with the objective of providing convenient, dependable and secure depository services at affordable cost to all market participants. A depository facilitates holding of securities in the electronic form and enables securities transactions to be processed by book entry by a Depository participants (DP) who as an agent of the depository, offers depository services to investors.

2. Significant Accounting Policies:

a) General

Basis of preparation of financial statements:

The financial statements are prepared on an accrual basis under historical cost convention, on going concern basis and in accordance with the accounting principles generally accepted in India to comply in all material aspects with the accounting standards notified by the Central Government under Companies (Accounting Standards) Rules, 2006 and the other relevant provisions of the Companies Act, 1956.

Use of Estimates:

For the preparation of financial statements requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable and results however are not likely to differ from these estimates materially. Any revision to accounting estimates is recognised prospectively

b) Fixed Assets

Fixed assets are shown at their original cost of acquisition including taxes, duties, freights and other incidental expenses relating to acquisition and installation, incurred until the asset is ready to put to use for its intended purpose, less accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits for the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

c) Software Costs

Cost of development and production of internally developed or purchased Systems Software, Application Software and additions of new modules thereto are capitalized and any expenses for modifications/changes thereto are charged to the Statement of Profit and Loss.

d) Depreciation/Amortization/Impairment Loss

Depreciation on fixed assets is provided on Straight Line Method in the manner specified in Schedule XIV to the Companies Act, 1956 (hereinafter referred to as "the Act") at the rates mentioned below:-

Description of asset	Rates as per the Schedule XIV %	Rates used %
Building	1.63	10
Computer	16.21	50
Hardware/software		
Office Equipment	4.75	20
Furniture & Fixtures	6.33	20
Vehicles	9.5	25

Assets costing ₹5,000 or less are fully written off in the year of purchase.
Leasehold premises amortized over a period of 10 years.

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

e) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

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

f) Employees Benefits

Short term Employee Benefits are estimated and provided for.

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

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

i) Defined Contribution Plans:

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

Contributions to the defined contribution plans are charged to Statement of Profit and Loss for the respective financial year.

(ii) Defined Benefits Plans:

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

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

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

g) Current tax and deferred tax

Provision for current tax is made on the basis of relevant provisions of the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax

profits for the year is accrued for, using the tax rates and laws those have been substantively enacted as of the balance sheet date. Deferred tax assets arising from differences are recognised to the extent that there is reasonable certainty that these would be realised 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.

h) Foreign Currency Translation

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.

i) Revenue Recognition

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

Discount or premium on debt securities / discounted Money Market Instruments is accrued over the period of remaining maturity.

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

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

j) Provisions and Contingent Liabilities

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

- i. The Company has a present obligation as a result of past event,
- ii. A probable outflow of resources is expected to settle the obligation and
- iii. The amount of the obligation can be reliably estimated.

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

Contingent Liability is disclosed in the case of

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

Contingent liabilities are not recognised but are disclosed in Notes to Accounts, while contingent assets are neither recognised nor disclosed in the financial statements.

Note 3 Share Capital

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	(₹) In Lacs	Number	(₹) In Lacs
<u>Authorised</u>				
Equity Shares of ₹ 10/- each with voting rights	150,000,000	15,000.00	150,000,000	15,000.00
<u>Issued, Subscribed & Paid up</u>				
Equity Shares of ₹ 10/- each with voting rights	104,500,000	10,450.00	104,500,000	10,450
Total	104,500,000	10,450.00	104,500,000	10,450.00

Note 3a Share capital
Particulars
Notes:
(i) Reconciliation of the number of shares and amount standing at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Conversion	Closing Balance
Equity shares with voting rights						
Year ended 31 March, 2013						
- Number of shares	104,500,000	-	-	-	-	104,500,000
- Amount (₹) In Lacs	10,450.00	-	-	-	-	10,450.00
Year ended 31 March, 2012						
- Number of shares	104,500,000	-	-	-	-	104,500,000
Amount - (₹) in Lacs	10,450.00					10,450.00

Note 3b Share capital
Particulars
Notes:
(i) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
BSE Limited (Holding Company)	56,634,600	54.20	56,634,600	54.20
Bank of India	5,820,000	5.57	5,820,000	5.57
Bank of Baroda	5,300,000	5.07	5,300,000	5.07
State Bank of India	10,000,000	9.57	10,000,000	9.57
HDFC Bank Limited	7,500,000	7.18	7,500,000	7.18
Standard Chartered Bank	7,500,000	7.18	7,500,000	7.18
Canara Bank	6,744,600	6.45	6,744,600	6.45

The Company has only one class of shares referred to as equity shares having paid up value of Rs.10/ per share. Each holder of equity share is entitled to one vote per share

Note 4 Reserves and surplus

Particulars	As at 31 March 2013	As at 31 March 2012
a. General Reserve		
Opening Balance	476.16	238.87
(+) Current Year Transfer	308.25	237.29
(-) Written Back in Current Year	-	-
Closing Balance	784.41	476.16
b. Statement of Profit & Loss		
Opening balance	18,432.93	15,746.29
(+) Net Profit/(Net Loss) For the current year	4,109.97	4,745.72
(-) Proposed Dividends (including Dividend Distribution Tax)	2,445.19	1,821.79
(-) Transfer to Reserves	308.25	237.29
Closing Balance	19,789.46	18,432.93
Total	20,573.87	18,909.09

Note 5 Other Long Term Liabilities

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Security Deposits	2,154.60	2,066.80
(b) Others	5.39	4.44
Total	2,159.99	2,071.24

Note 6 - Trade payables

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Payable to employees	105.42	82.08
(b) Payable to Group Companies	14.55	272.08
(c) Others	84.71	65.28
Total	204.68	419.44

Refer Note No 20.2 for Micro, Small & Medium Enterprises disclosures

Note 7 - Other current liabilities

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Income received in advance	84.19	62.95
(b) Other payables		
(i) Statutory dues	15.65	30.35
(ii) Payable on purchase of Fixed Assets	193.26	-
(iii) Contribution to IPF	1,326.62	-
(iv) Advances received from customers	448.17	443.73
(vi) Others	34.14	113.53
Total	2,102.02	650.55

Investor Education and Awareness Programme :

During the year, out of the penalty collected on account of late transfer of securities by Depository Participants to beneficial owner accounts, ₹0.22 lacs (Previous Year ₹2.70 lacs) utilized for conducting various investor education and awareness programme. Balance of ₹30.60 lacs (Previous year ₹23.01 lacs) is to be utilised for the said programme has been disclosed in "Other Current Liabilities"

Beneficial Owner's Protection Fund :

As advised by SEBI, the Company had set up a Trust called "CDSL Beneficial Owner's Protection Fund"(BOPF) with the object of indemnification of losses suffered by Beneficial Owners. As per the rules of the said Fund, corpus is constituted mainly out of (a) penalties collected from Depository Participants (DPs) and (b) amount funded by the Company from time to time based on certain percentage of annual issuer fees and interest earned on security deposit from DPs. Details of the Fund account disclosed in "Other Current Liabilities" are given below :

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
Opening Balance	88.69	79.17
Add :		
Penalties levied (net)	2.21	3.36
Other Contributions	-	84.10
Less : Funded	87.36	77.94
Closing Balance	3.54	88.69

Note 8 . Short term provision

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Provision for employee benefits		
Gratuity	18.55	16.47
Leave Encashment	124.52	78.30
Performance Linked Bonus	210.00	-
(b) Other provisions		
Wealth tax	2.27	1.89
Provision for Proposed Dividend	2,090.00	1,567.50
Provision for Dividend Distribution Tax on Proposed Dividend	355.19	254.29
Income Tax (Net of Advance Tax)	75.69	75.84
Total	2,876.22	1,994.29

Notes forming part of the financial statements

Note 9 - Fixed Assets										
Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2012	Additions	Disposals	Balance as at 31 March 2013	Balance as at 31 March 2012	Depreciation charge for the year	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012
Tangible Assets										
Building - Freehold	173.77	-	-	173.77	173.76	-	-	173.76	0.01	0.01
Building - Leasehold	531.52	21.66	52.40	500.78	202.42	49.18	20.07	231.52	269.26	329.11
Plant and Equipment	2,035.83	77.10	269.02	1,843.91	1,967.42	57.48	269.02	1,755.88	88.03	68.41
Furniture and Fixtures	367.91	110.14	108.55	369.51	311.85	17.77	71.51	258.10	111.41	56.07
Vehicles	77.44	66.68	21.01	123.11	59.21	19.59	21.01	57.79	65.31	18.23
Office equipment	309.15	75.23	50.64	333.75	259.48	37.96	43.06	254.37	79.37	49.67
Total (A)	3,495.62	350.81	501.62	3,344.82	2,974.14	181.97	424.67	2,731.44	613.39	521.50
Intangible Assets										
Computer software	1,303.10	173.14	-	1,476.24	1,301.13	2.87	-	1,304.00	172.23	1.97
Total (B)	1,303.10	173.14	-	1,476.24	1,301.13	2.87	-	1,304.00	172.23	1.97
Grand Total (A+B)	4,798.72	523.95	501.62	4,821.06	4,275.27	184.84	424.67	4,035.44	785.63	523.47
Previous Period	4,736.53	62.19	-	4,798.72	3,981.47	354.02	60.23	4,275.26	523.47	

Notes forming part of the financial statements
Note 10 - Investments

Particulars	As at 31 March 2013		As at 31 March 2012	
	Non current investments	Current portion of Long term investments	Non current investments	Current portion of Long term investments
	(₹) In Lacs	(₹) In Lacs	(₹) In Lacs	(₹) In Lacs
Long term Investments (At Cost)	-	-	-	-
Investment in Subsidiaries (Trade)	-	-	-	-
Investment in Equity shares (Unquoted)	3,630.00	-	3,630.00	-
Investment in Others	-	-	-	-
Investment in Equity shares (Unquoted)	0.50	-	0.50	-
Investment in Debentures (Quoted)	2,575.18	4,501.25	5,776.33	1,004.63
Investment in Government Securities (Quoted)	0.10	-	0.10	-
Investment in Units of Mutual funds (Quoted)	-	20,353.93	-	18,456.55
Total	6,205.78	24,855.18	9,406.93	19,461.17

Particulars	As at 31 March 2013 (₹) In Lacs	As at 31 March 2012 (₹) In Lacs
Current Investments (At Cost)	-	-
Investment in Units of Mutual funds (Unquoted)	1,280.95	348.76
Total	1,280.95	348.76

Particulars	As at 31 March 2013 (₹) In Lacs	As at 31 March 2012 (₹) In Lacs
Aggregate amount of quoted investments	27,430.46	25,237.60
Aggregate market value of listed and quoted investments	28,114.66	26,196.80
Aggregate amount of unquoted investments	4,911.45	3,979.26

Particulars	Non current investments (₹) In Lacs	current investments (₹) In Lacs	Non current investments (₹) In Lacs	current investments (₹) In Lacs
Total Investments	6,205.78	26,136.13	9,406.93	19,809.93

Notes forming part of the financial statements
Note 10 A - Investments

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Investment in Equity instruments	3630.50	3630.50
(d) Investments in Debentures or Bonds	4501.25	1004.63
(e) Investments in Mutual Funds	21634.88	18805.30
(g) Other non-current investments	2575.28	5776.43
Total (A)	32341.91	29216.86
Less : Provision for dimunition in the value of Investments (B)	0.00	0.00
Total (A)-(B)	32,341.91	29,216.86

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
Aggregate amount of unquoted investments	3630.50	3630.50

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(11)	(12)
									As at 31 March 2013	As at 31 March 2012		
Details of Current Investments												
(a) Investments in Debt Instruments or Bonds												
Quoted	11.38% DFCL Bond		100		100					1000.00		Cost
Quoted	8.48% DFCL Bond		50		50					500.00		Cost
Quoted	9.25% HDRC		50		50					500.00		Cost
Quoted	9.75% HDRC		50		50					500.00		Cost
Quoted	NCD Tata Capital Ltd. (12%)		50000		50000					5000.00		Cost
Quoted	6.85% DFCL Bonds (Tax Free)		1300		1300					1300.75		Cost
Quoted	6.85% DFCL Bonds (Tax Free)		200		200					200.50		Cost
(b) Investments in Mutual Funds												
Unquoted	Axis Short Term Fund Direct Plan		11679501							1180.95		Cost
Unquoted	Birla Sunlife Savings Fund - Institutional-Daily Dividend - Rollover			19261							19.27	Cost
Unquoted	Birla Sunlife Short Term Fund - Monthly Dividend -			2926148							322.87	Cost
Quoted	Birla Fixed Term Plan Series EI - Dividend Payout		6043399								604.33	Cost
Quoted	Birla Fixed Term Plan Series EP - Dividend Payout		3903331								390.33	Cost
Quoted	Birla Fixed Term Plan Series EW - Growth		5295700								529.97	Cost
Quoted	Birla Fixed Term Plan Series GM OZ Direct		6043399								658.63	Cost
Quoted	Birla Inter Income Plan 3 Direct		3903331								425.88	Cost
Quoted	Birla Inter Income Fund - Plan 5 Dir - Gro		5295700								586.46	Cost
Quoted	Birla Fixed Term Plan Series FA - Growth		4246499								424.65	Cost
Quoted	Birla Fixed Term Plan Series FO - Growth		2609000								256.00	Cost
Quoted	Birla Fixed Term Plan Series FP - Growth		7782808								778.28	Cost
Quoted	Birla Fixed Term Plan Series FR - Growth		3658269								366.83	Cost
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 86-Direct			4000000							400.00	Cost
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 23-Dividend											
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 19-Dividend											
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 18-Growth		4502663								450.27	Cost
Unquoted	DSP BlackRock Money Manager Fund - Direct - DD		9977								100.00	Cost
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 12-Growth		3236430								323.64	Cost
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 39-Dividend		5988406								598.84	Cost
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 84-Direct		6531135								653.11	Cost
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 48-Growth		10000000								1000.00	Cost
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 57-Growth		5977907								597.79	Cost
Quoted	DSP BlackRock FMP Sr 91 - 12M		6000000								600.00	Cost
Quoted	DWS Fixed Term Fund Series 80-Growth Plan		3111791								311.18	Cost
Quoted	DWS Fixed Term Fund Series 29		6000000								600.00	Cost
Quoted	DWS Fixed Term Fund Series S-Dividend Plan - Payout		3000000								300.00	Cost
Quoted	DWS FMP Sr 24-Direct Growth		1776970								177.70	Cost
Quoted	DWS FMP Sr 20-Direct Growth		6492007								1200.00	Cost
Quoted	HDRC 3703 Yr 20-Direct Growth		6491857								1327.16	Cost
Quoted	HDRC 3703 Yr 20-Direct Growth		5008479								500.85	Cost
Quoted	HDRC 390D March 2012 (1) - Growth Sr XXI		4863310								486.33	Cost
Quoted	HDRC FMP 384D March 2013(1)		6601620								660.16	Cost
Quoted	HDRC FMP 384D March 2013(1)		3000000								300.00	Cost
Quoted	HDRC Debt Fund for Cancer-Cure - 100% Dividend Donation Option		5000000								50.00	Cost
Quoted	HDRC Annual Inter Fund Sr-1-A-Direct		5750635								575.06	Cost
Quoted	HDRC Fixed Maturity Plan Yearly Series 43-Growth		5854440								585.44	Cost
Quoted	HDRC Fixed Maturity Plan Yearly Series 45-Growth		3000000								300.00	Cost
Quoted	HDRC Fixed Maturity Plan Yearly Series 53-Dividend		9225157								922.58	Cost
Quoted	HDRC Fixed Maturity Plan Yearly Series 74-Growth		6425658								642.57	Cost
Quoted	Kotak FMP Series 57 - Growth		4328954								432.90	Cost
Quoted	Kotak FMP Series 69-Dividend		3500000								350.00	Cost
Quoted	Kotak FMP Series 79-Dividend		3779841								377.98	Cost
Quoted	Kotak FMP Series 83-Growth		3637019								363.70	Cost
Quoted	Kotak FMP Series 84-Growth		7250000								725.00	Cost
Quoted	Kotak FMP Sr. 102 Direct Growth		8939774								893.98	Cost

Unquoted	ICICI Prudential Flexible Income Plan-Premium-Daily Dividend-Reinvestment				6255						6.61	Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 56-1 Year Plan E Cumulative				5197878							519.79 Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 55-1 Year Plan G Cumulative				3500000							350.00 Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 59-1 Year Plan A Cumulative				4000000							400.00 Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 66-366 days F			3000000						300.00		Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 67-366 days Plan D			11315606						1131.56		Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 63-1 Year Plan B Cumulative				7508516							750.85 Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 63-1 Year Plan C Cumulative				4000000							400.00 Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 67-371 days Plan E			4400000						440.00		Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 64-367 days			5702310						570.23		Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 64-367 days			5000000						500.00		Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 64-367 days			3920550						392.06		Cost
Quoted	Reliance Fixed Horizon Fund -XXI -Series 4 - Growth Plan				5801647							580.16 Cost
Quoted	Reliance Fixed Horizon Fund -XXI -Series 2 - Dividend Plan				4376970							437.70 Cost
Quoted	Reliance Fixed Horizon Fund -XXI -Series 12 - Growth Plan				3650000							365.00 Cost
Quoted	Reliance Annual Interval Fund -Series 1 - Institutional Growth Plan			5811071						640.04		Cost
Quoted	Reliance Yearly Interval Fund Sr 3 Dir- Gro			4419655						441.97		Cost
Quoted	Religare FMP Sr XVIII Plan A			4000000						400.00		Cost
Quoted	Religare FMP Sr XVIII Plan D			4500000						450.00		Cost
Quoted	Religare FMP Sr XVIII Plan E			6000000						600.00		Cost
Quoted	Religare FMP Sr XVII Plan B Direct			3938774						393.88		Cost
Quoted	SBI Debt Fund Series - 367 Days -17-Growth			11000000						1100.00		Cost
Quoted	Sundaram Fixed Term Plan BD 366 days - Growth			6000000						600.00		Cost
Quoted	Sundaram Fixed Term Plan BE 366 days - Growth			4000000						400.00		Cost
Quoted	Sundaram Fixed Term Plan CQ 370 days - Growth			9250535						925.05		Cost
Quoted	Sundaram FTP Sr DE			8135988						813.60		Cost
	(f) Investments in partnership firms* less: Diminution in the value of investments											
	Sub Total - Current Investments									26136.13		19809.93
	(g) Other non-current investments (specify nature)											
Unquoted	CDSL Ventures Limited	Subsidiary		3000000	3000000			Fully Paid				2100.00 Cost
Unquoted	Central Insurance Repository Limited	Subsidiary		15299994	15299994			Fully Paid				1530.00 Cost
Unquoted	Equity Shares-BRSCCL	Others		5000	5000					10	10	0.50 Cost
Quoted	11.50% GOI 2015	Others		10	10							0.10 Cost
Quoted	6.85% IPFCL Bonds (Tax Free)			1300	1300							1300.75 Cost
Quoted	6.85% IPFCL Bonds (Tax Free)			200	200							200.50 Cost
Quoted	ICD Tata Capital Ltd. [12%]			500000	500000							500.00 Cost
Quoted	9.62% L&T Finance			28106	28106							281.06 Cost
Quoted	7.70% REC			50	50							494.02 Cost
Quoted	7.21% REC Tax free bond			50	100							500.05 Cost
Quoted	9.75% HDFC			50	50							500.05 Cost
Quoted	PFCL Tax free Bond Series 95			500	500							500.00 Cost
Quoted	6.05% IRFCL Bonds (Tax Free)			100	100							1000.00 Cost
Quoted	11.35% IDBI Omni Bonds 2008-St.XV			50	50							500.00 Cost
Quoted	8.48% IDFC			50	50							500.00 Cost
Quoted	9.25% HDPC			30	30							300.00 Cost
Quoted	IRFC 7.18% Tax free Bonds 2012-Escrow Account R											6205.76 Cost
	Sub Total - Non Current Investments											9406.93
	Total											29216.86

Note 11 - Long term Loans and Advances - Unsecured, considered good

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Capital Advances	74.33	66.33
(b) Security Deposits (Deposit with Holding Company)	73.42	73.42
(c) Advance Income tax (net of provisions)	892.77	467.86
Total	1,040.52	607.61

Note 12 - Trade Receivables

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
Outstanding for a period more than six months from the date they are due for payment		
Secured, considered good	10.00	
Unsecured, considered good	18.22	117.83
Unsecured, considered doubtful	443.89	324.29
Less: Provision for doubtful debts	(443.89)	(294.00)
Total (A)	28.22	148.12
Others		
Secured, considered good	284.65	295.04
Unsecured, considered good	37.38	
Unsecured, considered doubtful		
Less: Provision for doubtful debts		
Total (B)	322.03	295.04
Total (A) + (B)	350.25	443.16

Note 13- Cash and cash equivalents

Particulars	As at 31 March 2013		As at 31 March 2012	
	(₹) In Lacs	(₹) In Lacs	(₹) In Lacs	(₹) In Lacs
(a) Cash on hand		0.10		0.44
(b) Balances with banks		2,955.74		3,012.58
i) in current account	80.74		162.58	
ii) in deposit account	2,875.00		2,850.00	
(c) Cheques, drafts on hand		52.95		-
Total		3,008.78		3,013.03

Notes :

(i) Of the above, balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is - ₹133.78 Lakh (As at March 31, 2012 ₹163.03 Lakh)

(ii) Balances in Deposit Account with Banks includes ₹500 lakh (As at March 31, 2012 ₹500 Lakh), which have an original maturity of more than 12 months

(iii) Balances with banks includes amount in earmarked accounts ₹1.21 Lakh (As at 31 March 2012, ₹1.19 Lakh)

Note 14 - Short-term loans and advances - Unsecured considered good

Particulars	As at 31 March 2013		As at 31 March 2012	
	(₹) In Lacs	(₹) In Lacs	(₹) In Lacs	(₹) In Lacs
(a) Loans and advances to related parties Central Insurance Repository Ltd. CDSL Ventures Ltd.	1.38 -	1.38	0.53 24.19	24.72
(b) Loans and advances to employees		12.20		6.60
(c) Prepaid Expenses		113.40		72.99
(d) Balances with Government authorities		36.47		13.74
(e) Others		19.43		9.71
Total		182.87		127.76

Note 15 - Other current assets

Other Current Assets	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
Interest accrued on -		
Bonds	185.00	196.03
Fixed Deposits	13.60	66.96
Total	198.60	262.99

Note 16 Revenue from operations

	Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
(a)	Sale of services (Refer Note (i) below)	7,513.86	7,759.93
(b)	Other operating revenues (Refer Note (ii) below)	21.67	65.98
	Total	7,535.53	7,825.91
Notes			
(i)	Sale of services comprise :		
	Annual Issuer Charges	3,897.61	3,586.51
	Transaction charges	2,184.96	2,504.04
	Users Facility charges	413.98	425.19
	Settlement charges	246.16	239.58
	Account Maintenance Charges	210.26	194.55
	Others	560.89	810.06
	Total - Sale of services	7,513.86	7,759.93
(ii)	Other operating revenues comprise:		
	Interest from Debtors	21.67	65.98
	Total - Other operating revenues	21.67	65.98

Note 17 - Other Income

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Interest Income (Refer Note (i) below)	873.29	1,294.82
(b) Dividend Income	365.33	147.17
(c) Net gain/loss on sale of investments (from sale of current investments)	1,508.18	881.32
(d) Other Income (refer Note ii below)	166.17	75.07
Total	2,912.97	2,398.38

Note (i)		
Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
	(₹) In Lacs	(₹) In Lacs
Interest income comprises:		
Interest from banks on:		
deposits	302.91	706.91
Interest income from long term investments (Bonds)	570.37	587.90
Other interest	0.01	0.01
Total - Interest income	873.29	1,294.82

Note (ii)		
Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
	(₹) In Lacs	(₹) In Lacs
Other non-operating income comprises:		
Rental income from operating leases	76.63	70.76
Profit on sale of fixed assets [net of expenses]	-	2.93
Profit on sale of Assets	8.05	
Liabilities / provisions no longer required written back	-	1.69
Miscellaneous income [net of expenses]	3.49	1.80
Profit/Los on sale of Equity shares	-	(2.11)
Sponsorship fees	30.00	-
Administrative charges CVL & CIRL	48.00	-
Total - Other non-operating income	166.17	75.07

Notes forming part of the financial statements
Note 18 - Employee Benefits Expense

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Salaries and wages	1,434.19	1,035.36
(b) Contribution to provident and other funds,	61.73	72.14
(c) Staff welfare expenses	64.67	55.31
Total	1,560.59	1,162.81

Note 19 - Other Expenses

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Advertisement Expenses	-	0.56
(b) Annual SEBI Fees	10.00	10.00
(c) Bad Debts Written Off	111.41	144.83
(d) Contribution to IPF	1326.62	-
(e) Business Promotion Expenses	45.91	41.11
(f) Directors' Sitting Fees	7.63	9.75
(g) Payment to auditors as Statutory Audit	8.00	7.25
Reimbursement of expenses	0.21	0.20
(h) Insurance	98.43	124.66
(i) Legal, Professional and Consultancy Fees	120.96	107.11

(j) Postage, Telephone & Communication Charges (Net of recoveries)	195.63	145.37
(k) Power and fuel	57.45	41.74
(l) Printing & Stationery	23.14	22.08
(m) Provision for doubtful debts	149.89	91.00
(n) Rates and taxes, excluding, taxes on income	36.99	2.14
(o) Rent	283.89	262.32
(p) Repairs to buildings	116.03	114.39
(q) Repairs to machinery	621.40	566.23
(r) Travelling and Conveyance	77.51	72.46
(s) Water Charges	2.25	3.44
(t) Miscellaneous expenses,	30.96	35.36
Total	3,324.31	1,802.00

Notes:

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
	(₹) In Lacs	(₹) In Lacs
Audit Fees	7.25	7.25
Tax Audit Fees	0.75	-
Out of Pocket Expenses	0.21	0.20
Total	8.21	7.45

Notes forming part of the financial statements
Note 20 Additional information to the financial statements

Note	Particulars	As at 31 March, 2013	As at 31 March, 2013
		(₹) In Lacs	(₹) In Lacs
20.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt	2,323.58	2,281.07
	(b) Guarantees	10.00	-
(ii)	Capital Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	210.66	170.04
	(b) Other commitments (Purchase of Licenses)	57.61	23.31

(a) The Company is a party in certain legal proceedings filed by beneficial owners/third parties in the normal course of business. The Company does not expect the outcome of these proceedings to have any material adverse effect on its financial conditions, results of operations and cash flow. Amount is not ascertainable.

(b) Claims against Company not acknowledged as debt : Service Tax

The Commissioner of Service Tax, Mumbai has issued Show cause cum Demand Notice (SCN) on 21st October 2009 to CDSL demanding service tax amount of ₹ 1791 lacs on the charges recovered by CDSL for providing “Depository services” to DPs and RTAs for the period 2004-05 to 2008-09.

The Commissioner of Service Tax, Mumbai has issued Show cause cum Demand Notice (SCN) on 04th October 2010 to CDSL demanding service tax amount of ₹ 465 lacs on the charges recovered by CDSL for providing “Depository services” to DPs and RTAs for the period 2009-10.

Company has obtained two legal opinions which states that CDSL is not liable for the service tax as demanded in the aforesaid notice. Company has filed a comprehensive reply based on jurisdiction and merits, vide its letter dated November 25, 2009 and November 2, 2010 to the SCNs respectively and requested for personal hearing in the matter. Till date no reply from Service Tax Department has been received.

(c) Claims against Company not acknowledged as debt : Income Tax

Appeal pending with Commissioner of Income Tax (Appeals) for the AY 2009-10 & AY 2010-11 amounting to ₹ 67.58 lacs

Note	Particulars
20.2	<p>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 Based on the information available with the Company, the balance due to Micro and Small Enterprises as defined under the MSMED Act,2006 is Rs NIL.Further, no interest during the year has been paid or payable under the terms of the MSMED Act,2006 (Previous year Nil).</p>

Note	Particulars		
20.3	Expenditure in foreign currency :	As at 31 March, 2013	As at 31 March, 2012
		(₹) In Lacs	(₹) In Lacs
	Travelling Expenses	4.32	18.30
	Others	5.48	5.47

21. The Company has determined the liability for Employee Benefits as at March 31, 2013 in accordance with the revised Accounting Standard 15 on “Employee Benefits” prescribed in Companies (Accounting Standards) Rules, 2006.

a) Defined benefit plans-Gratuity–As per Actuarial Valuation on March 31, 2013

(₹ in Lakhs)

A Expenses Recognized in the statement of Statement of Profit and Loss for the year ended		31/03/2013	31/03/2012
1	Current Service Cost	15.20	15.92
2	Past Service Cost	-	12.74
3	Interest Cost	7.18	3.48
4	Expected Return on Plan Assets	(6.33)	(3.38)
5	Net Actuarial (Gain)/ Loss recognized for the Period	(0.21)	16.61
6	Expenses recognized in statement of P&L A/c	15.84	45.37
B Net Asset / (Liability) recognized in the Balance Sheet			
1	Present Value of Obligation	102.82	83.46
2	Fair Value of Plan Assets	90.57	39.07
3	Funded Status	(12.26)	(44.39)
4	Unrecognised Actuarial Gain/ (Loss)	-	-
5	Net Assets / (Liability) recognized in the Balance Sheet	(12.26)	(44.39)
C Changes in present value of obligations			
1	Present Value of Obligation as at April 01, 2012	89.27	55.43
2	Interest Cost	7.18	3.48
3	Current Service Cost	15.20	15.92
4	Past Service Cost	-	12.74
5	Benefits Paid	(10.09)	(21.52)
6	Actuarial (Gain)/Loss on Obligation	1.26	17.41
7	Present Value of Obligation as at March 31,2013	102.82	83.46
D Changes in Fair Value of Plan Assets			
1	Fair Value of Plan Assets as at April 01 , 2012	75.53	49.56
2	Expected Return on Plan Assets	6.33	3.38
3	Contributions	17.33	6.87

4	Benefits Paid	(10.10)	(21.52)
5	Actuarial Gain / (Loss) on plan assets	0.25	0.80
6	Fair Value of Plan Assets as at March 31,2013	89.33	39.07
E Fair Value of Plan Assets			
1	Fair Value of Plan Assets as at April 01,2012	75.53	49.56
2	Actual Return on Plan Assets	6.33	4.18
3	Contributions	17.32	6.87
4	Benefits Paid	(10.09)	(21.53)
5	Fair Value of Plan Assets as at March 31,2013	90.57	39.07
6	Funded Status	(12.26)	(44.39)
7	Excess of Actual over estimated return on Plan Assets	1.47	0.80
F Actuarial Gain / (Loss) Recognized			
1	Actuarial Gain/(Loss) for the period (Obligation)	(1.26)	(17.41)
2	Actuarial Gain / (Loss) for the period (Plan Assets)	1.47	0.80
3	Total Gain / (Loss) for the period	(0.21)	(16.61)
4	Actuarial Gain / (Loss) recognized for the period	(0.21)	(16.61)
5	Unrecognized Actuarial Gain / (Loss) at March 31,2013	-	-
G Movements in the Liability recognized in Balance Sheet			
1	Opening Net Liability	13.74	5.88
2	Expenses recognized in Profit & Loss A/c	15.83	45.37
3	Contribution Paid	(17.33)	(6.87)
4	Closing Net Liability	12.26	44.39
H Actuarial Assumptions			
1	Mortality	LIC(1994-96)Ult	LIC(1994-96)Ult
2	Discount Rate as at March 31,2013	8.53%	8.00%
3	Rate of Increase in Compensation	4.00%	4.00%
4	Expected average remaining service (years)	13.60	9.40
5	Withdrawal Rate		
	- 0 to 42 years	4.18%	7.78%
6.	Expected Rate of Return on plan assets	8.00%	8.00%
I Membership Data			
	Number of Employees	171	167
	Total Monthly Salary (Rs. In lakh)	38.10	33.40
	Average Age (in Years)	36.29	36.06
	Average Past Service (in Years)	6.02	5.51
J Experience History			
	(Gain)/Loss on obligation due to change in Assumption	(5.44)	(0.61)
	Experience (Gain)/Loss on obligation	6.70	(0.52)
	Actuarial Gain/Loss on plan assets	1.47	2.57

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 Accounting Standard 15. Hence the company obtains separate actuarial valuation report as required under Accounting Standard 15 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.

c) Amount Recognized as an expense in respect of Compensated Leave Absences is ₹ 46.22 Lakhs (₹ 26.93 lakhs credit for the ended 31st March 2012)

Notes forming part of the financial statements	
Note 22 Disclosures under Accounting Standards	
Particulars	
Related party transactions	
Details of related parties:	
Description of relationship	Names of related parties
Holding Company	BSE Limited
Subsidiaries	CDSL Ventures Limited, Central Insurance Repository Limited
Fellow Subsidiaries (with whom there are transactions)	Marketplace Technologies Pvt Ltd
Associates	BOI Shareholding Ltd
Key Management Personnel (KMP)	Shri P S Reddy - MD & CEO

Note: Related parties have been identified by the Management.

Details of related party transactions during the period ended 31 March, 2013 and balances outstanding as at 31 March, 2013:

(₹) In Lacs

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	KMP	Total
Purchase of fixed assets		(1.68)			(1.68)
Remuneration paid				90.91 (73.67)	90.91 (73.67)
Rendering of services	4.56 (7.67)	234.95 (126.96)	31.36 (30.55)		270.87 (165.18)
Receiving of services	393.51 (529.27)	1.00 (0.75)	42.36 (31.56)		436.87 (561.58)
License agreements-Rent & Maintenance	311.20 (273.00)				311.20 (273.00)

Finance (including loans and equity contributions in cash or in kind)- Dividend Paid	849.52 (679.62)				(679.62)
<u>Balances outstanding at the end of the year</u>					-
Trade receivables		1.38 (24.72)	2.33 (1.54)		3.71 (26.26)
Loans and advances-Deposit given	73.42 (73.42)				73.42 (73.42)
Trade payables	10.91 (272.08)	3.64 0.00			14.55 (272.08)

Note: Figures in bracket relates to the previous year

Notes forming part of the financial statements

Note 23 Disclosures under Accounting Standards

Particulars	For the year ended 31 March 2013	For the year ended 31 March, 2012
	(₹) In Lacs	(₹) In Lacs
Earnings per share		
<u>Basic & Diluted</u>		
<u>Total operations</u>		
Net profit / (loss) for the year from continuing operations	4,109.97	4,745.72
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	4,109.97	4,745.72
Weighted average number of equity shares	104,500,000.00	104,500,000.00
Par value per share (₹)	10.00	10.00
Earnings per share from continuing operations - Basic & Diluted (₹)	3.93	4.54
<u>Basic & Diluted (excluding extraordinary items)</u>		
<u>Total operations</u>		
Net profit / (loss) for the year from continuing operations	4,109.97	4,745.72
(Add) / Less: Extraordinary items (net of tax) relating to continuing operations	72.27	-
(Loss due to fire added back)		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	4182.24	4745.72
Weighted average number of equity shares	104,500,000	104,500,000
Par value per share (₹)	10.00	10.00
Earnings per share from continuing operations, excluding extraordinary items - Basic & Diluted (₹)	4.00	4.54

Notes forming part of the financial statements

Note 24 Disclosures under Accounting Standards

Particulars	For the year ended 31 March 2013	For the year ended 31 March, 2012
	(₹) In Lacs	(₹) In Lacs
Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	155.84	55.59
Provision for doubtful debts / advances	150.88	95.39
On difference between book balance and tax balance of fixed assets	151.50	148.77
Tax effect of items constituting deferred tax assets	458.22	299.75
Net deferred tax (liability) / asset	458.22	299.75

25. As per the definitions of 'business segment' and 'geographical segment', contained in Accounting Standard-17 "Segment Reporting", the Management is of the opinion that as the Company is engaged in the business of providing depository services and there is neither more than one reportable business segment nor more than one reportable geographical segment, and, therefore, segment information as per Accounting Standard-17 is not required to be disclosed

26. The Company has made a strategic and long term investments of ₹2100 lacs (Incl. of Share Premium ₹1800 lacs) in the equity shares of the subsidiary company CDSL Ventures Limited. Further Company has made a strategic and long term investments of ₹1530 lacs in the equity shares of the subsidiary company Central Insurance Repository Limited. The management is confident of realising its investments.

27. SEBI has issued Depositories and Participants (Amendment) Regulations, 2012 on September 11, 2012. According to these Regulations depositories are required to establish and maintain an Investor Protection Fund for the protection of interest of beneficial owners and every depository is required to credit twenty five per cent. of its profits every year to the Investor Protection Fund.

The Company has sought clarification from SEBI on whether the amount of contribution to IPF is to be calculated at 25% of the operating profits of the Company before tax and available after making such contribution, from its depository business. Pending clarification from SEBI, the Company has calculated IPF contribution of ₹ 1326.62 lakh, being 25% of the profits of the Company before tax, available after making such contribution.

If the contribution is calculated at 25% of the operating profits before tax and available after making such contribution, the amount of contribution would be ₹ 744.03 lakh.

28. Previous year's figures have been re grouped/ re arranged where required
Signatures to Notes 1 to 28

For and on behalf of the Board of Directors

Satish Budhakar

Sr. Vice President (Legal)
& Group Company Secretary

Bharat Sheth

Sr. Vice President
& CFO

N Rangachary

Chairman

P. S. Reddy

M D & CEO

Mumbai

22nd April, 2013.

**AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.7,117 lakh as at 31st March, 2013, total revenues of Rs. 2,083 and net cash flows amounting to Rs. 10 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our report is not qualified in respect of this matter.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No.117365W)

Kalpesh J. Mehta

Partner

(Membership No.48791)

MUMBAI, 22 April 2013



CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
Consolidated Balance Sheet as at 31st March 2013

Particulars	Note No.	(₹) In Lacs	(₹) In Lacs
		Amounts as at 31-March-2013	Amounts as at 31-March-2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	10,450.00	10,450.00
(b) Reserves and surplus	4	22,401.36	19,852.61
2 Minority Interest		1,237.13	1,028.92
3 Non-current liabilities			
(a) Deferred tax liabilities (Net)	24	-	8.47
(b) Other Long term liabilities	5	2,162.99	2,074.24
4 Current liabilities			
(a) Trade payables	6	291.76	687.68
(b) Other current liabilities	7	2,121.02	820.18
(c) Short-term provisions	8	2,892.92	1,963.66
TOTAL		41,557.18	36,885.77
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		669.56	600.13
(ii) Intangible assets		177.67	23.19
(iii) Capital work-in-progress		86.74	-
(iv) Intangible assets under development		44.23	-
(b) Non-current investments	10	2,575.78	5,776.93
(c) Deferred tax assets (net)	24	461.64	299.75
(d) Long-term loans and advances	11	1,045.40	502.50
2 Current assets			
(a) Current investments	10	31,623.46	24,967.40
(b) Trade receivables	12	845.64	668.42
(c) Cash and Bank Balances	13	3,532.50	3,527.09
(d) Short-term loans and advances	14	244.53	252.66
(e) Other current assets	15	250.03	267.70
TOTAL		41,557.18	36,885.77
See accompanying notes forming part of the financial statements	1 & 2		

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

N Rangachary
Chairman

P. S. Reddy
Managing Director & CEO

Kalpesh J. Mehta
Partner

Satish Budhakar
Sr. Vice President (Legal)
& Group Company Secretary

Bharat Sheth
Sr. Vice President &
Chief Financial officer

Place : Mumbai,
Date : 22nd April 2013

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
Consolidated Statement of Profit and Loss for the year ended 31st March 2013

(₹) In Lacs (₹) In Lacs

Particulars	Refer Note No.	For the year ended 31 March 2013	For the year ended 31 March 2012
I. Revenue from operations	16	9,074.61	9,624.38
II. Other income	17	3,330.11	2,449.73
III. Total Revenue (I + II)		12,404.72	12,074.11
IV. Expenses:			
Employee benefits expense	18	1,715.08	1,240.05
Depreciation and amortization expense	9b	260.76	420.62
Other expenses (Including contribution to IPF Rs. 1327 Lakhs in current year)	19	3,786.13	2,317.07
Total expenses		5,761.97	3,977.74
V. Profit before exceptional and extraordinary items and tax (III-IV)		6,642.75	8,096.38
VI. Exceptional items - Municipal tax		-	266.77
VI. Profit before extraordinary items and tax		6,642.75	7,829.61
VII. Extraordinary Items - Loss due to fire		72.52	-
VIII. Profit before tax (VI- VII)		6,570.23	7,829.61
IX Tax expense:			
(1) Current tax		1,688.50	2,302.00
(2) Deferred tax		(170.37)	(22.58)
(2) MAT Credit availed (entitlement)		-	11.73
X Profit for the year from continuing operations (VIII-IX)		5,052.10	5,538.46
XI Profit for the period before the share of minority interest		5,052.10	5,538.46
XII Share of Minority Interest		58.16	3.97
XI Profit(Loss) for the year after the share of minority interest (XI-XII)		4,993.94	5,534.49
XII Earnings per equity share:			
Basic and Diluted		4.78	5.30
XIII Nominal Value per share (Rupees)		10.00	10.00
See accompanying notes forming part of the financial statements	1 & 2		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner

Place : Mumbai,
Date : 22nd April 2013

For and on behalf of the Board of Directors

N Rangachary
Chairman

Satish Budhakar
Sr. Vice President (Legal)
& Group Company Secretary

P. S. Reddy
Managing Director & CEO

Bharat sheth
Sr. Vice President &
Chief Financial officer

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
Consolidated Cash Flow Statement for the period ended 31 March 2013

	For the period ended 31 March 2013 (₹) In Lacs	For the period ended 31 March 2012 (₹) In Lacs
CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAXES	6,570.23	7,829.61
Net Profit for non-cash and other items to be disclosed separately		
Add : Depreciation	260.76	420.62
Provision for Doubtful Debts	149.89	91.00
Loss Due to fire	72.52	-
Less : Profit from sale of Investments	1,859.64	888.07
Dividend Income from Current Investments	500.66	222.59
Provision no longer required written back	-	1.69
Profit on sale of fixed assets(net)	8.05	2.93
Interest Income on Fixed Deposits	354.84	712.45
Interest Income on Investment in Debt Instruments	570.37	589.88
Miscellaneous Income	-	5.28
	(2,810.39)	(1,911.28)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,759.84	5,918.33
<u>Adjustment for changes in working capital</u>		
Trade Receivables	(327.11)	21.58
Short-term loans and advances	8.13	(131.20)
Trade payables	(395.93)	663.46
Other current liabilities	1,300.84	(254.05)
Short-term provisions	339.92	20.03
Other Long term liabilities	88.75	128.34
	1,014.60	448.17
CASH GENERATED FROM OPERATIONS	4,774.44	6,366.50
Taxes Paid	(2,257.41)	(2,416.55)
A NET CASH PROVIDED BY OPERATING ACTIVITIES	2,517.03	3,949.96
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(712.62)	(199.18)
Sale of Fixed Assets	19.95	-
Insurance Claim received for Fire damage	4.56	-
Purchase of Investments.	(47,417.94)	(36,681.78)
Sale proceeds of Investments	45,822.69	27,292.73
Deposits with Banks	(18.36)	4,530.08
Dividend Income from Current Investments	500.66	222.59
Interest Received	936.24	1,297.38
Miscellaneous Income	-	5.28
B NET CASH USED IN INVESTING ACTIVITIES	(864.82)	(3,532.89)

CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid including Dividend Distribution Tax	(1,821.79)	(1,457.43)
Proceeds from Issue of Share Capital	150.00	1,024.95
C NET CASH USED IN FINANCING ACTIVITIES	(1,671.79)	(432.48)
NET INCREASE / DECREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(19.58)	(15.41)
Cash and Cash Equivalents at the beginning of the year	177.09	192.50
Cash and Cash Equivalents at the end of the period	157.51	177.09
	(19.58)	(15.41)
1 . Cash and Cash Equivalents comprises of		
Cash and Cheques on Hand	0.20	0.59
With scheduled bank on		
Current Accounts	90.19	175.31
With RBI - Current Account	67.11	1.19
	157.50	177.09
2. Reconciliation of Cash and Cash Equivalents		
Cash and Bank Balances as per Balance Sheet	3,532.50	3,527.09
Bank Deposits with maturity date after three months	3,375.00	3,350.00
Cash and Cash Equivalents as per Cash Flow Statement	157.50	177.09

Notes :

The above statement has been prepared by using the indirect method as per Accounting Standard 3 - Cash Flow Statement issued by the Institute of Chartered Accountants of India.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner

Place : Mumbai,
Date : 22nd April 2013

For and on behalf of the Board of Directors

N Rangachary
Chairman

Satish Budhakar
Sr.Vice President (Legal)
& Group Company Secretary

P. S. Reddy
Managing Director & CEO

Bharat Sheth
Sr.Vice President &
Chief Financial officer

Notes forming part of the financial statements

1. General Information

Central Depository Services (India) Limited (CDSL) was set up with the objective of providing convenient, dependable and secure depository services at affordable cost to all market participants. A depository facilitates holding of securities in the electronic form and enables securities transactions to be processed by book entry by a Depository participants (DP) who as an agent of the depository, offers depository services to investors.

2. Significant Accounting Policies:

a) General

Basis of preparation of financial statements:

The financial statements are prepared on an accrual basis under historical cost convention, on going concern basis and in accordance with the accounting principles generally accepted in India to comply in all material aspects with the accounting standards notified by the Central Government under Companies (Accounting Standards) Rules, 2006 and the other relevant provisions of the Companies Act, 1956.

Principles of consolidation

The consolidated financial statements relate to Central Depository Services (India) Limited ("the Company") and its subsidiary company CDSL Ventures Limited and Central Insurance Repository Limited have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- b) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

The subsidiary companies considered in the consolidated financial statements are:-

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest
CDSL Ventures Limited	India	100.00 %
Central Insurance Repository Limited	India	60.83 %
- On its own name		51.00 %
- Through CDSL Venture Ltd.		9.83 %

Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable and results however are not likely to differ from these estimates materially. Any revision to accounting estimates is recognised prospectively

a) Fixed Assets

Fixed assets are shown at their original cost of acquisition including taxes, duties, freights and other incidental expenses relating to acquisition and installation, incurred until the asset is ready to put to use for its intended purpose, less accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits for the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

b) Software Costs

Cost of development and production of internally developed or purchased Systems Software, Application Software and additions of new modules thereto are capitalized and any expenses for modifications/changes thereto are charged to the Statement of Profit and Loss.

c) Depreciation/Amotization/Impairment Loss

Depreciation on fixed assets is provided on Straight Line Method in the manner specified in Schedule XIV to the Companies Act, 1956 (hereinafter referred to as "the Act") at the rates mentioned below:-

Description of asset	Rates as per the Schedule XIV	Rates used
	%	%
Building	1.63	10
Computer Hardware/software	16.21	50
Office Equipment	4.75	20
Furniture & Fixtures	6.33	20
Vehicles	9.5	25

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

Leasehold premises amortized over a period of 10 years.

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

d) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

I. Long term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments.

ii. Current investments are stated at lower of cost and fair/market value on individual investment basis

e) Employees Benefits

Employee benefits are accrued in accordance with Accounting Standard- 15 (Revised) "Employee Benefits"

Short term Employee Benefits are estimated and provided for.

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

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

(i) Defined Contribution Plans:

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

Contributions to the defined contribution plans are charged to Statement of Profit and Loss for the respective financial year.

(ii) Defined Benefits Plans:

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

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

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

f) Current tax and deferred tax

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

g) Foreign Currency Translation

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.

h) Revenue Recognition

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

collection, revenue recognition is postponed till the time the ultimate collection is made.

Discount or premium on debt securities / discounted Money Market Instruments is accrued over the period of remaining maturity.

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

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

i) Provisions and Contingent Liabilities

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

- i. The Company has a present obligation as a result of past event,
- ii. A probable outflow of resources is expected to settle the obligation and
- iii. The amount of the obligation can be reliably estimated.

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

Contingent Liability is disclosed in the case of

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

Contingent liabilities are not recognised but are disclosed in Notes to Accounts, while contingent assets are neither recognised nor disclosed in the financial statements.

Note 3 - Share Capital

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	(₹) In Lacs	Number	(₹) In Lacs
Authorised				
Equity Shares of ₹ 10/- each with voting rights	150,000,000	15,000.00	150,000,000	15,000.00
Issued, Subscribed & Paid up				
Equity Shares of ₹ 10/- each with voting rights	104,500,000	10,450.00	104,500,000	10,450
Total	104,500,000	10,450.00	104,500,000	10,450.00

Note 3a Share capital

Particulars						
Notes:						
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:						
Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Closing Balance
Equity shares with voting rights						
Year ended 31 March, 2013						
- Number of shares	104,500,000	-	-	-	-	104,500,000
- Amount (₹) In Lacs	10,450.00	-	-	-	-	10,450.00
Year ended 31 March, 2012						
- Number of shares	104,500,000	-	-	-	-	104,500,000
- Amount (₹) In Lacs	10,450.00	-	-	-	-	10,450.00

Note 3b Share capital

Particulars	
Notes:	
(i) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:	
Particulars	Equity shares with voting rights Number of shares
As at 31 March, 2013	
BSE Limited (Holding Company)	56,634,600
As at 31 March, 2012	
BSE Limited (Holding Company)	56,634,600

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
BSE Limited	56,634,600	54.20	56,634,600	54.20
Bank of India	5,820,000	5.57	5,820,000	5.57
Bank of Baroda	5,300,000	5.07	5,300,000	5.07
State Bank of India	10,000,000	9.57	10,000,000	9.57
HDFC Bank Limited	7,500,000	7.18	7,500,000	7.18
Standard Chartered Bank	7,500,000	7.18	7,500,000	7.18
Canara Bank	6,744,600	6.45	6,744,600	6.45

The Company has only one class of shares referred to as equity shares having paid up value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share

Note 4 - Reserves and surplus

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
a. General Reserve		
Opening Balance	476.16	238.87
(+) Current Year Transfer	308.25	237.29
(-) Written Back in Current Year	-	-
Closing Balance	784.41	476.16
b. Statement of Profit & Loss		
Opening balance	19,376.45	15,901.05
(+) Net Profit/(Net Loss) For the current year	4,993.94	5,534.49
(-) Proposed Dividends (including Dividend Distribution Tax)	2,445.19	1,821.79
(-) Transfer to Reserves	308.25	237.29
Closing Balance	21,616.95	19,376.45
Total	22,401.36	19,852.61

Note 5 - Other Long Term Liabilities

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Security Deposits	2,157.60	2,069.80
(b) Others	5.39	4.44
Total	2,162.99	2,074.24

Note 6 - Trade payables

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Payable to employees	108.02	149.47
(b) Payable to Holding Companies	10.91	272.08
(c) Others	172.83	266.13
Total	291.76	687.68

Refer Note No 20.2 for Micro, Small & Medium Enterprises disclosures

Note 7 - Other current liabilities

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Income received in advance	84.19	62.95
(b) Other payables		
(i) Statutory dues	25.64	44.25
(ii) Payable on purchase of Fixed Assets	193.26	-
(iii) Contribution to IPF	1,326.62	-
(iv) Advances received from customers	448.17	443.73
(v) Others	43.14	124.25
(vi) Application Money in Subsidiary	-	145.00
Total	2,121.02	820.18

Investor Education and Awareness Programme :

During the year, out of the penalty collected on account of late transfer of securities by Depository Participants to beneficial owner accounts, ₹0.22 lacs (Previous Year ₹2.70 lacs) utilized for conducting various investor education and awareness programme. Balance of ₹30.60 lacs (Previous year ₹23.01 lacs) is to be utilised for the said programme has been disclosed in “Other Current Liabilities”

Beneficial Owner’s Protection Fund :

As advised by SEBI, the Company had set up a Trust called “CDSL Beneficial Owner’s Protection Fund”(BOPF) with the object of indemnification of losses suffered by Beneficial Owners. As per the rules of the said Fund, corpus is constituted mainly out of (a) penalties collected from Depository Participants (DPs) and (b) amount funded by the Company from time to time based on certain percentage of annual issuer fees and interest earned on security deposit from DPs. Details of the Fund account disclosed in “Other Current Liabilities” are given below :

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
Opening Balance	88.69	79.17
Add :		
Penalties levied (net)	2.21	3.36
Other Contributions	-	84.10
Less : Funded	87.36	77.94
Closing Balance	3.54	88.69

Note 8 - Short term provision

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Provision for employee benefits		
Gratuity	18.55	16.47
Leave Encashment	128.22	13.75
Performance Linked Bonus	223.00	-
(b) Other provisions		
Wealth tax	2.27	1.89
Provision for Proposed Dividend	2,090.00	1,567.50
Provision for Dividend Distribution Tax on Proposed Dividend	355.19	254.29
Income Tax (Net of Advance Tax)	75.69	109.76
Total	2,892.92	1,963.66

Notes forming part of the financial statements

Note 9 - Fixed Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2012	Additions	Disposals	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the year	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets										
Building - Freehold	173.77	-	-	173.77	173.76	-	-	173.76	0.01	0.01
Building - Leasehold	531.52	21.66	52.40	500.78	202.42	49.18	20.07	231.53	269.25	329.11
Plant and Equipment	2,311.39	86.78	269.02	2,129.15	2,187.15	92.53	269.02	2,010.66	118.49	124.24
Furniture and Fixtures	368.80	110.14	108.55	370.39	312.41	17.86	71.51	258.76	111.63	56.39
Vehicles	77.44	66.68	21.01	123.11	59.21	19.59	21.01	57.79	65.32	18.23
Office equipment	356.21	108.94	86.04	379.11	284.05	56.62	66.42	274.25	104.86	72.16
Total (A)	3,819.13	394.20	537.02	3,676.31	3,219.00	235.77	448.03	3,006.75	669.56	600.13
Intangible Assets										
Computer software	1,450.37	179.45	-	1,629.82	1,427.16	24.99	-	1,452.15	177.67	23.19
Total (B)	1,450.37	179.45	-	1,629.82	1,427.16	24.99	-	1,452.15	177.67	23.19
Grand Total (A+B) Previous Period	5,269.50	573.65	537.02	5,306.13	4,646.16	260.76	448.03	4,458.90	847.23	623.32
	5,154.63	114.84	-	5,269.47	5,269.48	**401.49	68.14	4,646.15	623.32	

** Preliminary expenses for current year NIL, Previous Year Rs. 19.13 Lakhs

Notes forming part of the financial statements
Note 10 - Investments

Particulars	As at 31 March 2013		As at 31 March 2012	
	Non current investments	Current portion of Long term investments	Non current investments	Current portion of Long term investments
	(₹) In Lacs	(₹) In Lacs	(₹) In Lacs	(₹) In Lacs
Long term Investments				
Investment in Subsidiaries (Trade)				
Investment in Equity shares (Unquoted)	-	-	-	-
Investment in Others				
Investment in Equity shares (Unquoted)	0.50	-	0.50	-
Investment in Debentures (Quoted)	2,575.18	4,501.25	5,776.33	1,004.63
Investment in Government Securities (Quoted)	0.10	-	0.10	-
Investment in Units of Mutual funds (Quoted)	-	24,726.34	-	22,356.53
Total	2,575.78	29,227.59	5,776.93	23,361.16

Particulars	As at 31 March 2013 (₹) In Lacs	As at 31 March 2012 (₹) In Lacs
Current Investments		
Investment in Units of Mutual funds (Unquoted)	2,395.87	1,606.24
Total	2,395.87	

Particulars	As at 31 March 2013 (₹) In Lacs	As at 31 March 2012 (₹) In Lacs
Aggregate amount of quoted investments	31,802.87	29,137.58
Aggregate market value of listed and quoted investments	32,537.55	30,166.40
Aggregate amount of unquoted investments	2,396.37	1,606.74

Particulars	Non current investments (₹) In Lacs	Current Investments (₹) In Lacs	Non current investments (₹) In Lacs	Current Investments (₹) In Lacs
Total Investments	2,575.78	31,623.46	5,776.93	24,967.40

Note 10 A - Investments

Particulars	As at 31 March 2013 (₹) In Lacs	As at 31 March 2012 (₹) In Lacs
(a) Investment in Equity instruments	0.50	0.50
(b) Investments in preference shares	0.00	0.00
(c) Investments in Government or Trust securities	0.00	0.00
(d) Investments in Debentures or Bonds	4501.25	1004.63
(e) Investments in Mutual Funds	27122.21	23962.78
(f) Investments in partnership firms*	0.00	0.00
(g) Other non-current investments (specify nature)	2575.28	5776.43
Total (A)	34199.24	30744.33
Less : Provision for diminution in the value of Investments (B)	0.00	0.00
Total (A)-(B)	34,199.24	30744.33
Particulars	As at 31 March 2013 (₹) In Lacs	As at 31 March 2012 (₹) In Lacs
Aggregate amount of unquoted investments	0.50	0.50

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)			₹ In Lacs		Basis of Valuation	
			As at 31 March 2013	As at 31 March 2012			As at 31 March 2013	As at 31 March 2012	(9)	(10)	(11)		(12)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)		
Details of Current Investments													
(a) Investment in Equity Instruments													
(b) Investments in Preference Shares													
(c) Investments in Government or Trust securities													
(a) Investments in Debentures or Bonds													
Quoted	7.90% REC Tax free bond		100						1000.00		1004.63	Cost	
Quoted	11.35% IDBI Omni Bonds 2008-Sr.XV		100						500.00			Cost	
Quoted	8.48% IDFC		50						500.00			Cost	
Quoted	9.25% HDFC		50						500.00			Cost	
Quoted	9.75% HDFC		50						500.00			Cost	
Quoted	NCD Tata Capital Ltd. (12%)		50000						1300.75			Cost	
Quoted	6.85% IFCL Bonds (Tax Free)		1300						200.50			Cost	
Quoted	6.85% IFCL Bonds (Tax Free)		200									Cost	
(b) Investments in Mutual Funds													
Unquoted	Axis Short Term Fund Direct Plan		11679501						1180.95			Cost	
Unquoted	Birla Sunlife Savings Fund -Institutional-Daily Dividend - Reinvestment		19261							19.27		Cost	
Unquoted	Birla Sunlife Short Term Fund - Monthly Dividend - Reinvestment		29261.48							322.87		Cost	
Quoted	Birla Fixed Term Plan Series EI - Dividend Payout		6043399							604.34		Cost	
Quoted	Birla Fixed Term Plan Series EP - Dividend Payout		3903331							390.31		Cost	
Quoted	Birla Fixed Term Plan Series EW - Growth		5299700							529.97		Cost	
Quoted	Birla Fixed Term Plan Series GM GZ Direct		6043399							658.63		Cost	
Quoted	Birla Sunlife Inter Income Plan 3 Direct		3903331							425.88		Cost	
Quoted	Birla Inter Income Fund -Plan 5 Dir -Gro		5299700							586.46		Cost	
Quoted	Birla Fixed Term Plan Series FA - Growth		4246499							424.65		Cost	
Quoted	Birla Fixed Term Plan Series FO - Growth		2500000							250.00		Cost	
Quoted	Birla Sunlife FTP - Sr HD - GZ Direct		7788808							778.88		Cost	
Quoted	Birla Sunlife FTP - Sr HD - GZ Direct		4618932							461.89		Cost	
Quoted	Birla Fixed Term Plan Series DH Growth		3000000							300.00		Cost	
Quoted	Birla Fixed Term Plan Series DL Growth		1500000							150.00		Cost	
Quoted	Birla Fixed Term Plan Series EB Growth		3000000							300.00		Cost	
Quoted	Birla Fixed Term Plan Series EG-GZ		3251688							325.17		Cost	
Quoted	Birla Fixed Term Plan Series EF Growth		3000000							300.00		Cost	
Quoted	Birla Fixed Term Plan Series EM Dividend Pay out		4500000							450.00		Cost	
Quoted	Birla Fixed Term Plan Series GQ Direct		4913685							491.37		Cost	
Quoted	Birla Sunlife Inter Income Plan 1 - GZ Growth		3258270							325.83		Cost	
Unquoted	Birla Savings Fund -Institutional-Daily Dividend -Reinvestment		176555							0.00		176.67	Cost
Unquoted	Birla Cash Fund -Institutional-Daily Dividend -Reinvestment		9646							0.00		9.66	Cost
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 86-Direct		3668269							366.83		Cost	
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 23-Dividend		4000000							400.00		Cost	
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 19-Dividend											450.27	Cost

Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 18-Growth								4000000									100.00	400.00	Cost
Unquoted	DSP BlackRock Money Manager Fund - Direct - DD		9977																	Cost
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 12-Growth								3236430										323.64	Cost
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 32-Dividend								5988406										598.84	Cost
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 84-Direct		6531135																653.11	Cost
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 48-Growth		10000000																1000.00	Cost
Quoted	DSP BlackRock Fixed Maturity Plan-12M-Series 37-Growth		5977907																597.79	Cost
Quoted	DSP Black Rock FMP Sr 91 - 12M		6000000																600.00	Cost
Quoted	DSP Black Rock FMP Sr 32-12M Growth		5503150																550.32	Cost
Quoted	DSP BlackRock FMP Sr 84 - Dir-Growth		14402																144.06	Cost
Unquoted	DSP BlackRock Liquidity Fund - Direct Plan - DDR*								14567											Cost
Quoted	DWS Fixed Term Fund Series 80-Growth Plan								3111791										311.18	Cost
Quoted	DWS Fixed Term Fund Series 29		6000000																600.00	Cost
Quoted	DWS Fixed Term Fund Series 5-Dividend Plan - Payout								3000000										300.00	Cost
Quoted	DWS Fixed Term Fund Series 24 Direct Growth		1776970																177.70	Cost
Quoted	DWS FMP Sr 24 Direct Growth		6491857																1327.16	Cost
Quoted	HDFC Income Fund-Long Term Direct -Growth								6492207										1200.00	Cost
Quoted	HDFC 370D May 2011 (1) - Growth								6000000										600.00	Cost
Quoted	HDFC 370D June 2011 (8) - Growth								5008479										500.85	Cost
Quoted	HDFC 390D March 2012 (1) - Growth Sr XXI		4863310																486.33	Cost
Quoted	HDFC 370D May 2012 (3) - Growth		6601620																660.16	Cost
Quoted	HDFC FMP 384D March 2013(1)		3000000																300.00	Cost
Quoted	HDFC Debt Fund for Cancer Cure - 100% Dividend Donation Option		500000																50.00	Cost
Quoted	HDFC Annual Inter Fund Sr-L-A-Dir-Gro		5750635																575.06	Cost
Quoted	HDFC Fixed Maturity Plan Yearly Series 49-Growth								5854440										585.44	Cost
Quoted	IDFC Fixed Maturity Plan Yearly Series 45-Growth								3000000										300.00	Cost
Quoted	IDFC Fixed Maturity Plan Yearly Series 65-Dividend								9225757										922.58	Cost
Quoted	IDFC Fixed Maturity Plan Yearly Series 74-Growth		6425658																642.57	Cost
Quoted	Koak FMP Series 57 - Growth								4328954										432.90	Cost
Quoted	Koak FMP Series 69 Dividend								3500000										350.00	Cost
Quoted	Koak FMP Series 79-Dividend								3779841										377.98	Cost
Quoted	Koak FMP Series 83-Growth								3637019										363.70	Cost
Quoted	Koak FMP Series 84-Growth		7250000																725.00	Cost
Quoted	Koak FMP Sr 102 Direct growth		8939774																893.98	Cost
Quoted	Koak FMP Series 32 - Growth		0						1000000										100.00	Cost
Quoted	Koak FMP Series 72 - Dividend		0						4000000										400.00	Cost
Quoted	Koak FMP Series 75 - Dividend		0						4000000										400.00	Cost
Quoted	Koak FMP Series 96 - Direct -G		4275031						0										427.50	Cost
Unquoted	Koak Floate Short Term Fund-Direct DD		27309						453126										276.26	Cost
Unquoted	Koak Liquid-Institutional Premium-Daily Dividend		0						147286										18.01	Cost
Unquoted	ICICI Prudential Flexible Income Plan-Premiums-Daily Dividend-Reinvestment								6255										6.61	Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 36-1 Year Plan B Cumulative								5197878										519.79	Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 55-1 Year Plan G Cumulative								3500000										350.00	Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 59-1 Year Plan A Cumulative								4000000										400.00	Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 66-366 days Plan F		3000000																300.00	Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 67-366 days Plan D		11315606																1131.56	Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 63-1 Year Plan B Cumulative								7508516										750.85	Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 63-1 Year Plan C Cumulative		4400000																440.00	Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 67-371 days Plan E																			Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 64-367 days Plan B Cumulative		5702310																570.23	Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 64-367 days Plan D Cumulative		5000000																500.00	Cost
Quoted	ICICI Prudential Fixed Maturity Plan-Series 64-367 days Plan J Cumulative																			Cost
Quoted	ICICI Prudential FMP Sr 61 - 1 Yr Plan A		3920550																392.06	Cost
Quoted	ICICI Prudential FMP Sr 66- 368 Dy Plan B -Direct		0						5000000										0.00	Cost
Unquoted	ICICI Prudential Flexible Income Plan-Direct-DDR*		5403723						0										540.37	Cost
Quoted	Reliance Fixed Horizon Fund -XXI- Series 4 - Growth Plan		282959						385739										289.19	Cost
Quoted	Reliance Fixed Horizon Fund -XXI- Series 2 - Dividend Plan								5801647										580.16	Cost
Quoted	Reliance Fixed Horizon Fund -XXI- Series 1 - Dividend Plan								4376970										437.70	Cost
Quoted	Reliance Annual Interval Fund-Series 1 - Institutional Growth Plan								3650000										365.00	Cost
Quoted	Reliance Yearly Interval Fund Sr 3 Dir- Gro		5811071																640.04	Cost
Quoted			4419655																441.97	Cost

Quoted	Reliance FIF XXI - Sr 6 Growth	0	5000000						0.00	500.00 Cost
Quoted	Reliance yearly interval plan Sr 2 Dir-GW	5498600	0						549.96	0.00 Cost
Unquoted	Reliance Liquid Fund - Treasury Plan - Direct-DDR*	25865	2967877						395.41	453.71 Cost
Quoted	Reliance Yearly Interval Fund Sr 2 367 days	4000000							400.00	Cost
Quoted	Reliance Yearly Interval Fund Sr 5	3000000							300.00	Cost
Quoted	Reliance FMP Sr XVIII Plan A	4000000							400.00	Cost
Quoted	Reliance FMP Sr XVIII Plan D	4500000							450.00	Cost
Quoted	Reliance FMP Sr XVIII Plan E	6000000							600.00	Cost
Quoted	Reliance FMP Sr XVII Plan E Direct	3938774							393.88	Cost
Quoted	SBI Debt Fund Series - 367 Days-17-Growth	11000000							11000.00	Cost
Quoted	Sundaram Fixed Term Plan BD 366 days - Growth	6000000							600.00	Cost
Quoted	Sundaram Fixed Term Plan BE 366 days - Growth	4000000							400.00	Cost
Quoted	Sundaram Fixed Term Plan CQ 370 days - Growth	9250535							925.05	Cost
Quoted	Sundaram FTF Sr DJE	8135988							813.60	Cost
(f)	Investments in partnership firms*									
	less: Diminution in the value of investments									
	Sub Total - Current Investments								31623.46	24967.40
Details of Non-Current Investments										
(g) Other non-current investments (specify nature)										
Unquoted	Equity Shares-BRSCCL	Others	5000						0.50	0.50 Cost
Quoted	11.50% GOI 2015	Others	10						0.10	0.10 Cost
Quoted	6.85% IFCI Bonds (Tax Free)		1300							1300.75 Cost
Quoted	6.85% IFCI Bonds (Tax Free)		200							200.50 Cost
Quoted	NCD Tata Capital Ltd. (12%)		50000							500.00 Cost
Quoted	9.62% L&T Finance		28106						281.06	281.06 Cost
Quoted	7.70% REC		50						494.02	494.02 Cost
Quoted	7.21% REC Tax free bond		100						500.05	Cost
Quoted	9.75% HDFC		50							500.00 Cost
Quoted	TPC Tax free Bond Series 95		50						500.05	Cost
Quoted	6.05% IRFCL Bonds (Tax Free)		500						500.00	500.00 Cost
Quoted	11.35% IDBI Omnil Bonds 2008-Sr.XV		100							1000.00 Cost
Quoted	8.48% IDFC		50							500.00 Cost
Quoted	9.25% HDFC		50							500.00 Cost
Quoted	IRFCL 7.18% Tax free Bonds 2012-Escrow Account R		30						300.00	Cost
	Sub Total - Non Current Investments								2575.78	5716.93
Total										31744.33
Total										34199.24

Note 11 - Long term Loans and Advances - Unsecured, considered good

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Capital Advances	74.33	66.33
(b) Security Deposits (Deposit with Holding Company)	73.42	73.42
(c) Advance Income tax (net of provisions)	897.65	362.75
Total	1,045.40	502.50

Note 12 - Trade Receivables

Particulars	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
Outstanding for a period more than six months from the date they are due for payment		
Secured, considered good	10.00	
Unsecured, considered good	41.18	121.11
Unsecured, considered doubtful	443.89	324.24
Less: Provision for doubtful debts	(443.89)	(294.00)
Total (A)	51.18	151.35
Others		
Secured, considered good	284.69	517.07
Unsecured, considered good	509.77	
Unsecured, considered doubtful		
Less: Provision for doubtful debts		
Total (B)	794.46	517.07
Total (A) + (B)	845.64	668.42

Note 13- Cash and cash equivalents

Particulars	As at 31 March 2013		As at 31 March 2012	
	(₹) In Lacs	(₹) In Lacs	(₹) In Lacs	(₹) In Lacs
(a) Cash on hand		0.20		0.59
(b) Balances with banks		3,465.19		3,526.50
i) in current account	90.19		176.50	
ii) in deposit account (including accrued income on FD)	3,375.00		3,350.00	
(c) Cheques, drafts on hand		67.11		-
Total		3,532.50		3,527.09

Notes :

(i) Of the above, balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is - ₹157.50 Lakh (As at March 31, 2012 ₹ 177.09 Lakh)

(ii) Balances in Deposit Account with Banks includes ₹500 lakh (As at March 31, 2012 ₹500 Lakh), which have an original maturity of more than 12 months

(iii) Balances with banks includes amount in earmarked accounts ₹1.21 Lakh (As at 31 March 2012, ₹1.19 Lakh)

Note 14 - Short-term loans and advances - Unsecured considered good

Particulars	As at 31 March 2013		As at 31 March 2012	
	(₹) In Lacs	(₹) In Lacs	(₹) In Lacs	(₹) In Lacs
(a) Loans and advances to employees		12.20		6.24
(b) Prepaid Expenses		121.73		87.89
(c) Balances with Government authorities (CENVAT Credit receivable/Tender Deposits)		90.40		147.43
(d) Others		20.20		11.10
Total		244.53		252.66

Note 15 - Other current assets

Other Current Assets	As at 31 March 2013	As at 31 March 2012
	(₹) In Lacs	(₹) In Lacs
Interest accrued on -		
Bonds	185.00	196.03
Fixed Deposit	65.03	71.67
Total	250.03	267.70

Note 16 Revenue from operations

	Particulars	For the period ended 31 March 2013	For the period ended 31 March 2012
(a)	Sale of services (Refer Note (i) below)	9,052.95	9,558.40
(b)	Other operating revenues (Refer Note (ii) below)	21.66	65.98
	Total	9,074.61	9,624.38
Notes			
(i)	Sale of services comprises :		
	Account Maintenance Charges	210.26	194.55
	Transaction charges	2,184.96	2,504.04
	Settlement charges	246.16	239.58
	Users Facility charges	413.98	425.19
	Annual Issuer Charges	3,897.61	3,586.51
	Others	560.89	810.07
	On Line Data Charges	1,159.97	1,613.89
	Documents Storage Charges	379.69	184.59
	Total - Sale of services	9,052.95	9,558.40
(ii)	Other operating revenues comprise:		
	Interest from Debtors	21.66	65.98
	Bad debts recovered	-	
	Total - Other operating revenues	21.66	65.98

Note 17 - Other Income

Particulars	For the Period ended 31 March 2013	For the Period ended 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Interest Income (Refer Note (i) below)	925.22	1,302.33
(b) Dividend Income (from others) - Current	500.66	222.59
(c) Net gain/loss on sale of investments (from sale of current investments)	1,859.64	885.97
(d) Other Income (refer Note ii below)	44.59	38.84
Total	3,330.11	2,449.73

Note (i)		
Particulars	For the Period ended 31 March 2013	For the Period ended 31 March 2012
	(₹) In Lacs	(₹) In Lacs
Interest income comprises:		
Interest from banks on:		
deposits	354.84	712.45
Interest income from long term investments (Bonds)	570.37	587.90
Other interest	0.01	1.98
Total - Interest income	925.22	1,302.33

Note (ii)		
Particulars	For the Period ended 31 March 2013	For the Period ended 31 March 2012
	(₹) In Lacs	(₹) In Lacs
Other non-operating income comprises:		
Rental income from operating leases	0.00	30.00
Profit on sale of fixed assets [net of expenses]	8.05	2.93
Liabilities / provisions no longer required written back	-	1.69
Miscellaneous income [net of expenses]	6.54	6.33
Sponsorship fees	30.00	0.00
Administrative charges CVL & CIRL	-	0.00
Total - Other non-operating income	44.59	38.84

Note 18 - Employee Benefits Expense

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Salaries and wages	1,579.26	1,109.94
(b) Contribution to provident and other funds,	68.94	74.01
(c) Staff welfare expenses	66.88	56.09
Total	1,715.08	1,240.05

Note 19 - Other Expenses

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
	(₹) In Lacs	(₹) In Lacs
(a) Advertisement Expenses	-	0.56
(b) Annual SEBI Fees	11.00	10.00
(c) Bad Debts Written Off	111.41	144.83
(d) Contribution to IPF	1,326.62	-
(d) Business Promotion Expenses	46.37	43.44
(e) Directors' Sitting Fees	12.48	12.14
(f) Payment to auditors as Statutory Audit	8.90	8.35
Reimbursement of expenses	0.83	0.42
(g) Insurance	99.37	125.39
(h) Legal, Professional and Consultancy Fees	134.29	135.85
(i) Postage, Telephone & Communication Charges (Net of recoveries)	313.22	190.95

(j) Power and fuel	72.06	51.64
(k) Printing & Stationery	29.10	22.08
(l) Provision for doubtful debts	149.89	91.00
(m) Rates and taxes, excluding, taxes on income	37.25	2.35
(n) Rent	293.74	263.75
(o) Repairs to buildings	137.57	120.37
(p) Repairs to machinery	655.84	610.86
(q) Travelling and Conveyance	82.15	72.46
(r) Water Charges	3.24	3.44
(s) Miscellaneous expenses,	55.51	66.86
(t) Point of service charges	205.29	340.34
Total	3,786.13	2,317.07

Notes:

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
	(₹) In Lacs	(₹) In Lacs
Audit Fees	8.15	8.35
Tax Audit Fees	1.05	-
Out of Pocket Expenses	0.53	0.42
Total	9.73	8.77

Notes forming part of the financial statements
Note 20 Additional information to the financial statements

Note	Particulars	As at 31 March, 2013	As at 31 March, 2012
		(₹) In Lacs	(₹) In Lacs
20.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt	2,323.58	2,281.07
(ii)	Capital Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	210.66	552.04
	(b) Other commitments (Purchase of Licenses)	57.61	23.31

(a) The Company is a party in certain legal proceedings filed by beneficial owners/third parties in the normal course of business. The Company does not expect the outcome of these proceedings to have any material adverse effect on its financial conditions, results of operations and cash flow. Amount is not ascertainable.

(b) Claims against Company not acknowledged as debt : Service Tax

The Commissioner of Service Tax, Mumbai has issued Show cause cum Demand Notice (SCN) on 21st October 2009 to CDSL demanding service tax amount of ₹ 1791 lacs on the charges recovered by CDSL for providing “Depository services” to DPs and RTAs for the period 2004-05 to 2008-09.

The Commissioner of Service Tax, Mumbai has issued Show cause cum Demand Notice (SCN) on 04th October 2010 to CDSL demanding service tax amount of ₹ 465 lacs on the charges recovered by CDSL for providing “Depository services” to DPs and RTAs for the period 2009-10.

Company has obtained two legal opinions which states that CDSL is not liable for the service tax as demanded in the aforesaid notice. Company has filed a comprehensive reply based on jurisdiction and merits, vide its letter dated November 25, 2009 and November 2, 2010 to the SCNs respectively and requested for personal hearing in the matter. Till date no reply from Service Tax Department has been received.

(c) Claims against Company not acknowledged as debt : Income Tax

Appeal pending with Commissioner of Income Tax (Appeals) for the AY 2009-10 & AY 2010-11 amounting to ₹ 67.58 lacs

Note	Particulars
20.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 Based on the information available with the Company, the balance due to Micro and Small Enterprises as defined under the MSMED Act,2006 is Rs NIL. Further, no interest during the year has been paid or payable under the terms of the MSMED Act,2006.

Note	Particulars	As at 31 March, 2013	As at 31 March, 2012
20.3	Expenditure in foreign currency :	(₹) In Lacs	(₹) In Lacs
	Travelling Expenses	4.32	18.30
	Others	5.48	5.47

21. The Company has determined the liability for Employee Benefits as at March 31, 2013 in accordance with the revised Accounting Standard 15 on "Employee Benefits" prescribed in Companies (Accounting Standards) Rules, 2006.

a) Defined benefit plans-Gratuity-As per Actuarial Valuation on March 31, 2013
(₹ in Lakhs)

A Expenses Recognized in the statement of		
Statement of Profit and Loss for the year ended	31/03/2013	31/03/2012
1 Current Service Cost	16.11	16.20
2 Past Service Cost	-	12.74
3 Interest Cost	7.27	3.53
4 Expected Return on Plan Assets	(6.52)	(3.43)
5 Net Actuarial (Gain)/ Loss recognized for the Period	1.33	16.61
6 Expenses recognized in statement of P&L A/c	18.18	45.65
B Net Asset / (Liability) recognized in the Balance Sheet		
1 Present Value of Obligation	105.01	84.41
2 Fair Value of Plan Assets	92.57	40.66
3 Funded Status	(12.44)	(43.76)
4 Unrecognised Actuarial Gain/ (Loss)	-	-
5 Net Assets / (Liability) recognized in the Balance Sheet	(12.44)	(44.30)
C Changes in present value of obligations		
1 Present Value of Obligation as at April 01, 2012	90.23	56.10
2 Interest Cost	7.27	3.53
3 Current Service Cost	6.11	16.20
4 Past Service Cost	-	12.74
5 Benefits Paid	(10.10)	(21.52)
6 Actuarial (Gain)/Loss on Obligation	1.51	17.36
7 Present Value of Obligation as at December 31, 2012	105.01	84.41
D Changes in Fair Value of Plan Assets		
1 Fair Value of Plan Assets as at April 01 , 2012	77.12	49.56
2 Expected Return on Plan Assets	6.52	3.43
3 Contributions	18.85	8.45
4 Benefits Paid	(10.10)	(21.52)
5 Actuarial Gain / (Loss) on plan assets	0.19	0.85
6 Fair Value of Plan Assets as at December 31, 2012	92.57	40.65

	31/03/2013	31/03/2012
E Fair Value of Plan Assets		
1 Fair Value of Plan Assets as at April 01,2012	77.12	49.56
2 Actual Return on Plan Assets	6.71	4.18
3 Contributions	18.85	8.45
4 Benefits Paid	(10.10)	(21.53)
5 Fair Value of Plan Assets as atDecember 31,2012	92.56	40.65
6 Funded Status	(12.44)	(43.76)
7 Excess of Actual over estimated return on Plan Assets	0.19	0.75
F Actuarial Gain / (Loss) Recognized		
1 Actuarial Gain/(Loss) for the period (Obligation)	(1.51)	(17.36)
2 Actuarial Gain / (Loss) for the period (Plan Assets)	0.19	0.75
3 Total Gain / (Loss) for the period	(1.33)	(16.61)
4 Actuarial Gain / (Loss) recognized for the period	(1.33)	(16.61)
5 Unrecognized Actuarial Gain / (Loss) at December 31,2012	-	-
G Movements in the Liability recognized in Balance Sheet		
1 Opening Net Liability	13.11	6.55
2 Expenses recognized in Profit & Loss A/c	18.18	45.65
3 Contribution Paid	(18.85)	(8.45)
4 Closing Net Liability	12.44	43.76
H Actuarial Assumptions		
1 Mortality	LIC(1994-96)Ult	LIC(1994-96)Ult
2 Discount Rate as at December 31,2012	7.95%	8.00%
3 Rate of Increase in Compensation	4.00%	4.00%
4 Expected average remaining service (years)	14.53	9.40
5. Withdrawal Rate		
- 0 to 42 years	8.33%	7.78%
6. Expected Rate of Return on plan assets	7.95%	8.00%
J Experience History		
(Gain)/Loss on obligation due to change in Assumption	(5.28)	(0.67)
Experience (Gain)/Loss on obligation	6.80	(0.51)
Actuarial Gain/Loss on plan assets	0.19	2.52

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 Accounting Standard 15. Hence the company obtains separate actuarial valuation report as required under Accounting Standard 15 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.

Notes forming part of the financial statements

Note 22 Disclosures under Accounting Standards

Particulars	
Related party transactions	
Details of related parties:	
Description of relationship	Names of related parties
Holding Company	BSE Limited
Subsidiaries	CDSL Ventures Limited, Central Insurance Repository
Fellow Subsidiaries (with whom there are transactions)	Marketplace Technologies Pvt Ltd BOI Shareholding Ltd
Associates	
Key Management Personnel (KMP)	Shri P S Reddy - MD & CEO

Note: Related parties have been identified by the Management.

Details of related party transactions during the period ended 31 March, 2013 and balances outstanding as at 31 March, 2013:

Particulars	(₹) In Lacs			
	Holding Company	Fellow Subsidiaries	KMP	Total
Purchase of fixed assets				-
Remuneration paid			90.91	90.91
Rendering of services	4.56	31.36	(73.67)	35.92
Receiving of services	(7.67)	(30.55)		(38.22)
License agreements-Rent & Maintenance	394.28	42.36		436.64
	(529.27)	(31.56)		(560.83)
	311.20			311.20
	(273.00)			(273.00)

Finance (including loans and equity contributions in cash or in kind)- Dividend Paid	849.52 (679.62)			(679.62)
Balances outstanding at the end of the year				-
Trade receivables		2.33 (1.54)		2.33 (1.54)
Loans and advances-Deposit given	73.42 (73.42)			73.42 (73.42)
Trade payables	10.91 (272.08)			10.91 (272.08)

Note: Figures in bracket relates to the previous year

Notes forming part of the financial statements

Note 23 Disclosures under Accounting Standards

Particulars	For the year ended 31 March 2013	For the year ended 31 March, 2012
	(₹) In Lacs	(₹) In Lacs
Earnings per share (Not annualized)		
<u>Basic & Diluted</u>		
<u>Total operations</u>		
Net profit / (loss) for the year from continuing operations	4,993.94	5,534.49
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	4,993.94	5,534.49
Weighted average number of equity shares	104,500,000.00	104,500,000.00
Par value per share (₹)	10.00	10.00
Earnings per share from continuing operations - Basic & Diluted (₹)	4.78	5.30
<u>Basic & Diluted (excluding extraordinary items)</u>		
<u>Total operations</u>		
Net profit / (loss) for the year from continuing operations	4,993.94	5,534.49
(Add) / Less: Extraordinary items (net of tax) relating to continuing operations	72.52	-
(Loss due to fire added back)		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	5066.46	5,534.49
Weighted average number of equity shares	104,500,000.00	104,500,000.00
Par value per share (₹)	10.00	10.00
Earnings per share from continuing operations, excluding extraordinary items - Basic & Diluted (₹)	4.85	5.30

Notes forming part of the financial statements
Note 24 Disclosures under Accounting Standards

Particulars	For the year ended 31 March 2013	For the year ended 31 March, 2012
	(₹) In Lacs	(₹) In Lacs
Deferred tax liability / asset		
A) Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	-	9.54
On expenditure deferred in the books but allowable for tax purposes	-	(1.07)
Tax effect of items constituting deferred tax liability	-	8.47
Net deferred tax liability	-	8.47
B) Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	162.40	55.59
Provision for doubtful debts / advances	150.88	95.39
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961		
On difference between book balance and tax balance of fixed assets	148.36	148.77
Tax effect of items constituting deferred tax assets	461.64	299.75
Tax effect of items constituting deferred tax liabilities		
Net deferred tax assets	461.64	299.75

25. As per the definitions of 'business segment' and 'geographical segment', contained in Accounting Standard-17 "Segment Reporting", the Management is of the opinion that the group's operations comprise of two segments viz. a) Depository activity i.e. providing depository related services and b) Data Processing Services i.e. providing online data. And accordingly following disclosure is made

	For the Period Ended	
	March 31, 2013	March 31, 2012
I Segment Revenue		
(a) Depository Activity	10,323.30	10,182.78
(b) Data Processing Services	1,814.86	1,841.06
(c) Others	266.57	50.27
Total	12,404.73	12,074.11
Less : Inter Segment Revenue	-	-
Total Income	12,404.73	12,074.11

II Segment Results		
(a) Depository Activity	5,182.29	6,597.20
(b) Data Processing Services	1,181.88	1,221.34
(c) Others	206.07	11.07
Total	6,570.24	7,829.61
Add : Unallocated Corporate Income	-	-
Less : Unallocated Corporate Expenses	-	-
Profit before taxation	6,570.24	7,829.61
Less : Provision for taxation	1,518.13	2,291.15
Profit after taxation	5,052.11	5,538.46

	As at March 31, 2013	As at March 31, 2012
III Segment Assets		
(a) Depository Activity	33,384.41	30,073.92
(b) Data Processing Services	3,639.34	3,033.27
(c) Others	3,174.13	3,012.68
(d) Unallocated	1,359.29	689.14
	41,557.17	36,809.01
Segment Liabilities		
(a) Depository Activity	7,263.57	5,059.69
(b) Data Processing Services	115.03	230.27
(c) Others	14.39	146.08
(d) Unallocated	75.69	42.34
	7,468.68	5,478.38

Capital Employed		
(a) Depository Activity	26,120.84	25,014.23
(b) Data Processing Services	3,524.31	2,803.00
(c) Others	3,159.74	2,866.60
(d) Unallocated	1,283.60	646.80
Total	34,088.49	31,330.63

26. SEBI has issued Depositories and Participants (Amendment) Regulations, 2012 on September 11, 2012. According to these Regulations depositories are required to establish and maintain an Investor Protection Fund for the protection of interest of beneficial owners and every depository is required to credit twenty five per cent. of its profits every year to the Investor Protection Fund.

27. The Company has sought clarification from SEBI on whether the amount of contribution to IPF is to be calculated at 25% of the operating profits of the Company before tax and available after making such contribution, from its depository business. Pending clarification from SEBI, the Company has calculated IPF contribution of Rs. 1326.62 lakh, being 25% of the profits of the Company before tax, available after making such contribution.

The Company has sought clarification from SEBI on whether the amount of contribution to IPF is to be calculated at 25% of the operating profits of the Company before tax and available after making such contribution, from its depository business. Pending clarification from SEBI, the Company has calculated IPF contribution of Rs. 1326.62 lakh, being 25% of the profits of the Company before tax, available after making such contribution.

If the contribution is calculated at 25% of the operating profits before tax and available after making such contribution, the amount of contribution would be Rs 744.03 lakh.

28.Previous year's figures have been re grouped/ re arranged where required
Signatures to Notes 1 to 28

For and on behalf of the Board of Directors

Satish Budhakar

Sr.Vice President (Legal)
& Group Company Secretary

Bharat Sheth

Sr. Vice President
& CFO

N Rangachary

Chairman

P. S. Reddy

M D & CEO

Mumbai

22nd April, 2013.



Statement pursuant to section 212 of the Companies Act , 1956 , relating to subsidiary companies

(₹ in lacs except as stated)

1 Name of the subsidiary :	CDSL VENTURES LIMITED	CENTRAL INSURANCE REPOSITORY LIMITED
2 Financial Year of the Subsidiary Company ended on	: 31ST March 2013	31ST March 2013
3 Holding Company's interest as on above date (Inclusive of holding through its subsidiary)		
Number of shares	: 30,00,000 equity shares of Rs.10 each fully paid	1,82,50,000 equity shares of Rs.10 each fully paid
Extent of Holding	:100%	61%
4 The Net Aggregate amount of the Subsidiary's Profit/(Losses) so far as it concerns members of the holding company and is not dealt with in Holding Company's accounts		
(I) for the financial year of the company	: ₹ 793.63	₹ 90.34
(ii)for the previous financial years of the subsidiary since it became the holding company's subsidiary	: ₹ 781.65	₹ 7.10
5 Net aggregate amounts of the Profit/(Losses) of the subsidiary dealt with in company's account		
(i)for the financial year of the company.	: NIL	NIL
(ii)for the previous financial year of the subsidiary since it became the holding company's subsidiary	: NIL	NIL

For and on behalf of the Board of Directors

Satish Budhakar

Sr.Vice President (Legal)

& Group Company Secretary

Bharat Sheth

Sr. Vice President

& CFO

N Rangachary

Chairman

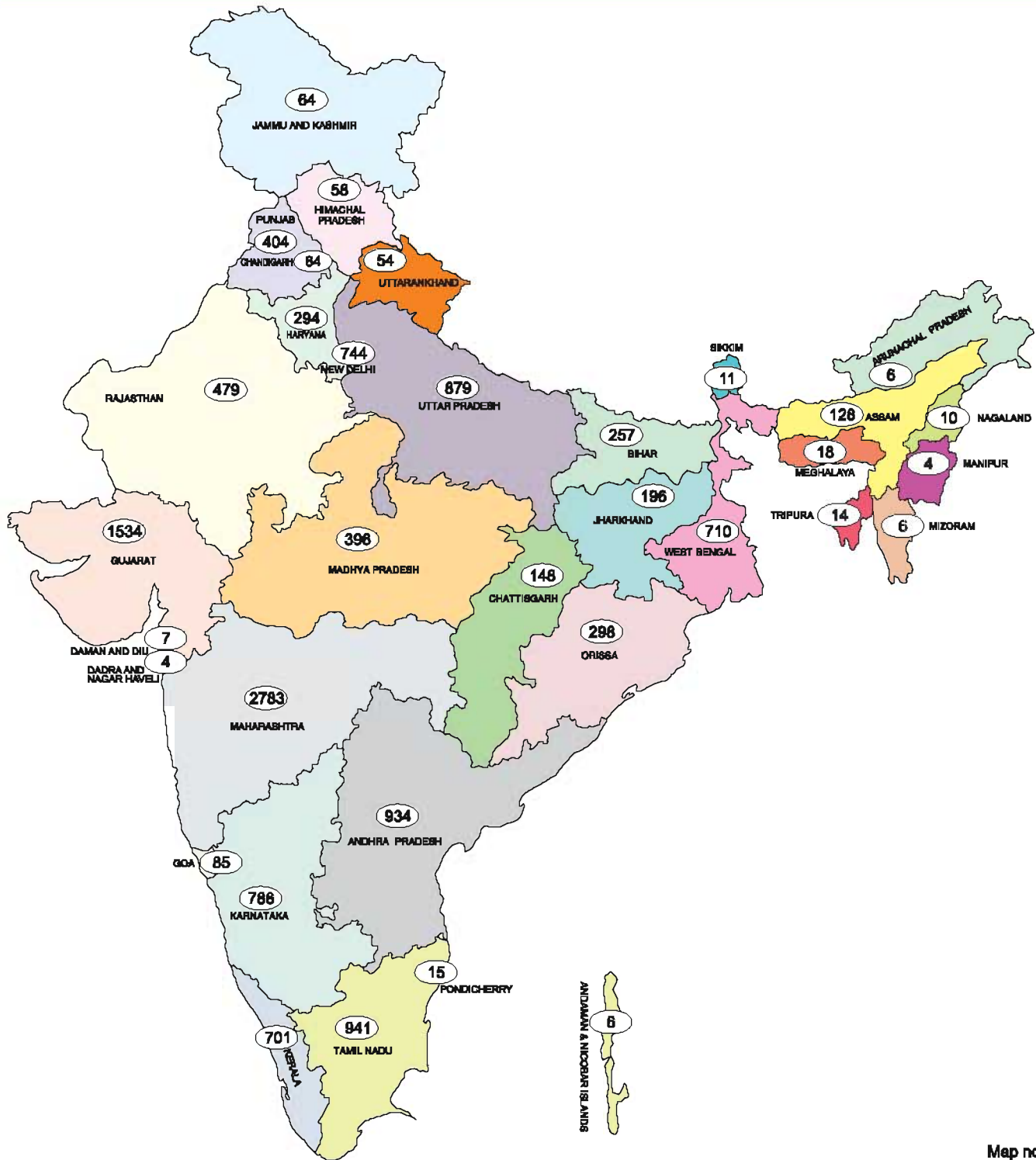
P.S.Reddy

MD & CEO

Mumbai

22nd April, 2013

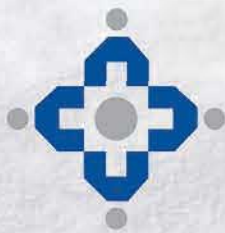
NETWORK OF CDSL DPs & SERVICE CENTRES



Map not to Scale

ANDAMAN & NICOBAR Service Centres : 6	CHHATTISGARH DP : 1 Service Centres : 147	HIMACHAL PRADESH Service Centres : 58	MADHYA PRADESH DPs : 10 Service Centres : 386	NEW DELHI DPs : 87 Service Centres : 877	SIKKIM Service Centres : 11
ANDHRA PRADESH DPs : 17 Service Centres : 917	DADRA & NAGAR HAVELI Service Centres : 4	JAMMU & KASHMIR Service Centres : 64	MAHARASHTRA DPs : 279 Service Centres : 2504	ORISSA DP : 1 Service Centres : 297	TAMIL NADU DPs : 22 Service Centres : 857
ARUNACHAL PRADESH Service Centres : 6	DAMAN & DIU Service Centres : 7	JHARKHAND DP : 1 Service Centres : 196	MANIPUR Service Centres : 4	PONDICHERY Service Centres : 15	TRIPURA Service Centres : 14
ASSAM Service Centres : 128	GOA Service Centres : 85	KARNATAKA DPs : 9 Service Centres : 777	MEGHALAYA Service Centres : 18	PUNJAB DPs : 4 Service Centres : 400	UTTAR PRADESH DPs : 22 Service Centres : 857
BIHAR Service Centres : 257	GUJARAT DPs : 52 Service Centres : 1482	KERALA DPs : 14 Service Centres : 687	MIZORAM Service Centres : 6	RAJASTHAN DPs : 13 Service Centres : 488	UTTARAKHAND Service Centres : 54
CHANDIGARH DPs : 3 Service Centres : 61	HARYANA DPs : 9 Service Centres : 285		NAGALAND Service Centres : 10		WEST BENGAL DPs : 52 Service Centres : 658

TOTAL DPs : 577 • TOTAL SERVICE CENTRES : 12461



Central Depository Services (India) Limited

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