



EMBRACING TOMORROW  
**WITH A GREEN  
TECHNOLOGY EDGE**

*e-Voting*



CCRL

*Easiest*



CVL

My*Easi*

*eDots*



CIRL

*smart*

*m-Voting*

*eLocker*

*CAS*

NAD

*eInsurance*

*eNotices*

*KRA*

*Easi*

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## **FORWARD-LOOKING STATEMENTS**

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.



To get this report online and for any other information log on to [www.cdslindia.com](http://www.cdslindia.com)

As one of India's leading securities depository, we are motivated to take the leadership role towards creating a better tomorrow by leveraging Green Technology Edge. From facilitating holding and transacting of various securities in digital form to facilitating non-cash corporate actions to offering KYC services and allowing holding of insurance policies in electronic form. From offering a gamut of online services such as e-voting, e-Locker, electronic access to security information, National Academy Depository, to enabling various services on the mobile platform.

**We have adequately invested in digital technologies to facilitate a convenient, dependable and secure platform for market participants, while ensuring a better and paperless world.**

We are,

**EMBRACING TOMORROW WITH A  
GREEN TECHNOLOGY EDGE**





# CDSL AT A GLANCE

Central Depository Services (India) Limited (hereafter referred to as CDSL / the Company) was initially promoted by the BSE Ltd. which thereafter divested its stake to leading banks. CDSL received the certificate of commencement of business from the Securities and Exchange Board of India (SEBI) in February 1999. All leading stock exchanges like the BSE Ltd., National Stock Exchange and Metropolitan Stock Exchange of India have established connectivity with our Company. Our constant endeavour is to provide convenient, dependable and secure depository services at affordable cost to all market participants.

To ensure proper functioning and the efficient discharge of our responsibilities, some of our activities have been organised in subsidiary companies.

## CDSL SUBSIDIARIES

### CDSL Ventures Limited (CVL)

CVL is registered with SEBI and the Unique Identification Authority of India (UIDAI) and MHRD.

Undertakes 'Know Your Client (KYC)' services for investors in the capital markets operates National Academic Depository.

### CDSL Insurance Repository Limited

The subsidiary has arrangements with several life insurance companies and three general insurance companies for holding policies in electronic form.

The arrangement enables policy holders to hold and monitor insurance policies with ease.

### CDSL Commodity Repository Limited (CCRL)

CCRL is operating a Commodity Repository on the lines of a Securities Depository under the jurisdiction of Warehousing Development and Regulatory Authority (WDRA).

## OUR CLIENT PORTFOLIO AND THE SERVICES THAT WE OFFER TO THEM ARE ENUMERATED BELOW:

### Depository Participants (DPs) and other capital market intermediaries

The DPs act as our agent and offer depository services to the beneficial owner (BO) of the securities. The Registrar and Transfer Agents ("RTAs") and Clearing Members ("CMs") are the other intermediaries involved in the process of issue and transfer of securities on our electronic platform.

### Corporates

We offer facilities to issuers to credit securities to a shareholder's or applicant's demat accounts to

give effect to a range of non-cash corporate actions such as bonus issue, subdivision of holdings and conversion of securities in a merger, amalgamation or in an initial public offering.

### Capital market intermediaries

We provide KYC services in respect of investors in Indian capital markets to all capital market intermediaries.

### Insurance Companies

We facilitate holding of insurance policies in electronic form to the holders of these policies.

## Commodity Exchanges and Warehouse Service Providers

We facilitate holding and transacting in electronic negotiable warehouse receipts (eNWRs). The eNWRs can be pledged or transferred in off market or market mode.

## Others

We extend online services such as e-Voting, e-Locker, National Academy Depository, easi (Electronic Access to Security Information), easiest (Electronic Access to Security Information and Execution of Secured Transaction) and mobile application (MyEasi, M-Voting). We also regularly conduct investor meetings and other awareness programmes.

### KEY STRENGTHS

#### 1. India's leading securities depository with the highest share of incremental growth of BO accounts and largest network of DPs

- As of March 31, 2018, we had 594 DPs servicing across 29 states and 7 union territories including two overseas centres
- The number of service centres grew from 16,764 in FY 2015-16 to 17,473 in FY 2017-18
- Our BO accounts grew at a CAGR of 17% from 10.8 million in FY 2015-16 to 14.8 million in FY 2017-18

#### 2. Convenient and dependable depository services at competitive prices for a wide range of securities

- We are directly connected to our DPs (operating from over 17,000 centres across India) through our centralised database systems which ensure relatively low initial set-up costs and minimal incremental costs. This allows our DPs to offer depository services on a real-time basis to our investors at competitive prices

#### 3. Stable revenue base due to repeat business in multiple offerings in the Indian securities and financial services market

- As of March 31, 2018, we held over 17.11 million capital market investor records under CVL, the first KYC Registration Agency (KRA)
- As of March 31, 2018, we had opened approximately 3.55 lakhs active e-Insurance accounts, holding more than 88,500 insurance policies in electronic form

#### 4. State-of-the-art technology and robust infrastructure and IT systems

- We are one of the few depositories globally to be awarded ISO 22301:2012 certification for our Business Continuity Management System ("BCMS")
- Our Information Security Management System ("ISMS") complies with ISO 27001 standard

#### 5. High economies of scale leading to steady growth in profitability

- Our stable business and steady revenue growth with control on costs has allowed us to consistently enhance investor's value

#### 6. Led by an experienced senior management team

- The senior members of our management team have an average work experience of over 25 years
- We believe in continuous employee development and are continually investing in them through regular training programmes to improve skills and service standards, enhance loyalty, reduce attrition rates and increase productivity



# EVENTS & MILESTONES

1999	2002	2004	2005
<ul style="list-style-type: none"> <li>• The Union Finance Minister of India, Mr. Yashwant Sinha flagged off the Company operations</li> <li>• Commenced the settlement of trades in demat mode through BOI Shareholding Limited, the clearing house of BSE</li> </ul>	<ul style="list-style-type: none"> <li>• Launched our internet facility “easi” (electronic access to securities information)</li> <li>• Commenced online inter-depository transfer, enabling on-line transfer of securities between both the depositories any time during the specified business hours</li> </ul>	<ul style="list-style-type: none"> <li>• Launched our internet facility “easiest” (electronic access to securities information and execution of secured transaction)</li> </ul>	<ul style="list-style-type: none"> <li>• Number of active demat accounts crossed 1 million</li> <li>• Number of companies admitted for demat crossed 5,000</li> </ul>
2006	2007	2008	2009
<ul style="list-style-type: none"> <li>• Awarded the BS7799 certification from Det Norske Veritas (Rotterdam)</li> <li>• CDSL Ventures, our wholly-owned subsidiary, was incorporated</li> <li>• Awarded the ISO 27001 from Det Norske Veritas (Rotterdam)</li> <li>• CDSL Ventures began “Customer profiling and Record Keeping” of the KYC of investors for mutual funds</li> </ul>	<ul style="list-style-type: none"> <li>• Signed an MoU with the Depository Trust &amp; Clearing Corporation of New York (“DTCC”), designed to build a closer working relationship and facilitate exchange of information</li> <li>• Signed an MoU with the Korea Securities Depository (“KSD”), aimed at promoting development of financial services industries in India and Korea</li> <li>• Launched SMS Alert facility called “SMART” (SMS Alerts Related to Transactions)</li> </ul>	<ul style="list-style-type: none"> <li>• Number of active demat accounts touched 4.5 million</li> <li>• Signed an MoU with Japan Securities Depository Center, Inc. (“JASDEC”) of Tokyo, designed to build a cooperative relationship</li> <li>• Signed an MoU with National Depository Center (“NDC”) to bolster economic relations between India and Russia by encouraging cooperation through the mutual exchange of experience</li> <li>• Signed an MoU with Taiwan Depository &amp; Clearing Corporation (“TDCC”), aimed at mutual benefits and further development in the financial market by cooperation in operations and operation linkages, exchange of personnel and new developments</li> <li>• Signed an MoU with Euroclear SA/NV, designed to promote cross-border investment and explore the possibility of establishing an operational link with Euroclear SA/NV</li> </ul>	<ul style="list-style-type: none"> <li>• Honourable Minister for Corporate Affairs of India, Mr. Salman Khurshid launched our e-voting platform</li> <li>• Signed an MoU with Bursa Malaysia Depository Sdn. Bhd. (“Bursa Malaysia Depository”) to pursue cooperative relationship and opportunities in the areas of securities clearing and depository</li> </ul>

**2010**

- Signed an agreement with Nepal Stock Exchange Limited (“NEPSE”) to set-up a depository and clearing and settlement system in Nepal and to provide technical assistance and consultancy services to NEPSE
- CDSL signed an agreement with The Nepal Stock Exchange Limited (NEPSE), in the presence of Mr. S.M. Krishna, Minister of External Affairs, Government of India and Smt. Sujata Koirala, Deputy Prime Minister, Nepal to set-up a Depository and Clearing & Settlement System in Nepal
- Introduced the National Academic Depository (NAD) with a view to obviate the issues associated with the issue of academic mark sheets, degrees and convocation certificates in paper form

**2012**

- Mr. U. K. Sinha, SEBI Chairman launched CDSL Ventures Ltd., India’s first and largest KYC Registration agency

**2013**

- Transaction Using SMS Texting (“TRUST”), the acronym for our Company’s mobile-based utility, “Transaction Using Secured Texting” was formally launched

**2015**

- The number of active demat accounts crossed 10 million (1 crore)

**2016**

- Launched m-Voting, an e-Voting mobile app for shareholders to cast their vote at their convenience
- Registered with UIDAI as Authentication Service Agency (ASA) & KYC Service Agency (KSA) to facilitate e-KYC of investors by providing authentication and KYC services respectively

**2017**

- Listed on the National Stock Exchange (NSE) after receiving an overwhelming response in the IPO
- Launched CDSL Commodity Repository Limited (CCRL); formal registration certificate received from Shri Ram Vilas Paswan, Hon’ble Union Minister of Consumer Affairs, Food and Public Distribution
- CDSL included in MSCI India Domestic Small Cap Index

**2018**

- CDSL included in the NSE NIFTY 500, NIFTY Smallcap 250 & NIFTY Mid-Smallcap 400 Indices
- The number of active demat accounts crossed 15 million (1.5 crore)



# CHAIRMAN'S MESSAGE

## DEAR SHAREHOLDERS,

It is indeed a pleasure to present before you the 20th Annual Report of your Company and the first one following our successful Initial Public Offering (IPO) in June 2017. Since inception, CDSL has come a long way and has become a force to reckon with in the capital market. The IPO marks an important milestone for us and I place on record my gratitude to all the investors, who came forward and reposed their trust in us.

It is an overwhelming experience to witness such an outstanding response from every investor category. The retail quota got oversubscribed by nearly 24x, the qualified institutional buyer (QIB) by 148x and the non-institutional investor segment by 563x. Overall, the issue was oversubscribed by 170x, making it the most subscribed maiden issue in over a decade in Dalal Street and the fourth largest offering ever in terms of oversubscription.


### PERFORMANCE REVIEW

FY 2017-18 has been a positive year for the country's capital markets. The markets remained buoyant and indices neared an all-time high. This contributed to a strong growth in our volumes by 74.22% as we added 25.73 lakh accounts. Our financial performance has been encouraging as we posted a net profit of ₹ 77.69 crore as compared to ₹ 67.85 crore in FY 2016-17. Driven by the strong performance, the Board has recommended a dividend of ₹ 3.50 per share, highest-ever in CDSL's history.

The year also saw us adequately leveraging our platform and technology competence as we reached out to more companies to enable their shareholders cast vote electronically. This facility has seen significant traction. As on March 31, 2018, our e-Voting system recorded 16,500 instances of voting with 5,037 companies signing agreements.


Coming to our subsidiaries, both CDSL Ventures Ltd. (CVL) and CDSL Commodity Repository Limited (CCRL) have shown steady performance.

During the year, CVL got the mandate from the Ministry of Human Resources Department (MHRD) / University Grants Commission (UGC) to offer National Academic Depository (NAD) services, an initiative of Government of India. Already, 311 universities have signed agreements to host their transcript data on NAD and we expect more to materialise as the concept gets popularised with university officials.



OUR FINANCIAL PERFORMANCE HAS BEEN ENCOURAGING AS WE POSTED A NET PROFIT OF ₹ 77.69 CRORE AS COMPARED TO ₹ 67.85 CRORE IN FY 2016-17. DRIVEN BY THE STRONG PERFORMANCE, THE BOARD HAS RECOMMENDED A DIVIDEND OF ₹ 3.50 PER SHARE, THE HIGHEST-EVER IN CDSL'S HISTORY.






CCRL, engaged in Commodity Repository, is our latest venture that got operationalised in September 2017. It facilitates farmers, farmers producer organisations (FPOs), manufacturers, etc., to obtain electronic warehouse receipts (negotiable or non-negotiable) in a demat account against commodities deposited in warehouse regulated by Warehousing Development and Regulatory Authority. The depositor thereafter can sell the same or pledge the commodity for finance. Within a short span, nearly 87 entities have joined CCRL as Repository Participants, which is an encouraging sign.

## OUTLOOK

I have strong reasons to believe the market will continue to sustain its growth momentum going into FY 2018-19. The sentiments on domestic economic activity, after a period of lull, is reviving as evident in firming industrial activity and exports. There are clear signs of revival in investment activity as reflected in the sustained expansion in capital goods production and rising imports, although at a slower pace than in FY 2017-18. Further, with economic activity for most major countries globally recovering, the global demand is witnessing an upsurge. This should eventually encourage exports and boost fresh investment.

Led by these developments, the RBI is positive on the Indian economy. It expects the country's GDP growth to strengthen from 6.6% in FY 2017-18 to 7.4% in FY 2018-19. I am sure your Company will be on the right side of the opportunity and stand benefited.



AS ON MARCH 31, 2018, OUR E-VOTING SYSTEM RECORDED 16,500 INSTANCES OF VOTING WITH 5,037 COMPANIES SIGNING AGREEMENTS.

I take this opportunity to thank all the stakeholders including the Members of the Board for their valuable guidance, support and prudent counsel, the SEBI and stock exchanges and the Auditors and Legal Advisers, for their valuable support and contribution. I also thank the Ministry of Finance.

I place on record our sincere thanks to all shareholders for the sustained confidence reposed in us. And finally, I thank all the employees for their dedication and contribution to ensure CDSL's growth and success. Together, we shall continue to make CDSL bigger and better.

Warm Regards,

**T. S. Krishna Murthy**  
Chairman & Public-Interest Director



**FINANCIAL HIGHLIGHTS - STANDALONE (AS ON MARCH 31, 2018)**

(₹ in Lakhs)

P & L Account	As per IGAAP							As per Ind AS		
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Income from Operations	5852.51	8121.17	8538.48	7825.91	7535.53	7543.93	8564.28	10173.65	12161.89	15416.79
Other Income	1691.35	2017.36	1670.62	2398.38	2912.97	3001.03	1955.36	3139.24	3360.52	2470.33
<b>Total Income</b>	<b>7543.86</b>	<b>10138.53</b>	<b>10209.10</b>	<b>10224.29</b>	<b>10448.50</b>	<b>10544.96</b>	<b>10519.64</b>	<b>13312.89</b>	<b>15522.41</b>	<b>17887.12</b>
<b>Total Expenditure</b>	<b>2886.60</b>	<b>3396.59</b>	<b>3354.73</b>	<b>3318.83</b>	<b>5069.74</b>	<b>5466.15</b>	<b>5749.87</b>	<b>5514.27</b>	<b>6338.76</b>	<b>7248.98</b>
PBDIT	5053.67	7289.92	7396.38	7259.48	5563.60	5461.55	5260.14	8142.09	9532.92	11284.56
Exceptional / Extraordinary Items				(266.77)	(72.27)	85.16	168.81	3310.40		
Profit Before Tax	4657.26	6741.94	6854.37	6638.70	5306.49	5163.97	4938.58	11109.02	9183.65	10638.14
Total Tax Expenses	1255.19	1990.04	2050.54	1892.98	1196.52	1023.69	1464.88	3424.25	2398.59	2869.44
Profit for the year	3402.07	4751.90	4803.83	4745.72	4109.97	4140.28	3473.70	7684.77	6785.06	7768.70
Other Comprehensive income	-	-	-	-	-	-	-	(5.13)	(31.34)	(0.45)
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7679.64</b>	<b>6753.72</b>	<b>7768.25</b>
Share Capital	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00
Reserves & Surplus	9350.31	12638.76	15985.15	18909.09	20573.87	22268.95	22975.61	32170.12	35779.49	39774.53
Net Worth	19800.31	23088.76	26435.15	29359.09	31023.87	32718.95	33425.61	42620.12	46229.49	50224.53
Earnings Per Share (₹)	3.26	4.55	4.60	4.54	3.93	3.96	3.32	7.35	6.49	7.43
Book Value Per Share (₹)	18.95	22.09	25.30	28.09	29.69	31.31	31.99	40.78	44.24	48.06
Return on Average Net Worth (%)	18%	22%	19%	17%	14%	13%	11%	19%	15%	16%

# CORPORATE INFORMATION

## Central Depository Services (India) Limited

(CIN:L67120MH1997PLC112443)

### Board of Directors

#### Public Interest Directors

Shri Taruvai Subbayya Krishna Murthy  
DIN: 00279767  
(Former Chief Election Commissioner of India)

Chairman

Shri Aravamudan Krishnakumar  
DIN:00871792  
(Former Managing Director of State Bank of India)

Public Interest Director

Shri Rajender Mohan Malla  
DIN: 00136657  
(Former Chairman and Managing Director of IDBI Bank Limited)

Public Interest Director

Shri Bontha Prasada Rao  
DIN: 01705080  
(Former Chairman and Managing Director of Bharat Heavy  
Electricals Limited)

Public Interest Director

Smt. Usha Narayanan  
DIN: 07738036  
(Former Executive Director of Securities and Exchange Board of  
India)

Public Interest Director

#### Shareholder Directors

Shri Venkat Nageswar Chalasani  
DIN: 07234179  
(Deputy Managing Director of State Bank of India, Global Markets)

Shareholder Nominee Director

Shri Nehal Naleen Vora  
DIN:02769054  
(Chief Regulatory Officer, BSE Limited)

Shareholder Nominee Director

Shri Nayan Chandrakant Mehta  
DIN:03320139  
(Chief Financial Officer, BSE Limited)

Shareholder Nominee Director

Shri Kumarapuram Venkateswaran Subramanian  
DIN:07842700  
(Head- Strategy, Process & Governance for Standard Chartered  
Bank)

Shareholder Nominee Director

### **Managing Director and Chief Executive Officer**

Shri P.S.Reddy  
DIN:01064530

### **Management Team**

Shri P.S.Reddy	Managing Director and CEO
Shri Joydeep Dutta	Executive Director and Group Chief Technology Officer
Shri Bharat Vrajlal Sheth	Chief Financial Officer
Shri Sunil Alvares	Executive Vice President - New Projects & On deputation to subsidiary as COO
Smt. Nayana Mandar Ovalekar	Chief Operating Officer - Operations & Admission Cell
Shri Ramkumar K.	Executive Vice President - On deputation to subsidiaries as COO
Shri Farokh Patel	Vice President - Audit, Inspection & Compliance
Shri Gaurang Shah	Vice President - Finance & Accounts
Smt. Sunanda Markande	Vice President - New Projects
Shri Prithwijiit Dinda	Vice President - Information Technology
Shri Suresh Ahirekar	Vice President - Information Technology
Shri Vishwas Nagle	Vice President - Information Technology
Shri S.V.A.N.Acharyulu	Vice President - Information Technology
Shri Yogesh Kundnani	Vice President - Business Development

### **Bankers**

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

### **Auditors (until the conclusion of 20<sup>th</sup> Annual General Meeting)**

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

### **Registrar and Share Transfer Agents**

Link Intime India Pvt. Ltd  
247 Park, C-101, L.B.S. Marg  
Vikhroli (West),  
Mumbai 400083.  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### **Registered Office**

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

### **Corporate Identification Number**

L67120MH1997PLC112443

### **Website of Central Depository Services (India) Limited and its subsidiaries / business lines**

CDSL : [www.cdslindia.com](http://www.cdslindia.com)  
CVL : [www.cvlindia.com](http://www.cvlindia.com)  
CDSL IR : [www.cirl.co.in](http://www.cirl.co.in)  
CDSL CR : [www.ccril.co.in](http://www.ccril.co.in)

# BOARD OF DIRECTORS' REPORT



Your Directors have pleasure in presenting the Twentieth Annual Report, along with Audited Statement of Accounts of your company for the year ended March 31, 2018. Due to improved market conditions, the operational income of the company has increased from ₹ 12,161.89 Lakhs to ₹ 15,416.79 Lakhs, resulting in an increase of total income from ₹ 15,522.41 Lakhs to ₹ 17,887.12 Lakhs.

## Financial Highlights

Particulars	Year ended March 31, 2018 (₹ in Lakhs)	Year ended March 31, 2017 (₹ in Lakhs)
Income from Operations	15,416.79	12,161.89
Other Income	2,470.33	3,360.52
Total Income	17,887.12	15,522.41
Expenditure	6,194.17	5,529.74
<b>Profit before Depreciation and Taxation</b>	<b>11,692.95</b>	<b>9,992.67</b>
Depreciation	646.42	349.27
<b>Profit before exceptional items and tax</b>	<b>11,046.53</b>	<b>9,643.40</b>
Exceptional items (Income)	-	-
<b>Profit before contribution to IPF &amp; Tax</b>	<b>11,046.53</b>	<b>9,643.40</b>
Contribution to IPF	408.39	459.75
<b>Profit Before Tax</b>	<b>10,638.14</b>	<b>9,183.65</b>
Provision for Taxation	2,962.40	2,700.00
Provision for Deferred Tax for the year	(92.96)	(301.41)
<b>Profit after Tax</b>	<b>7,768.70</b>	<b>6,785.06</b>
Other Comprehensive Income (Net of Tax)	(0.45)	(31.34)
Total Comprehensive Income	7,768.25	6,753.72
Balance brought forward	35,779.49	32,170.12
<b>Profit available for appropriation</b>	<b>43,547.74</b>	<b>38,923.84</b>
Dividend	3,135.00	2,612.50
Tax (including surcharge and education cess on dividend)	638.21	531.85
<b>Surplus carried to Balance Sheet</b>	<b>39,774.53</b>	<b>35,779.49</b>

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 increased from ₹ 12,161.89 Lakhs to ₹ 15,416.79 Lakhs, recording an increase of 27% over the year 2016-17. As per SEBI (Depositories & Participants) (Amendment) Regulations, 2012, transfer of ₹ 408.39 Lakhs is made to investor protection Fund. After contribution to Investor Protection Fund, Profit Before Tax (PBT) for the year ended March 31, 2018 is ₹ 10,638.14 Lakhs as against ₹ 9,183.65 Lakhs of previous year. Similarly, Profit After Tax (PAT) is at ₹ 7,768.70 Lakhs as against ₹ 6,785.06 Lakhs. However, Profit before Tax & Profit after Tax for the year ended March 31, 2018 has increased by 16% and 14% respectively over the previous year after excluding exceptional income earned in the previous year.

### Dividend

Looking into the performance of the Company for the year under review and taking note of the buoyancy in the Capital Market at present, your Directors have recommended a dividend of ₹ 3.50 (Rupees Three and paise fifty only) per share (35%) for the year ended March 31, 2018.

### Share Capital and Shareholding

As on March 31, 2018 the Share Capital of the Company is as given hereunder:

Authorised Share Capital: 150,00,00,000 divided into 15,00,00,000 equity shares of Rs 10 each.

Issued and Paid Up Share Capital: 104,50,00,000 divided into 10,45,00,000 equity shares of Rs 10 each.

### Demat holding of Shareholders

As of March 31, 2018, out of 10,45,00,000 shares, 10,44,99,490 shares are in demat mode and 510 shares are in physical mode.

### The Capital Market Environment

During FY 2017-18, the stock markets witnessed a bullish sentiment due to which the BSE-30 Sensex opened at 29,910 on April 3, 2017 and touched a high of 36,443 in Jan 2018 only to close at 32,968 on March 28, 2018. From the high of 36,443, market has

corrected due to implementation of Long Term Capital Gain Tax (LTCG), political uncertainty and global factors including rising oil prices

According to World Bank, India's growth forecast for FY 2018-19 is projected at 7.3% and is seen bottoming out from the impact of demonetisation and GST. India is still forecasted to retain its position as the world's fastest growing major economy ahead of China, which is forecasted to grow at 6.4%. India's growth rate in FY 2018-19 is projected to hit 7.3% and 7.5% in the subsequent year according to the World Bank, as the country has "enormous growth potential" compared to other emerging economies with the implementation of comprehensive reforms.

Correspondingly, capital raised from equity markets has gone up 3.46 times compared to the previous year. The total equity capital raised during FY 2017-18 was about ₹ 1,77,116 crores as against about ₹51,120 crores raised during FY 2016-17. Of the above, the funds raised through IPOs was ₹84,357 crores while the funds raised through Qualified Institutional Placement (QIP) route was ₹ 62,358 crores and through Offer for Sale (OFS) was ₹ 18,438 crores.

### Operational Highlights

With the buoyant market conditions and greater retail participation, your company could register a good growth in its depository operations during the FY 2017-18. Due to positive sentiment prevailing in the capital markets, the primary market has seen encouraging response from retail as well as institutional investors. Such positive outlook is reflected in the increase in the number of demat accounts opened in the Depository. The move towards digitisation of various processes has also helped in offering a convenient, hassle-free and cost effective depository services. In order to sustain the growth in its depository business, your company continues to focus on enhancement of operational efficiency, upgradation of technology, service quality and enhanced emphasis on investor education through seminars / workshops.

### 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 dematerialisation by the investors. Details of the securities admitted with CDSL are given below:

Securities	Year ended March 31, 2018	Year ended March 31, 2017	(%) change over the previous year
Equity Shares	9938	9240	7.55
Debt Instruments	8503	8792	-3.28
Other Securities	22257	23371	-4.76
<b>Total</b>	<b>40698</b>	<b>41403</b>	<b>-1.70</b>

### Position of Securities held in the System

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

Holding of Securities	Year ended March 31, 2018	Year ended March 31, 2017	Increase over the previous year (%)
Value (in million ₹)	19,839,810	17,735,853	11.86
Volume (in million)	283,920	255,227	11.24

### Depository Participants and Service Centers

As on March 31, 2018, 594 depository participants held valid registration certificates of Securities and Exchange Board of India (SEBI) as compared to 588 valid SEBI registrations as on March 31, 2017. During the year, new registrations were received for 9 DPs and registrations of 3 DPs were withdrawn/ cancelled. With a large DP network, investors spread across 28 States and 7 Union Territories can avail of CDSL's depository services. Further, investors have access to 17,473 DP service centers spread across India.

### Beneficial Owner Accounts

During the year under review, 29.08 Lakh Beneficial Owner (BO) accounts were added, taking the total number of such accounts to 194.04 Lakhs with the net BO accounts at 148.40 Lakhs as on March 31, 2018. The comparative figures of gross and net BO accounts as on March 31, 2017 and March 31, 2018 are given in the following table:

Year ended March 31, 2018	Year ended March 31, 2017	Increase over the previous year's cumulative figure	
		Number	Percentage (%)
(Gross) 19,404,479	(Gross) 16,496,447	2,908,032	17.62
(Net) 14,840,058	(Net) 12,267,432	2,572,626	20.97

### Investor Awareness / Education Seminars

CDSL regularly conducts Investor Awareness Programs in association with various market intermediaries, MIIs and SEBI. Capital Market Awareness for retail investors through such programs has been a major focus area. We believe investor education can become a significant key to achieving financial inclusion in the capital market. To this end, CDSL IPF has conducted more than 300 Investor Awareness Programs (IAPs) in this year. Out of these more than 200 programs are conducted in tier 2 & tier 3 cities and towns. This initiative allowed investors across geographies, professions and age groups including students, corporate employees, government servants to come together and learn the basics of Capital Markets,

advantages of holding securities in demat form, importance of Financial Planning, Investment avenues available, etc. CDSL IPF has also conducted IAPs in association with financial institutions, ICSI, AMCs and regional Seminars & IAPs with SEBI in various cities. We have also conducted webinar to reach investors digitally. Although, these IAPs reach out to investors in major metros, we have focus to reach the investors in tier-2 and tier-3 cities to inculcate the habit of investment in securities. CDSL IPF has tied up with various regional newspapers to attract large number of investors to attend these IAPs. During the IAPs, informative booklets in English, Hindi and other regional languages were distributed for the benefit of investors.

## Awards and recognition

During the year 2017-2018, your Company has won the following awards:

Award	Category	Organiser
InfoSec Maestros Award	Information Security	BitStream Mediaworks
Express Uptime champion Award	Infrastructure	Indian Express
Data Center Innovation Award	Infrastructure Management	UBS
Digital Leadership and CIO Award	CIO of the year	Business World
Networking pioneer Award	Business scalability	IDG
Innovative CIO Award	CIO	BitStream Mediaworks
BFSI IT Leadership Award	IT Leadership	Exito
BFSI Digital Innovation Award	Enterprise Application	Indian Express
Big50 CISO Award	CISO	Trescon
BFSI Innovative Technology Award	Leadership	Eletsonline
NetApp Innovation Award	Data Visionary	NetApp

## New Initiatives

Consolidated Account Statement (CAS) Your company provides to a demat account holder holding mutual fund units in Statement of Account (SOA) form, the CAS with information about transactions and securities held across multiple demat accounts with various Depository Participants - across depositories along with mutual fund units held in SOA form. The CAS also provides additional information with respect to mutual fund investments like total purchase value / cost of investment in each scheme of mutual fund in monthly transaction CAS and information like the amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme, the scheme's average Total Expense Ratio (in percentage terms) for the half-year period, etc. CDSL also provides a facility to its demat account holders to access its website and download CAS after providing certain security information. The demat account holders can also update/ modify the email ID and opt for receipt of electronic CAS using CDSL's website.

## System Enhancements

During the year your company released a number of system enhancements for increasing the efficacy of processes

- Online registration of demat account holder for easiest facility enabling the demat account holder to submit electronic instructions through CDSL website, eliminating need of submission physical registration form to the respective DPs.
- Recording of Non-Disposal Undertaking (NDU), where NDUs are undertakings given by a

shareholder, generally promoters (Borrowers), not to transfer or otherwise alienate the securities and are in the nature of negative lien given in favour of another BO (Lender).

- Transfer in favor of demat account of the Investor Education and Protection fund Authority of securities in respect of which dividend has not been paid or claimed for a period of seven consecutive years or more. CDSL maintains the details of shareholders whose securities have been transferred and the subsequent corporate actions thereon.
- Implementation of various other SEBI initiatives like (i) Tender offers through settlement mechanism (ii) Enhanced supervision of brokers (iii) Electronic book mechanism for issuance of securities on private placement basis.

## Transaction Cum Holding Statements

As of March 31, 2018, 196 DPs have availed of the service of dispatch of transaction cum holding statements (DOTS and e-DOTS). In FY 2017-18, CDSL has processed 22.39 Lakh statements.

## Corporate Bond database

The Corporate Bond database maintained by your company as mandated by SEBI vide its Circular No. CIR/IMD/DF/17/2013 dated October 22, 2013, contains information on over 20,701 bonds issued in demat form by over 2,280 Issuers. The database provides comprehensive information on the corporate debt instruments including details of Issuers, Instruments issued along with the listing status, Redemption details, Names of Debenture Trustees and Credit Ratings along with the names of the Rating Agencies.



The credit rating agencies CRISIL, CARE, ICRA and India Rating are accessing your company's corporate bond database through the secure login and are verifying the credit rating displayed and also updating subsequent rating migrations. The comprehensive and updated information disseminated by your company at a single place provides valuable information to the investors and assists them in taking a more informed investment decision.

### **Trade Repository of Corporate Bonds**

Your company is pleased to inform you that the trade repository for primary issuances was launched in November, 2016. Your company has data of about 6,710 ISINs for primary market issuances and about 7,443 ISINs pertaining to secondary market being traded in the stock exchanges.

### **Technology Initiatives:**

In order to keep pace with the new technology and provide greater flexibility and ease of use, CDAS application has been made available to the users as a browser based service. As a part of continual upgrade process, CDSL has commenced migrating its front end to new technology using Dot Net. Further considering growth over next 5 years, CDSL has procured and deployed new servers at Main and DR site. To strengthen security, your depository has implemented APT solution from McAfee and has implemented SOC for proactive and continuous monitoring of security events. CDSL always benchmarks its practices against ISO standards and accordingly has undergone recertification audit for ISO 27001 conducted by DNV and is now certified for ISO 27001:2013 for 3 years. Further CDSL has also undergone periodic audit for ISO 22301:2012 (Business Continuity Management System) and has been recommended for continuation of the Certificate. CDSL's e-Voting Service has also undergone periodic audit for ISO 9001:2015 certification and has been recommended for continuation of the Certificate.

### **Continuing Professional Education (CPE) Programs - Depository Operations Certification Examination (DOCE)**

National Institute of Securities Markets (NISM) has been offering Continuing Professional Education (CPE) Programs for Associated Persons in the Securities Market Intermediaries.

CDSL, as a NISM Accredited CPE Provider for conducting CPE Programs, has successfully carried out 35 programs for 566 participants during the year.

### **CVL's National Academic Depository(C-NAD)**

The Union Cabinet approved establishing a Digital Depository of Academic Awards (X & XII Certificates, Diplomas, Degrees, Marksheets, Transcripts, etc.) on the pattern of Securities Depository to be known as National Academic Depository (NAD). Government of India, Ministry of Human Resources Department (MHRD) designated University Grants Commission (UGC) as the authorised body for implementation of NAD. NAD, a Project of national importance, was officially launched by Hon'ble President of India, Shri Pranab Mukherjee on July 9, 2017.

CVL NAD renders its services to all of its Stakeholders [Academic Institutions (AIs), Students and Verifiers (Employers, Consulates, VISA issuing Authorities, Background Checkers, etc.)] under one platform. CVL NAD provides secured and online access for AIs to upload Academic Awards, enables Students to store & share their Awards with Verifiers for online verification. In a span of one year, over 240 AIs have registered and benefitted by using CVL's NAD services.

### **e-Voting**

As on March 31, 2018, 5,037 companies have signed agreements with CDSL to conduct e-Voting. So far the e-Voting system recorded 16,561 instances of voting carried out by 4,405 Companies.

### **e-Notices**

In the light of Green Initiative in the Corporate Governance by Ministry of Corporate Affairs, CDSL has started offering the services to companies for sending documents to its shareholders electronically. As on March 31, 2018, a total of 309 companies have signed for availing this service.

### **Corporate Social Responsibility (CSR)**

The Ministry of Corporate Affairs (MCA) vide its circular dated February 27, 2014 notified Section 135 and Schedule VII of the Companies Act 2013 relating to Corporate Social Responsibility (CSR) the provisions of which came into effect from April 1, 2014. The CSR provisions require companies satisfying certain criteria to spend 2% of its average net profits of the last three years on CSR activities defined in the rules framed in this regard. The Company has been actively associated with various NGOs in providing various facilities involving capital expenditure for a sustainable impact of CSR activities. Even during the FY 17-18, your company has sponsored various projects and the report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annexure A.

### Prevention of Money Laundering Act

The Prevention of Money Laundering Act, 2002 (PMLA) has been brought into force with effect from July 1, 2005. Subsequent amendments had been done to the PMLA Act 2002 and Prevention of Money-laundering (Maintenance of Records) Rules 2005 vide SEBI circular CIR/MIRSD/1/2014 dated March 12, 2014. 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 depository operations.

As required under the guidelines, CDSL has designated Principal Officer, Alternate Officer and Designated Director to ensure compliance with these guidelines. CDSL has prepared policy guidelines for implementation of PMLA and the same is reviewed periodically.

CDSL conducts training programs and updates depository participants on compliance with the aforesaid guidelines. During FY 2017-18, CDSL organised special training programmes wherein the Additional Director from FIU-IND updated DPs in the matter of compliance with PMLA provisions, filing of Suspicious Transaction Reports and directly interacted with Principal Officers of DPs at 4 metro cities.

### Details of Subsidiary Companies

Your Company has following subsidiary Companies as on March 31, 2018

1. CDSL Ventures Limited  
(CIN U93090MH2006PLC164885)
2. CDSL Insurance Repository Limited  
(CIN U74120MH2011PLC219665)
3. CDSL Commodity Repository Limited  
(CIN U74999MH2017PLC292113)

#### ➤ CDSL Ventures Limited

Your company's wholly owned subsidiary, CDSL Ventures Limited's main business continues to be KYC business for the capital market intermediaries. CVL continues to be the largest KYC Registration Agency (KRA) controlling about 60% of the market share in the KYC of capital market. In addition to its core business of being a KRA for capital market, CVL has also initiated work on the following business lines, which are in various stages of implementation / completion.

1. National Academic Depository (NAD)

2. eKYC as KYC User Agency (KUA) and Authentication User Agency (AUA)
3. eSign (electronic signature based on aadhaar number)
4. Claim registry for life insurance companies that offer Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)
5. GST Suvidha Provider Services

Further, CVL has also received approval from SEBI to act as a Registrar and Transfer Agent (RTA).

#### ➤ CDSL Insurance Repository Limited (CDSL IR)

Your Company had under the "Guidelines on Insurance repositories and electronic issuance of insurance policies" issued by IRDAI, floated a separate subsidiary viz:- CDSL Insurance Repository Ltd. (CDSL IR), 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. Leading public sector and private sector insurance companies have contributed to the equity capital of CDSL IR. At the time of launch in August 2013 the insurance repository services was restricted only to Life insurance policies. However, later on during the current year IRDAI has extended the scope of services to Health insurance policies and Motor insurance policies. As on March 31, 2018 the repository has opened about 3.50 Lakh e-Insurance Accounts (e-IA) in which it holds about 85,000 life insurance, Health insurance and Motor insurance policies in electronic form. CDSL IR had tied up with twenty-four life insurance companies, four health insurance companies and twenty nine general insurance companies for holding policies in electronic form.

#### ➤ Central Commodity Repository Limited (CCRL):

Your company has floated a new subsidiary in the name and style of CDSL Commodity Repository Limited (CCRL) to establish and run a Commodity Repository on the lines of a Securities Depository. In this regard, Warehousing Development and Regulatory Authority (WRDA) has shortlisted CCRL as one of the two Repositories for undertaking the Commodity Repository activity.

CDSL Commodity Repository Limited has received a formal registration certificate as Commodity Repository on September 26, 2017 from Shri. Ram Vilas Paswan, Hon'ble Union Minister of Consumer Affairs, Food and Public Distribution at a function organised by Warehousing Development and Regulatory Authority (WDRA) for the launch of WDRA portal and electronic Negotiable Warehouse Receipts (eNWR).

Multi Commodity Exchange of India Ltd. (MCX) and BSE Investments Ltd. have expressed their desire to take up each 24% of the stake in CCRL and accordingly MCX picked up 24% stake in CCRL in the month of May, 2018.

During the year, the Board of Directors of the Company reviewed the affairs of the subsidiaries. In accordance with section 129 (3) of the Companies Act, 2013, we have prepared the consolidated financial statements of the Company, which forms part of this annual report. Further a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC 1 is appended as Annexure B to the Board's report. The statement also provides details of the performance and financial position of each of the subsidiary.

In accordance with section 136 of the Companies Act, 2013, the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiary are available on our website [www.cdslindia.com](http://www.cdslindia.com). These documents will be available for inspection till the date of AGM during business hours at the registered office of the Company.

### **Listing of Securities**

As at the start of the financial year on April 1, 2017, your company was a subsidiary company of BSE Ltd. The Company got its shares listed on National Stock Exchange on June 30, 2017 through Offer for Sale where BSE Ltd. divested its stake from 50.05 % to 24 %. Consequently, your company has become an Associate Company of BSE Ltd.

### **Fixed Deposits**

Your company has not accepted any deposits within the meaning of Section(s) 73, 74, 75 & 76 of the Companies Act, 2013 and the Rules made thereunder.

### **Directors and KMPs**

As per SEBI (Depositories and Participants) (Amendment) Regulations, 2012, the appointment and re-appointment of all Shareholder Directors on the board of depository shall be with the prior approval of SEBI. Further the Public Interest Directors on the board shall be nominated by SEBI.

Accordingly, SEBI vide its letter dated April 24, 2017 approved appointment of Smt. Usha Narayanan as Public Interest Director/ Independent Director.

SEBI vide its letter dated June 16, 2017 approved appointment of Shri Nayan Mehta, Chief Financial Officer-BSE Ltd as Shareholder Director of the company.

Further SEBI vide its letter dated February 14, 2018 approved appointment of Shri Kumarapuram Venkateswaran Subramanian, Head-Strategy, Process & Governance for Standard Chartered Bank as Shareholder Director of the company.

During the year under review, Shri Balasubramaniam Venkataramani ceased to be a shareholder Director w.e.f April 24, 2017.

Shri Anant Narayan Gopalakrishnan, Regional Head, Financial Markets, ASEAN & South Asia-Standard Chartered Bank who was the shareholder Director resigned vide letter dated July 29, 2017.

The Board has placed on record its appreciation for the valuable services rendered by Shri Balasubramaniam Venkataramani and Shri Anant Narayan Gopalakrishnan during their tenure as Directors of the company.

The Independent Directors have given declaration under sub-section (7) of section 149 of the Companies Act, 2013 confirming that they satisfy the criteria of "independence" under section 149(6) the Companies Act, 2013.

As per the provisions of Section 152(6) (d) of the Companies Act, 2013, Shri C. Venkat Nageswar, the Shareholder Director was considered for Director liable to retire by rotation and being re-appointed at the ensuing Annual General Meeting. A brief resume of Shri C. Venkat Nageswar is enclosed as an Annexure C.

The term of Shri P.S. Reddy, MD & CEO expired on March 31, 2018. On the recommendation of Nomination and Remuneration/Compensation Committee, the Board of Directors in its meeting dated January 20, 2018 approved reappointment of Shri Reddy for a period of five years w.e.f. April 1, 2018 subject to approval of SEBI and shareholders. SEBI vide its letter dated March 28, 2018 has granted an extension of one year i.e. up to March 31, 2019 and has advised the Company to frame policy on appointment /reappointment of MD & CEO keeping in view the recommendations of Gandhi Committee.

During the year under report Shri Nirogi Venkata Sesha Pavan Kumar, VP-Legal and Group Company Secretary and Compliance Officer resigned from his duties w.e.f. July 31, 2017 and Shri Amol Purandare was appointed as AVP-Legal and Company Secretary and Compliance Officer w.e.f. August 7, 2017. Shri Amol Purandare also resigned w.e.f. June 26, 2018.

### **Statutory Auditors & Audit Report**

M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai were last re-appointed as Statutory Auditors of the company for the year 2017-2018 to hold office from the conclusion of the 19<sup>th</sup> Annual General Meeting till the conclusion of the 20<sup>th</sup> Annual General Meeting.

There are no qualifications, reservations or adverse remarks or disclaimer made by M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, Statutory Auditors in their report.

Considering the provisions of Sections 139, 141, 142, 143 and 144 of the Companies Act, 2013 read with Rule 5 & 6 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors based on recommendations of the Audit Committee considered and approved the appointment of M/s. S. R. Batliboi & Co as Statutory Auditors of the Company who have expressed their willingness and confirmed their eligibility for being appointed as Statutory Auditors of the Company.

Accordingly, M/s. S. R. Batliboi & Co will hold office as Statutory Auditors of the Company from the conclusion of the 20<sup>th</sup> Annual General Meeting till the conclusion of the 24<sup>th</sup> Annual General Meeting for FY 2018-19, subject to approval of shareholders.

### **Internal Auditors**

In terms of the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, the Company had appointed M/s. Mittal & Associates, Chartered Accountants as Internal Auditors & Concurrent Auditors of the Company for the FY 2017-18. The Board of Directors have approved the appointment of M/s. Ray & Ray, Chartered Accountants as Internal Auditors and Concurrent Auditors of the Company for the FY 2018- 2019.

There are no qualifications, reservations or adverse remarks or disclaimer made by the Internal Auditors and Concurrent Auditors in their report.

### **Secretarial Auditors and Secretarial Audit Report**

M/s. Pramod Shah & Associates, Practicing Company Secretaries, Mumbai were as Secretarial Auditor of the Company for the FY 2017-18. A copy of the secretarial audit report issued in form MR-3 by M/s Pramod Shah & Associates, Secretarial Auditors is enclosed as an Annexure D to this report.

The Board of Directors have approved the appointment of M/s. Ragini Choksi & Company, Practicing Company Secretary, as Secretarial Auditors of the Company for a period of three years from April 1, 2018 to March 31, 2021 subject to ratification every year.

### **Related party transactions:**

The Members of the Company have, vide an Ordinary Resolution passed in the 19<sup>th</sup> Annual General Meeting held on May 29, 2017, consented to the Company entering into Related Party Transactions to the extent of ₹ 1,133.07 Lakhs during the year 2017-18. In accordance with the Members' consent your company has entered into transactions with related party within the aforesaid limit. All such transactions were in the ordinary course of business and on an arm's length basis. Although the provisions of Section 188 of the Companies Act, 2013 are not attracted, your company had sought Members' approval for all related party transactions as a measure of good corporate governance. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. Similarly, an Ordinary Resolution has also been proposed in the Notice convening 20<sup>th</sup> Annual General Meeting seeking Members' approval for related party transactions to



the extent of ₹ 1,598.27 Lakhs to be entered into with related parties during the FY 2018-19

Disclosure of related party transactions is required to be made u/s 134 (3) (h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in form AOC 2 which is attached as Annexure E

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

Considering the nature of operations of your company, the provisions of Section 134(3) (m) of the Companies Act, 2013 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 though the Company uses all the possible ways in conserving energy. The company has, however, used information technology extensively in its operations.

### Foreign Exchange Earnings and Outgo

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

Particulars	Year ended March 31, 2018 (₹ in Lakhs)	Year ended March 31, 2017 (₹ in Lakhs)
Earnings	Nil	Nil
Travel expenses	19.25	25.15
Others	8.18	78.67
<b>Total</b>	<b>27.43</b>	<b>103.82</b>

### Directors' Responsibility Statement

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, 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 them consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies

Act, 2013, for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;

- iv) the annual accounts have been prepared on a going-concern basis.
- v) internal financial controls to be followed by the company are laid down and that such internal financial controls are adequate and were operating effectively.
- vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 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 has been, observing the Code of Corporate Governance by adopting most of the good corporate governance policies as under Schedule V, Regulation 34(3) and 53(f) of Securities Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulation, 2015. The status of implementation of the Code of Corporate Governance is enclosed as Annexure F.

### Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year ended March 31, 2018 is enclosed as Annexure G.

### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration/Compensation Committee and the Independent Directors have carried out separately an annual performance evaluation of its Directors individually, the Board as a whole and its Committees and the Chairperson of the Company. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### Report by Internal Complaints Committee

As per The Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the Act) it is mandatory for every employer to constitute a Committee to be known as the 'Internal Complaints Committee'. Accordingly, the Committee was constituted by Board and it meets periodically to review the complaints, if any, received from female employees.

During the year the Committee did not receive any complaints in this regard.

### **Particulars of Employees**

Information as required under Sec. 197(12) read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed to this report as Annexure H.

### **Human Resource Development**

The company always recognised 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 programme 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.

### **Particulars of Loans, Guarantees or investments under section 186**

Details of Loans, Guarantees or investments under section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

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

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### **Extract of Annual Return**

In accordance with provisions of section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return in Form MGT 9 is enclosed as Annexure I.

### **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 Promoter, sponsors, all other shareholders, 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

**Taruvai Subbayya Krishna Murthy**

Chairman

(DIN: 00279767)

Place : Mumbai  
Date : April 21, 2018

**Annexure A**
**ANNUAL REPORT ON CSR ACTIVITIES.**

1. It is company's policy to spend the amount allocated for CSR expenditure on activities listed in schedule VII of the Companies Act, 2013 and the rules framed thereunder.
2. Consequently the Board constituted the Corporate Social Responsibility Committee consisting of the following members:
  - i. Shri Taruvai Subbayya Krishna Murthy, Chairman (Independent Director)
  - ii. Shri Aravamudan Krishnakumar (Independent Director)
  - iii. Shri Bontha Prasada Rao (Independent Director)
  - iv. Shri Nehal Naleen Vora (Shareholder Director)
- c. The manner in which the amount spent during the financial year is detailed below:

₹ in Lakhs

<b>Sr. No</b>	<b>Particular</b>	<b>Sector in which the project is covered</b>	<b>State where projects or program was undertaken</b>	<b>Amount spent on the projects or programs</b>	<b>Cumulative Expenditure up to the reporting period</b>	<b>Amount Spent Direct or through implementing agency</b>
1.	Association of Parents of Mentally Retarded Children, Mumbai - ADHAR	Charitable Trust	Maharashtra	149.00	149.00	149.00
2.	Varasidhi Visual Vidyashram	Charitable Trust	Tamilnadu	3.55	3.55	3.55
3.	The Nest India Foundation	Charitable Trust.	Maharashtra	5.68	5.68	5.68

\* Amount outlay for AADHAR project by CDSL and CVL jointly

6. The AADHAR, Varasidhi Visual Vidyashram and The Nest India Foundation project were completed and ₹ 158.22 Lakhs spent by CDSL and CVL jointly for the same.
  - i) Sustainable Innovations Trust India {Akash Ganga Project (Rain water harvesting for Drinking water in Rajasthan)}
7. Your Company is in the process of identifying more projects. Currently, the following project is identified for financial assistance.
8. The Chairman of the Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

 Place: Mumbai  
 Date : April 21, 2018

**P.S.Reddy**  
 Managing Director & CEO

**Taruvai Subbayya Krishna Murthy**  
 Chairman of the CSR Committee

**Annexure B**  
**FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

**PART A SUBSIDIARIES**

(Information in respect of each subsidiary to be presented with amounts in ₹)

<b>1</b>	<b>Sl. No.</b>	<b>1</b>	<b>2</b>	<b>3</b>
2	Name of the subsidiary	<b>CDSL Ventures Limited</b>	<b>CDSL Insurance Repository Limited</b>	<b>CDSL Commodity Repository Limited</b>
3	The date since when subsidiary was acquired	September 25, 2006	July 12, 2011	March 7, 2017
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2017 to March 31, 2018	April 1, 2017 to March 31, 2018	March 7, 2017 to March 31, 2018
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupee	Indian Rupee	Indian Rupee
6	Share capital	4,50,00,000	30,00,00,000	50,00,00,000
7	Reserves and surplus	1,09,92,51,000	5,08,71,000	21,89,000
8	Total assets	1,19,96,19,000	36,39,91,000	50,64,72,000
9	Total Liabilities	5,53,68,000	1,31,20,000	42,83,000
10	Investments	1,09,19,67,000	23,12,62,000	43,86,08,000
11	Turnover	42,82,36,000	2,27,76,000	28,68,4000
12	Profit before taxation	32,73,12,000	1,20,06,000	58,79,000
13	Provision for taxation	8,52,21,000	19,40,000	36,90,000
14	Profit after taxation	24,20,91,000	1,00,66,000	21,89,000
15	Proposed Dividend	NIL	NIL	NIL
16	Extent of shareholding (in percentage)	100%	51% (Direct holding) & 3.25% (through Subsidiaries)	100%

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year: NIL



**PART B ASSOCIATES AND JOINT VENTURES**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>Name of Associates or Joint Ventures</b>	<b>Name 1</b>	<b>Name 2</b>	<b>Name 3</b>
1. Latest audited Balance Sheet Date	-	-	-
2. Date on which the Associate or Joint Venture was associated or acquired	-	-	-
3. Shares of Associate or Joint Ventures held by the company on the year end	-	-	-
No.	-	-	-
Amount of Investment in Associates or Joint Venture	-	-	-
Extent of Holding (in percentage)	-	-	-
4. Description of how there is significant influence	-	-	-
5. Reason why the associate/joint venture is not consolidated	-	-	-
6. Networth attributable to shareholding as per latest audited Balance Sheet	-	-	-
7. Profit or Loss for the year	-	-	-
i. Considered in Consolidation	-	-	-
ii. Not Considered in Consolidation	-	-	-

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified”.

**Annexure C**

**PROFILE OF DIRECTOR WHO IS LIABLE TO RETIRE BY ROTATION AND SEEK REAPPOINTMENT AT THE ANNUAL GENERAL MEETING.**

**Shri Venkat Nageswar Chalasani**

Shri Venkat, currently Deputy Managing Director (Global Markets) of State Bank of India, has over 32 years' experience covering different aspects of banking and currently oversees the treasury portfolio of India's largest bank, with significant exposure to various market segments including FX, money markets, equities and investments.

He has worked in various positions both in India and abroad, including postings in Bahrain, Bangalore and most recently Hong Kong, where he held the role of Regional Head (East Asia).

Shri Venkat is a Director on the boards of several companies and industry associations, has been a part of various RBI committees, and appears in print.

He is on the Board of CDSL since June 28, 2016.

## Annexure D

Form No. MR-3

# SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED March 31, 2018**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

**Central Depository Services (India) Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Central Depository Services (India) Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under; (Not Applicable)
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and

Takeovers) Regulations, as amended from time to time;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, as amended from time to time;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
- (d) Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and amendments from time to time;
- (e) The Listing Agreements entered into by the Company with the National Stock Exchange of India Limited

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 & SS-2)
- (ii) The Securities and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

### We further report that

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

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

During the period, all the decisions in the Board Meetings were passed with requisite majority.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory

## ● STATUTORY REPORTS - BOARD OF DIRECTORS' REPORT

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Auditor for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor

and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there were no specific events/ actions having a major bearing on the Company's affairs.

**Pramod S. Shah & Associates**  
(Practicing Company Secretaries)

**Pramod S. Shah-Partner**  
Pramod S. Shah & Associates  
FCS No.: 334  
C P No.: 3804

Place : Mumbai  
Date : 10/04/2018

**Annexure E**
**FORM NO. AOC.2**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

**1. Details of contracts or arrangements or transactions not at arm's length basis: NONE**

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

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

(a)	(b)	(c)	(d)	(e)	(f)
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
BSE Limited (Up to 29/06/2017) Holding Company, (From 30/06/2017) Entity having significant influence	Issuer fee, corporate action charges and E-IPO charges received	On actual basis	3,84,69,097.00		
BSE Limited (Up to 29/06/2017) Holding Company, (From 30/06/2017) Entity having significant influence	Rent/Office Maintenance expenses paid	01.10.15 to 30.09.20	1,73,63,475.00		
BSE Limited (Up to 29/06/2017) Holding Company, (From 30/06/2017) Entity having significant influence	Municipal tax/ electricity charges/ leased line charges / VSAT charges/ director sitting fees of nominee directors etc. paid	On actual basis	2,40,82,982.00		
CDSL Ventures Limited Subsidiary Company	Rent, administrative expenses and salary reimbursement of employees on deputation received	As per board approval dt.	2,74,26,011.00	MOU dt.16.07.11 /15.02.12 /10.04.13/Board approval dt. 28.10.17 for rent. Salary on actual basis	

● STATUTORY REPORTS - BOARD OF DIRECTORS' REPORT

(a)	(b)	(c)	(d)	(e)	(f)
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
CDSL Ventures Limited Subsidiary Company	Evoting and salary reimbursement of employees on deputation paid	As per board approval dt.	8,26,650.00	Evoting fees as per Board approval 01.06.11. Salary on actual basis	
CDSL Ventures Limited Subsidiary Company	Computer Hardware sold	On actual basis	15,30,740.00		
CDSL Insurance Repository Limited Subsidiary Company	Rent, administrative expenses and salary reimbursement of employees on deputation received	As per board approval dt.	30,24,000.00	As per Board approval dt. 25.07.15/ 28.10.17	
CDSL Commodity Repository Limited Subsidiary Company	Company formation and other expenses receivable from subsidiary	On actual basis	2,32,60,000.00		
Marketplace Technologies Private Limited Subsidiary of entity having significant influence	Amount paid for software licenses	On actual basis	15,71,993.00		
Marketplace Technologies Private Limited Subsidiary of entity having significant influence	Issuer fee and corporate action charges received	On actual basis	10,605.00		
Indian Clearing Corporation Limited Subsidiary of entity having significant influence	Issuer and depository participant charges received	On actual basis	6,02,985.00		

**Annexure F**
**REPORT ON CORPORATE GOVERNANCE**
**Company's Philosophy on Code of Corporate Governance**

Corporate governance practices based on fairness, equity, accountability, transparency and commitment to ethical values have driven company's business. The company 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 preventing them from dealing with any price sensitive capital market related information whether authenticated or otherwise. 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**

During the year under review, the Board of Directors of the Company had an optimum combination of both executive and non-executive Directors with at least one Woman Director. As per Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, currently there are nine non-executive Directors of which four are sponsor/shareholder Directors and five are independent/public interest Directors including the Chairman of the Board of the Company.

All the Directors have disclosed about their other Directorship and Membership on the Board Committees of other companies. Details of other Directorships and memberships on the Board Committees in other companies as on March 31, 2018 are as under:

<b>Name of the Director</b>	<b>Category</b>	<b>No. of Directorships in other companies</b>	<b>No. of Board Committee memberships in other companies</b>	<b>No. of Chairmanships in Board Committees of other companies</b>
Shri Taruvai Subbayya Krishna Murthy	Non-Executive-Independent	7	1	1
Shri Aravamudan Krishnakumar	Non-Executive-Independent	5	2	2
Shri Rajender Mohan Malla	Non-Executive-Independent	7	3	1
Shri Bontha Prasada Rao	Non-Executive-Independent	3	3	NIL
Smt. Usha Narayanan	Non-Executive-Independent	1	NIL	NIL
Shri Venkat Nageswar Chalasani	Non-Executive	6	NIL	NIL
Shri Nehal Naleen Vora	Non-Executive	7	NIL	NIL
Shri Nayan Mehta	Non-Executive	7	NIL	NIL
Shri Kumarapuram Venkateswaran Subramanian	Non-Executive	6	5	NIL
Shri P.S.Reddy	Managing Director & CEO	2	4	NIL

**b) Meetings and Attendance**

The Board meets at least once in a quarter *inter alia* 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 six times i.e. on April 24, 2017, June 6, 2017, June 23, 2017, July 29, 2017, October 28, 2017 and January, 20 2018

## ● STATUTORY REPORTS - REPORT ON CORPORATE GOVERNANCE

Details of attendance of the Directors at the Board meetings and the last Annual General Meeting are given as under:

Meeting Venue	CDSL Board Room, 16 <sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001						
	CDSL Board Room, Marathon Futurex, 25 <sup>th</sup> floor, A-Wing, Mafatlal Mills Compound, N.M Joshi Marg, Lower Parel, Mumbai 400013						
Meeting date and time	Board Meetings						AGM
	April 24, 2017 5.15 p.m	June 6, 2017 2.30 p.m	June 23, 2017 3.30 p.m	July 29, 2017 11.45 p.m	Oct 28, 2017 11.30 a.m	Jan 20, 2018 12.15 p.m	May 29, 2017 2.30 p.m
Name of the Director							
Shri Taruvai Subbayya Krishna Murthy	✓	✓	✓	✓	✓	✓	✓
Shri Aravamudan Krishnakumar	✓	✓	✓	✓	✓	✓	✓
Shri Rajender Mohan Malla	✓	✓	✓	✓	✓	✓	✓
Shri Bontha Prasada Rao	X	✓	✓	✓	✓	✓	X
Smt. Usha Narayanan	NA	✓	✓	✓	✓	✓	✓
Shri Ananth Narayan Gopalakrishnan@	X	X	✓	✓	NA	NA	NA
Shri Nehal Naleen Vora	✓	✓	✓	✓	✓	✓	✓
Shri Venkat Nageswar Chalasani	✓	X	X	X	✓	✓	X
Shri Nayan Mehta	✓	✓	✓	✓	X	✓	X
Shri V. Balasubramaniam*	✓	NA	NA	NA	NA	NA	NA
Shri Kumarapuram Venkateswaran Subramanian#	NA	NA	NA	NA	NA	NA	NA
Shri P.S.Reddy	✓	✓	✓	✓	✓	✓	✓

### Note:

✓- Present, X- Absent, NA-Not Applicable

@ Shri Ananth Narayan Gopalakrishnan ceased to be shareholder Director vide his letter dated July 29, 2017

\* Shri V. Balasubramaniam ceased to be shareholder Director w.e.f. April 24, 2017

# Shri Kumarapuram Venkateswaran Subramanian appointed as shareholder Director w.e.f. February 14, 2018

### c. Board Procedures

The Board meetings are conducted 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 and Regulation 17(7) read with Part A of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations 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 six Committees of the Board, viz. Audit Committee, Nomination and Remuneration/Compensation Committee, Stakeholders Relationship and Securities Transfer Committee, Ethics Committee, Corporate Social Responsibility Committee.

The Board decides terms of reference for these Committees. The minutes of the Committees are placed before the Board on quarterly basis. The details as to the composition, terms of reference, number of meetings and related attendance of these Committees are provided hereunder:

#### **I. Audit Committee**

##### **a) Composition of the Committee**

The Audit Committee consists of 7 non-executive Directors, out of which two third (5 independent Directors) 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 Regulation 18 read with Part C of schedule II of Securities Exchange Board of India (Listing Obligations and requirements) Regulations, 2015 along with Section 177 of the Companies Act, 2013. The following Directors are members of the Committee:

1. Shri Taruvai Subbayya Krishna Murthy (Chairman)
2. Shri Aravamudan Krishnakumar
3. Shri Rajender Mohan Malla
4. Shri Bontha Prasada Rao
5. Smt. Usha Narayanan
6. Shri Venkat Nageswar Chalasani
7. Shri Nayan Mehta

#### **Terms of Reference of Audit Committee:**

##### **Powers of Audit Committee:**

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

##### **Role of Audit Committee:**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
5. Reviewing, with the management, the annual financial statements and the auditors' report thereon, before submission to the Board for approval, with particular reference to:
  - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. changes, if any, in accounting policies and practices and reasons for the same.

- c. major accounting entries involving estimates based on the exercise of judgment by management.
  - d. significant adjustments made in the financial statements arising out of audit findings.
  - e. compliance with listing and other legal requirements relating to financial statements.
  - f. disclosure of any related party transactions.
  - g. qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly, financial statements before submission to the board for approval.
  7. To review the financial statements, in particular, the investments made by the unlisted subsidiary company.
  8. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  9. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor.
  10. Reviewing with management, performance of statutory and internal auditors, and adequacy of the internal control systems.
  11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  12. Discussion with internal auditors any significant findings and follow up there on.
  13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
  16. To review the functioning of the Whistle Blower Mechanism.
  17. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  18. Valuation of undertakings or assets of the Company, wherever it is necessary.
  19. Scrutiny of inter-corporate loans and investments.
  20. Evaluation of internal financial controls and risk management systems.

21. Approval or any subsequent modification of transactions of the company with related parties.
22. To appoint a person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit committee for valuation, if required to be made, in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a company or its liabilities.
23. To ensure proper system for storage, retrieval, display or printout of the electronic records as deemed appropriate and such records shall not be disposed of or rendered unusable, unless permitted by law.
24. To mandatorily review:
- Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses;
  - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
  - Statement of deviations in terms of the SEBI Listing Regulations:
    - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
    - annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.

### c) Meetings and Attendance

The Committee met four times during the year 2017-18 i.e. on April 24, 2017, July 29, 2017, October 28, 2017 and January 20, 2018. The record of attendance of the members of the Committee at these meetings is given hereunder:

<b>Sr. No.</b>	<b>Name of the member</b>	<b>No. of meetings held during the tenure</b>	<b>No. of meetings attended</b>
1.	Shri Taruvai Subbayya Krishna Murthy	4	4
2.	Shri Aravamudan Krishnakumar	4	4
3.	Shri Rajender Mohan Malla	4	4
4.	Shri Bontha Prasada Rao	4	3
5.	Smt. Usha Narayanan	3	3
6.	Shri Venkat Nageswar Chalasani	4	3
7.	Shri Nayan Mehta	2	1
8.	Shri V. Balasubramaniam	1	1

Note: Shri V. Balasubramaniam ceased to be Director w.e.f. April 24, 2017

Shri Nayan Mehta was appointed on the Audit committee w.e.f. July 29, 2017

Smt. Usha Narayanan was appointed on the Audit committee w.e.f. April 24, 2017

## II. Nomination and Remuneration / Compensation Committee

The constitution of Nomination and Remuneration / Compensation Committee is in compliance with the provisions of the Companies Act, 2013. The following Directors are members of the Committee:

1. Shri Aravamudan Krishnakumar (Chairman)
2. Shri Taruvai Subbayya Krishna Murthy
3. Shri Rajender Mohan Malla
4. Shri Bontha Prasada Rao
5. Shri Venkat Nageswar Chalasani
6. Smt. Usha Narayanan
7. Shri Nayan Mehta

### Terms of reference for Nomination & Remuneration / Compensation Committee

1. Formulate the criteria for determining qualifications, positive attributes

The record of attendance of the members of the Nomination and Remuneration / Compensation Committee meeting is given hereunder:

Sr. No.	Name of the member	No. of meetings held during the tenure	No. of meetings attended
1	Shri Aravamudan Krishnakumar	3	3
2	Shri Taruvai Subbayya Krishna Murthy	3	3
3	Shri Rajender Mohan Malla	3	3
4	Shri Bontha Prasada Rao	3	2
5	Shri C. Venkat Nageswar	3	1
6	Smt. Usha Narayanan	2	1
7	Shri Nayan Mehta	2	1
8	Shri V. Balasubramaniam	1	1
9	Shri Anant Narayanan G.	1	0

**Note :** Shri V. Balasubramaniam ceased to be Director w.e.f. April 24, 2017.

Shri Ananth Narayanan G ceased to be Director vide his letter dated July 29, 2017.

Shri Nayan Mehta was appointed on the Committee w.e.f. July 29, 2017

Smt. Usha Narayanan was appointed on the Committee w.e.f. April 24, 2017

## III Corporate Social Responsibility Committee :

In view of the provisions of Section 135 of the Companies Act, 2013, your Company has formed a Corporate Social Responsibility Committee which is composed as under:

1. Shri Taruvai Subbayya Krishna Murthy (Chairman)
2. Shri Aravamudan Krishnakumar
3. Shri Bontha Prasada Rao
4. Smt. Usha Narayanan
5. Shri Nehal Naleen Vora

and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;

2. Devising a policy on Board diversity;
3. Formulation of criteria for evaluation of performance of independent Directors and the board of Directors;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of Directors their appointment and removal ; and
5. Whether to extend or continue the term of appointment of the appointment of the independent Director, on the basis of the report of performance evaluation of independent Directors.

The Committee met three times during the year 2017-18 i.e. on April 24, 2017, October 27, 2017 and January 11, 2018

The Committee is responsible for identifying eligible CSR projects/activities and recommend to the Board expenditure to be incurred in this behalf and supervises the end use of funds.

The Committee met once in the year 2017-2018 on January 11, 2018.

#### **IV Stakeholders Relationship and Securities Transfer Committee:**

The Stakeholders Relationship Committee was renamed and reconstituted on October 28, 2017 as Stakeholders Relationship and Securities Transfer Committee.

#### **The following Directors are members of the Committee:**

1. Shri Aravamudan Krishnakumar  
(Chairman)
2. Shri Bontha Prasada Rao
3. Shri Nayan Mehta
4. Shri P.S. Reddy

#### **The Committee's terms of reference includes:**

1. Redressal of grievances of shareholders, debenture holders and other security holders.
2. Consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of annual report and non-receipt of declared dividends.
3. Carry out any other function as prescribed under the Listing Regulations, the Companies Act and other Applicable Law.
4. Demat, Remat, Transfer/ Transmission/ Name Change/ Deletion/ Modification of any Securities and its review.

The Committee met 3 times in the year 2017-2018 on July 29, 2017, October 27, 2017 and January 11, 2018

The Board at its meeting held on October 28, 2017 dissolved the Share Allotment and Transfer Committee and IPO Committee as the purpose of these Committees were served.

#### **IV) Meeting of Independent Directors (Public Interest Directors) :**

During the year under review, the Independent Directors met two times i.e. on October 27, 2017 and March 22, 2018 to review the performance of the company and to exchange the views on critical issues. The Committees at its meeting held on March 22, 2018 carried out evaluation of the performance of non-independent Directors, Board as a whole and its Committee and the Chairperson of the Company. All the Independent Directors were present at the meeting.

#### **Details of remuneration paid to the Directors**

##### **Managing Director**

Currently the Board consists of only one Whole Time Director viz. Shri P.S.Reddy, Managing Director & CEO. The remuneration payable to him has been approved by the Nomination and Remuneration/Compensation Committee, the Board, SEBI and shareholders. The remuneration payable to him is commensurate with the responsibility conferred upon him by the Board and scope of his responsibilities. 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 ₹60,000/- for attending each Board meeting and ₹55,000/- for attending each Committee meetings to the non-executive Directors. The Chairman is paid sitting fee of ₹75,000/- for attending each Board meeting and ₹60,000/- for attending each Committee meeting.

Details of the sitting fees/remuneration paid to the Non-Executive Directors and Managing Director & CEO during the year under review are as under:

<b>Name</b>	<b>Shri Taruvai Subbayya Krishna Murthy</b>	<b>Shri Aravamudan Krishnakumar</b>	<b>Shri Rajender Mohan Malla</b>
Director Identification Number	00279767	00871792	00136657
Date of Birth	16.05.1940	18.11.1954	15.05.1953
Qualification	Masters in Fiscal Studies from the University of Bath, U.K.	B.A. (Economics) Delhi University and Qualified Certified Associate of Indian Institute of Bankers	M.Com with an MBA from Faculty of Management Studies, University of Delhi and is also a Certificated Associate of the Indian Institute of Bankers.
Salary (₹)	-	-	-
Commission (₹)	-	-	-
Sitting fee (₹)	13,50,000	12,75,000	10,15,000
Other compensation (₹)	-	-	-
<b>Total (₹)</b>	<b>13,50,000</b>	<b>12,75,000</b>	<b>10,15,000</b>

<b>Name</b>	<b>Shri Bontha Prasada Rao</b>	<b>Smt. Usha Narayanan</b>	<b>Shri Venkat Nageswar Chalasani*</b>
Director Identification Number	01705080	07738036	07234179
Date of Birth	01.01.1954	05.06.1952	11.04.1961
Qualification	Mechanical Engineering Graduate from Jawaharlal Nehru Technological University, Kakinada, AP, India and a Post Graduate in Industrial Engineering from NITIE, Mumbai.	Master of Arts, Master of Business Laws, Bachelor of Laws, C.A.I.I.B, Diploma in International Banking	Bachelor's degree in science and a post graduate diploma in journalism
Salary (₹)	-	-	-
Commission (₹)	-	-	-
Sitting fee (₹)	8,45,000	5,85,000	3,60,000
Other compensation (₹)	-	-	-
<b>Total (₹)</b>	<b>8,45,000</b>	<b>5,85,000</b>	<b>3,60,000</b>

<b>Name</b>	<b>Shri Nehal Naleen Vora*</b>	<b>Shri Nayan Mehta*</b>	<b>Shri Kumarapuram Venkateswaran Subramanian</b>
Director Identification Number	02769054	03320139	07842700
Date of Birth	11.08.1973	31.03.1967	23.09.1965
Qualification	Commerce degree from Mumbai University and a MMS (Finance) Mumbai University	Chartered Accountant as well as a Cost and Works Accountant	Master's Degree in Management and a Bachelor's Degree in Mechanical Engineering.
Salary (₹)	-	-	-
Commission (₹)	-	-	-
Sitting fee (₹)	2,10,000	7,80,000	-
Other compensation (₹)	-	-	-
<b>Total (₹)</b>	<b>2,10,000</b>	<b>7,80,000</b>	<b>-</b>

<b>Name</b>	<b>Shri Ananth Narayan G #</b>	<b>Shri Balasubramaniam Venkataramani*</b>	<b>Shri P.S.Reddy</b>
Director Identification Number	05250681	00625701	01064530
Date of Birth	18.05.1969	30.07.1971	20.02.1963
Qualification	B. Tech (Electrical Engg.), (IIT) Mumbai MBA, (IIM) Lucknow	M.Com (Mumbai University) ICWAI Certified Information Systems Auditor	B.A. (Economics), (Andhra University, Visakhapatnam) M.A. (Economics), (University of Hyderabad)
Salary (₹)	-	-	95,40,456
Commission (₹)	-	-	-
Perquisites (₹)	-	-	39600
Sitting fee (₹)	-	1,30,000	-
Provident Fund	-	-	7,23,060
Other compensation (₹)	-	-	41,50,761
<b>Total (₹)</b>	<b>-</b>	<b>1,30,000</b>	<b>1,44,53,877</b>

**Note:**

\* Sitting Fees are paid to the Nominating Institutions.

# Standard Chartered Bank does not wish to receive any sitting fees for the Board meetings attended by its Nominee Director on the Board.

Shri Balasubramaniam Venkataramani ceased to be Director on the Board w.e.f. April 24, 2017

Shri Anant Narayan ceased to be Director on the Board w.e.f. July 29, 2017

@ Salary includes, sum total of Basic, HRA, MA, LTA, Leave Encashment paid during the year 2017-18.

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



**Annual Evaluation by the Board of its own performance and that of its Committees and Individual Directors:**

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013 on Code of conduct for Independent Directors, a comprehensive exercise for evaluation of the performances of every individual Director, the Board as a whole, its Committees and the Chairperson of the Company has been carried by your company during the year under review as per the evaluation criteria approved by the Board and based on guidelines given in Schedule IV to the Companies Act, 2013.

For the purpose of carrying out performance evaluation exercise, five types of Evaluation forms were devised in which the evaluating authority has allotted appropriate ratings to the individual Director (Independent

Directors and shareholder Directors), the Board as a whole, its Committees and the Chairperson. Having regard to the industry, size and nature of business your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

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

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

**General Body Meetings: Last three AGM details required and postal ballot details**

Meeting number	17 <sup>th</sup> Annual General Meeting	18 <sup>th</sup> Annual General Meeting	19 <sup>th</sup> Annual General Meeting
Day & Date	Thursday, June 11, 2015	Wednesday, June 1, 2016	Monday, May 29, 2017
Time	3.15 p.m.	2.30 p.m.	2.30 p.m.
Venue	CDSL Board Room, 16 <sup>th</sup> Floor, P.J. Towers, Dalal Street, Mumbai 400001.	CDSL Board Room, 16 <sup>th</sup> Floor, P.J. Towers, Dalal Street, Mumbai 400001.	CDSL Board Room, 16 <sup>th</sup> Floor, P.J. Towers, Dalal Street, Mumbai 400001.
Book Closure	- Nil -	- Nil -	- Nil -
Payment of Dividend	₹ 2.20 per share i.e 22%	₹ 2.50 per share i.e 25%	₹ 3.00 per share i.e 30%
Dividend payment date	June 11, 2015	June 1, 2016	May 29, 2017
No. of Special resolutions set out at the AGM	1	1	-

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



### Special Resolutions passed through Postal Ballot during 2017-18

During the FY 2017-18, the Company has passed the following special resolutions by postal ballot

Sr. No.	Description	Votes in favour of resolution		Votes against the resolution	
		No. of votes	% of total votes	No. of votes	% of total votes
1	Nomination rights on the Board of Central Depository Services (I) Ltd. (CDSL)	9613209	89.24	1158713	10.76
2	Divestment of shares in CDSL Commodity Repository Limited (CCRL)	10769523	99.97	3145	0.03
3	Appointment of Shri K.V. Subramanian (DIN 07842700) as a Shareholder Director	10769334	99.97	2630	0.03

In compliance with SEBI (LODR) Regulations and in compliance section 108 and 110 of the Companies Act, 2013, and Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, members were provided with the facility to cast their votes electronically through the e-Voting services provided by M/s. Link Intime India Pvt. Ltd on all resolutions set forth in the Notice. Members were also given option to vote by physical Ballot.

The members, whose names appeared on the Register of members/ List of Beneficial Owners as on Friday, November 10, 2017 were considered for voting and e-Voting was open for voting from November 22, 2017 to December 21, 2017.

The company had appointed Mrs. Dipti Mehta (CP No. 3202) failing her Mr. Atul Mehta (CP No. 2486), Practicing Company Secretaries, to act as the Scrutinisers for conducting the Postal Ballot / E-voting process in accordance with the law and in a fair and transparent manner. The results of Postal Ballot were declared on December 22, 2017.

#### Means of Communications:

- The company issues communiqués to its depository participants and to Registrar and Transfer Agents as and when necessary.
- Beneficial Owners registered for CDSL's internet services easi and easiest can view and monitor their accounts online as well as through Myeasi Mobile App.

- Beneficial Owners registered for CDSL's SMS alert facility SMART are informed about all debits and credits related to corporate actions and change in demographic details in their accounts by way of SMS.
- The website of the Company [www.cdslindia.com](http://www.cdslindia.com) acts as the primary source of information regarding the operations of the Company. Important developments in the depository, financial results and media releases are being displayed on the Company's website [www.cdslindia.com](http://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.
- The Company has 1,38,022 shareholders as on March 31, 2018. The main channel of communication to the shareholders is through annual report which includes inter alia, the Directors' report, the Auditors' report, Report on corporate governance, Audited financial statements and other important information. The quarterly results of the company are displayed on the website of NSE and CDSL as well as also published in newspapers.
- The Annual General Meeting is the principal forum for face-to-face communication with shareholders, where the Board responds to the specific queries of the shareholders.

### Means of communication of results

The quarterly, half yearly, nine monthly and annual results of the Company are intimated to the Stock Exchange immediately after they are approved by the Board and are published in the prescribed proforma within 48 hours of the conclusion of meeting of the Board in which they are considered, at least in one English newspaper circulating in the whole or substantially the whole of India and one in vernacular newspaper of the State of Maharashtra where the registered office of the Company is situated. Simultaneously these are displayed on website of the Company at [www.cdslindia.com](http://www.cdslindia.com)

**During the FY 2017-18, financial results were published in the following newspapers as detailed below:**

Quarter ended	Date of Board Meeting	Date of Publication	Name of the Newspaper
June 30, 2017	July 29, 2017	July 31, 2017	Financial Express and Loksatta
September 30, 2017	October 28, 2017	October 30, 2017	Financial Express and Loksatta
December 31, 2017	January 20, 2018	January 22, 2018	Financial Express and Loksatta
March 31, 2018	April 21, 2018	April 23, 2018	Financial Express and Loksatta

### Presentation to Analysts:

The Company arranged concalls with analysts on 4 occasions on August 2, 2017, October 31, 2017, January 22, 2018 and April 23, 2018. The transcripts of the said concalls are also submitted to the stock exchange and displayed on company's website.

The corporate announcements made for any material events are submitted to the stock exchange and displayed on company's website.

### General Shareholder Information:

#### Twentieth Annual General Meeting

Day & Date	August 20, 2018
Time	4.00 p.m.
Venue	Mini Theatre, 3rd Floor, P. L. Deshpande Maharashtra Kala Academy, Ravindra Natya Mandir, Near Shri Siddhivinayak Ganapati Mandir, Sayani Road, Prabhadevi, Mumbai – 400025.
Book Closure	August 12, 2018
Dividend payment date	August 24, 2018

### Financial Year:

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

### Listing on Stock Exchange

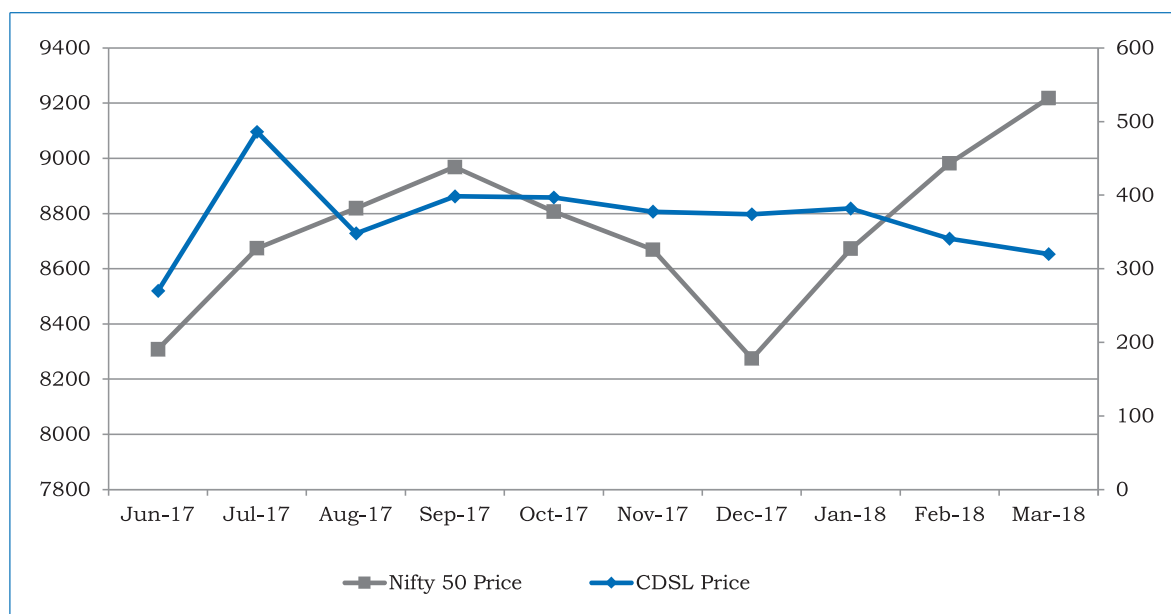
The shares of the company got listed on the National Stock Exchange on June 30, 2017 with stock code- CDSL and listing fees have been paid to the stock exchange.

### Market Price Data

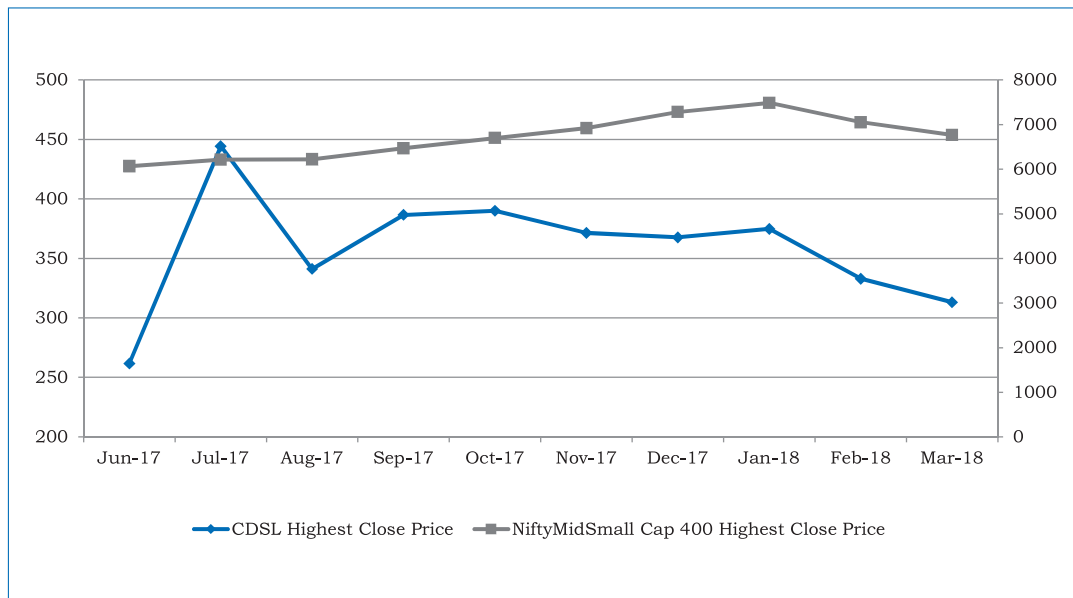
The monthly high and low market price of the shares and the quantities traded during the year 2017-18 on NSE are as follows:

Month	Months High Price (in Rs Per Share)	Months Low Price (in Rs Per Share)	No. of Shares Traded
Jun-17	269.95	250	5,03,26,065
Jul-17	486	243.15	23,40,74,889
Aug-17	348	291.1	5,25,04,433
Sep-17	398.45	327	4,96,07,912
Oct-17	396.9	343.6	2,90,83,872
Nov-17	377.5	351	1,42,80,878
Dec-17	374	327.05	1,18,42,470
Jan-18	382	328.1	1,84,61,915
Feb-18	340.9	308.3	81,69,571
Mar-18	320	273.25	86,69,552

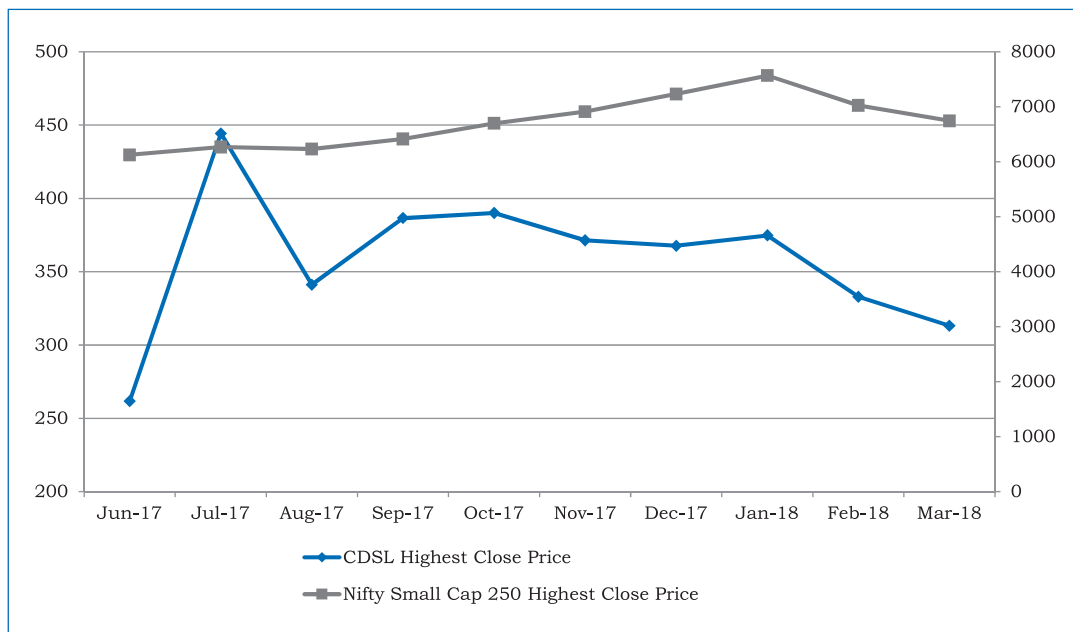
### Performance of share price in comparison to Nifty



**Performance of share price in comparison to Nifty Midsmallcap 400**



**Performance of share price in comparison to Nifty smallcap 250**



**Registrar and Transfer Agent**

Link Intime India Private Limited is Registrar and Transfer Agent of your company. They can be communicated at:

**Link Intime India Pvt. Ltd**  
 247 Park, C-101, L.B.S. Marg,  
 Vikhroli (West), Mumbai 400083.  
 Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**Share Transfer System:**

The share transfer forms received either by the Company or its RTA are processed by RTA and sent to the Company for approval. The company has Stakeholders Relationship and Securities Transfer Committee which look after Demat, Remat, Transfer/ Transmission/ Name Change/ Deletion/ Modification of any Securities and its review. It has authorised MD & CEO and one Director to authorise transfer for speedy processing.

**Distribution of shareholding as on March 31, 2018:**

<b>Central Depository Services (India) Limited</b>					
<b>Distribution Of Shareholding (Shares) Report Type : ALL(NSDL+CDSL+Physical)</b>					
<b>Sr No.</b>	<b>Shareholding of Shares</b>	<b>Number of Shareholders</b>	<b>% of Total Shareholders</b>	<b>Shares</b>	<b>% of Total Share Capital</b>
1	1 to 500	131695	95.4159	11873023	11.3617
2	501 to 1000	3507	2.5409	2751466	2.633
3	1001 to 2000	1554	1.1259	2337736	2.2371
4	2001 to 3000	507	0.3673	1302848	1.2467
5	3001 to 4000	163	0.1181	584354	0.5592
6	4001 to 5000	148	0.1072	702700	0.6724
7	5001 to 10000	240	0.1739	1780362	1.7037
8	10001 to 9999999999	208	0.1507	83167511	79.5861
<b>TOTAL :</b>		<b>138022</b>	<b>100</b>	<b>104500000</b>	<b>100</b>

**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 Company Secretary at the following address:

Central Depository Services (India) Limited  
Email : [secretarial@cdslindia.com](mailto:secretarial@cdslindia.com)

**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".

The Company has adopted Policy for Determining Material Subsidiaries and Policy on determining criteria for Related Party Transactions which have been displayed on the website of the Company at following link [https://www.cdslindia.com/IPO/GovernanceFramework\\_CG.html](https://www.cdslindia.com/IPO/GovernanceFramework_CG.html)

**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 (declaration attached as Annexure-I) to the extent they are applicable to a depository. A certificate from M/s. Pramod S. Shah & Associates, Practicing Company Secretaries confirming the compliance of conditions of corporate governance as stipulated under Schedule V (E) of the SEBI (LODR) Regulations, is annexed to the Directors' Report and forms part of the Annual Report.

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.

#### **Adoption of Discretionary Requirements**

The Company has adopted following discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### **Separate posts of Chairperson and Managing Director and Chief Executive Officer**

The posts of Chairperson and Managing Director and Chief Executive Officer of the Company are different. The Chairperson is an independent Public Interest Director appointed by SEBI.

#### **Reporting of internal auditor**

The internal auditor reports directly to the audit 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.

#### **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 and to comply

with the Code of Ethics for Directors and Key Management Personnel as prescribed under SEBI (Depositories and Participants) (Amendment) Regulations, 2012, an Ethics Committee has been constituted comprising of Shri Taruvai Subbayya Krishna Murthy, Shri Aravamudan Krishnakumar, Shri Nehal Naleen Vora and Shri Bontha Prasada Rao and Smt. Usha Narayanan. The employees can make Disclosures to the Ethics Committee regarding any malpractices or event or activity that may have occurred in the organisation 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.

#### **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 this report.

#### **CEO / CFO Certificate:**

As required under Schedule V, Regulation 34(3) and 53(f) of Securities Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulation, 2015 the CEO/ CFO Certificate for the FY 2017-18 signed by Shri P.S.Reddy, Managing Director & CEO and Shri Bharat Sheth, Chief Financial Officer form part of the Annual Report.

For and on behalf of the Board

**Taruvai Subbayya Krishna Murthy**

Chairman

(DIN: 00279767)

Place : Mumbai  
Date : April 21, 2018

## **Declaration as required 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 March 31, 2018.

Place : Mumbai  
Date : April 21, 2018

**P.S.Reddy**  
**Managing Director & CEO**

## **CERTIFICATE ON CORPORATE GOVERNANCE**

### **Certificate on compliance with the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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 ("the Company") for the year ended March 31, 2018 as stipulated in Regulations 17 to 27 & 46 and para C & D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the condition of the Corporate Governance stipulated in the Listing Regulations. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations as mentioned above.

We 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 Pramod S. Shah & Associates**  
**Practising Company Secretaries**

Date : 10<sup>th</sup> April, 2018  
Place : Mumbai

**Pramod S. Shah- Partner**  
Membership No. - 334  
C.P. No. 3804



## Annexure G

# MANAGEMENT DISCUSSION AND ANALYSIS

## INDIAN ECONOMY

Over the period from FY 2014-15 to FY 2017-18, India has witnessed close to 7.3% GDP growth, highest amongst the major world economies. The growth was achieved in an environment of low inflation, improved current account balance and notable reduction in the fiscal deficit-to-GDP ratio, making the growth more creditable. After three successive years of robust GDP growth of over 7%, GDP growth has slowed down in FY 2017-18. However, high optimism in domestic demand in the form of consumption and revival in small scale business, resulted in increased foreign direct investment (FDI) flows and leading to growth pickup.

Various reforms taken by the Government of India have led to increase in India's ranking in the World Bank's Ease of Doing Business Index from 130 in 2017 to 100 in 2018. India is well equipped to overtake China to be the fastest growing large economy in 2018 and the country's equity market is likely to become the fifth largest in the world.

Global growth is gathering pace and the momentum in global trade is expected to continue in 2018 as well, which should support India's exports growth. As per World Bank's projections, India's GDP growth is expected to accelerate to 7.3% and 7.5% in FY 2018-19 and FY 2019-20 respectively. While services will continue to remain the main driver of economic growth, industrial activity is poised to grow, with manufacturing expected to accelerate and agriculture likely to grow at its long-term average growth rate. Recent policy reforms have helped India improve the business environment, ease of inflow of foreign direct investment and improved credit behaviour.

*(Source: IMF, CSO, World Bank)*

## INDUSTRY OVERVIEW, TREND & ANALYSES

### Indian capital markets

In capital market, business enterprises or government entities raise long-term funds by issuing equity or debt securities. The debt instruments typically have more than one year maturity.

Securities market facilitates transfer of surplus resources from those with idle resources to others who have a productive need for them. Securities

markets provide channels for allocation of savings to investments and thereby decouple these two activities. As a result, the savers and investors are not constrained by their individual abilities, but by the economy's abilities to invest and save respectively, which inevitably enhances savings and investment in the economy. This market has two inter-dependent and inseparable segments; the primary (new issues) and secondary (stock) markets. The primary market is concerned with the floatation of new issues of shares or bonds. The firm issues new securities to raise funds for investment/expansion plans or to reduce any obligations. The types of issue in the primary market include: an initial public offer (IPO); follow-on public offer (FPO); a rights offer where securities are offered to existing shareholders; preferential issue/bonus issue/qualified institutional buyer placement; or a composite issue (comprising a mixture of a rights and public offer, or an offer for sale).

The secondary market is to facilitate dealing in existing securities. This market provides both liquidity and marketability to such securities. It implies that it is a market where a security can be bought or sold at small transaction cost. Spot market, futures market and options market are also a part of the secondary market. During FY 2017-18, the S&P BSE Sensex opened at 29,737 and hit a high of 36,444 on January 29, 2018 and thereafter closed at 32,969 on March 28, 2018. During the same period, Nifty opened at 9,220 and hit a high of 11,172 on January 29, 2018 and thereafter closed at 10,114 on March 28, 2018. Retail investors participated directly in the equity market through Initial Public Offerings (IPOs) in larger numbers than in previous years. During FY 2017-18, due to favourable market conditions, the Primary Market has seen encouraging response from retail as well as Institutional investors. As per Prime Database, 80 public issues have raised ₹ 98,947 crores in FY 2017-18 as compared to 53 public issues mobilising ₹ 36,615 crores in FY 2016-17.

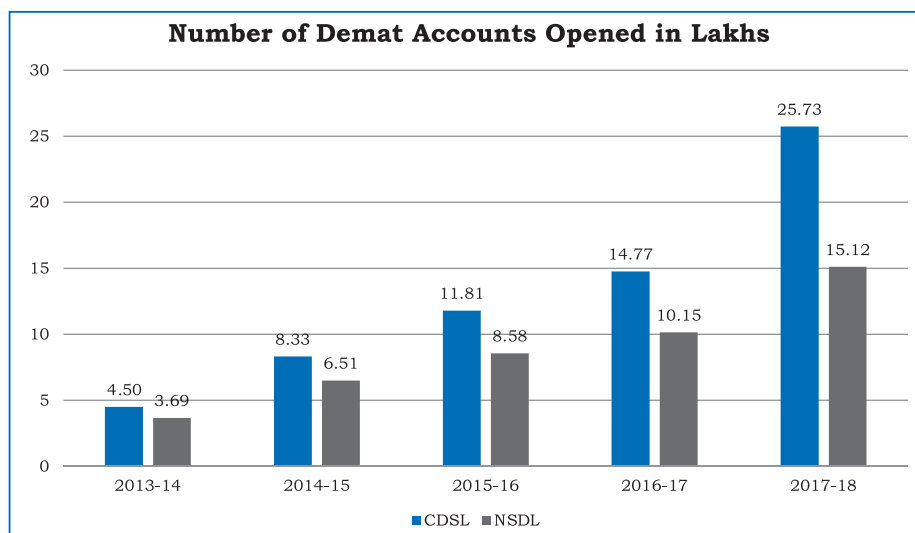
### Depository Industry in India

Depository is an institution registered with SEBI for holding custody of securities in electronic form and facilitates transfer based on the instructions from the account holders. With growth in Indian capital market, it became difficult to handle the growing volume of paper. This caused problems like delay in

transfers, long settlement period, high levels of failed trade and bad deliveries, high-risk exposure etc. To remove these bottlenecks, The Depositories Act was legislated in August 1996. Accordingly, National Securities Depository Limited (NSDL) was established in November 1996. Subsequently, three years later in 1999, Central Depository Services (India) Limited

(CDSL) was established following the implementation of compulsory trading in dematerialised securities for all investors.

In terms of market share of demat accounts, CDSL has experienced a growth in market share from 40% in FY 2013-14 to 46% in FY 2017-18.



The presence of depositories supports the capital market growth in a variety of ways including substantial reduction in bad deliveries, enhanced liquidity of securities, reduction in transaction cost, eliminates problems relating to change of address of investors, transmission etc., makes faster disbursement of non cash corporate benefits like rights, bonus, etc. possible, faster settlement cycle, no stamp duty on transfer of shares, eliminates problems relating to selling securities on behalf of a minor etc.

#### Factors driving growth of depositories

Business of depositories grows in direct proportion to growth in capital markets. The past three-to-four years have witnessed a steady structural shift of savings from physical assets such as real-estate and gold into financial assets. The prevailing positive real interest rates should enable this trend to continue. Within financial assets, the allocation towards equities has been increasing due to the relatively higher return as well as low base; given the retail investor has traditionally been under-invested in equities.

**Equity market:** According to a Sanctum Wealth Management report, Indian equity market will become the fifth largest in the world in 2018. The Indian market rallied to be one of the top performing ones

in the world in 2017. The buoyancy in market was aided by easy availability of money globally, India's improving economic fundamentals, the government's demonstration of its serious intent for economic reforms, signs of a turnaround in corporate earnings and state poll results favouring the ruling BJP-led alliance. As per Morgan Stanley, within the Asian region, India's equity market is expected to grow fastest among the major markets at 10.1% CAGR, reaching USD 6.1 trillion by 2027.

**Initial Public Offerings:** Capital raised from equity markets has gone up 3.46 times compared to the previous year. According to Prime Database, 2017-18 was the best year ever for the IPO market. The total equity capital raised during FY 2017-18 was about ₹ 1,77,116 crores as against about ₹51,120 crores raised during FY 2016-17. This reflects the country's economic strength and rising investor appetite. IPO boom is likely to continue in India led by the resilient nature of the economy, strong domestic liquidity and divestment of state-owned enterprises. The IPO pipeline is healthy with dozens of companies looking to go public later this year. The divestment of state-owned enterprises by the Government is also likely to propel IPO activity in the country. More than 100 small and medium enterprises (SMEs) are expected to list on the SME platform this year.

**Increase in trading volumes and retail participation:** CDSL has experienced a substantial growth in the number of companies trading in demat form from 541 in FY 1999-00 to 10,950 in FY 2017-18, a growth of 19% CAGR. The active participation of retail investors was demonstrated with the increase in the turnover of shares traded on the BSE rising from ₹ 5.21 lakh crores in FY 2013-14, to ₹ 0.82 lakh crore in FY 2017-18, while trading on the NSE increased from ₹ 28.08 lakh crore in FY 2013-14, to ₹ 140.44 lakh crore in FY 2017-18.

## BUSINESS OVERVIEW

Central Depository Services (India) Limited (hereafter referred to as CDSL / the Company) was initially promoted by BSE Ltd. which had thereafter divested its stake to leading banks. CDSL has received the certificate of commencement of business from SEBI in February, 1999. All leading stock exchanges like the BSE Ltd, National Stock Exchange and Metropolitan Stock Exchange of India have established connectivity with CDSL. The Company strives to provide convenient, dependable and secure depository services at affordable cost to all market participants.

The Company's subsidiary, CDSL Ventures Limited (CVL) is registered with the SEBI and the Unique Identification Authority of India, and undertakes common Know Your Client services for investors in the capital markets including the mutual fund industry.

Through CDSL Insurance Repository Limited, another subsidiary, the Company has arrangements with several life insurance companies and three general insurance companies for holding policies in electronic form and enabling the policy holders to undertake changes, modifications and revisions to insurance policies.

Central Commodity Repository Limited (CCRL) is another subsidiary, to establish and run a Commodity Repository on the lines of a Securities Depository. In this regard, Warehousing Development and Regulatory Authority (WDRA) has shortlisted CCRL as one of the two Repositories for undertaking the Commodity Repository activity.

## CLIENTELE

CDSL's clientele can be broadly classified into five main categories namely:

- **Depository Participants (DPs):** An investor opens an account through the agent of depository known as Depository Participant. After opening the account, the investor can

convert the physical shares issued by issuer companies into electronic mode through the DP. An investor can transfer securities from his account to any account by submitting the delivery instruction slip to the DP

- **Issuer companies:** A wide range of securities including equity shares, preference shares, mutual fund units, debt instruments, government securities are available for dematerialisation in CDSL. CDSL enables issuer companies to credit securities including non-cash corporate benefits to a shareholder's or applicants demat account
- **Capital market intermediaries:** Through its wholly-owned subsidiary, CDSL Ventures Limited, the Company offers KYC services in respect of investors in Indian capital markets
- **Insurance Companies:** Through its subsidiary, CDSL Insurance Repository Limited, the Company offers facilities for holding of insurance policies in electronic form
- **Others:** CDSL offers other online services such as e-voting, e-Locker, National Academy Depository, easi (Electronic Access to Security Information), easiest (Electronic Access to Securities Information and Execution of Secured Transaction) and mobile application (myeasi, m-voting). Investor meetings and other awareness programmes are regularly conducted by CDSL

## REVENUE STREAMS

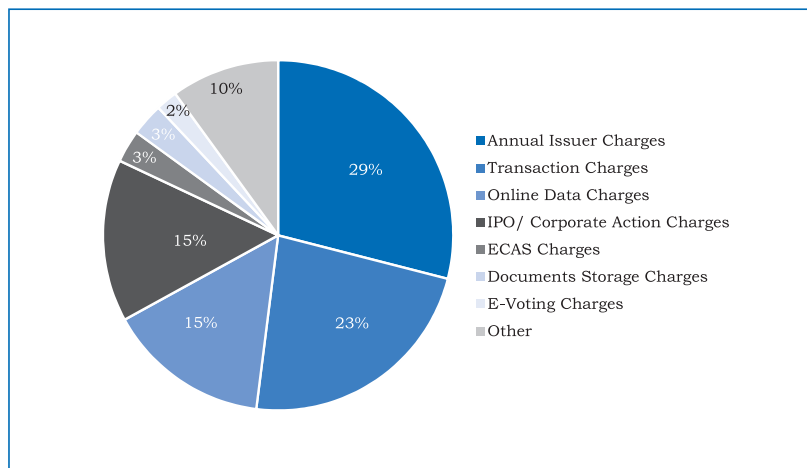
The Company offers services to several sub-sectors of the Indian securities and financial services market including capital markets, mutual funds and insurance companies. The Company has high stability of operating income from the fixed annual charges collected from the registered companies and transaction-based fees collected from Depository Participants. Transaction charges are levied by the depositories, subject to prior approval of SEBI. The Company offers dematerialisation for a wide spectrum of securities including equity shares, preference shares and bonds of public (listed and unlisted) and private companies, units of mutual funds, government securities, commercial papers and certificates of deposits. The Company also charges account maintenance charges to corporate account holders and monthly maintenance charges to clearing members for maintenance of settlement accounts.

Other consistent revenue-generating services offered by the Company include e-notices and e-voting services to the registered companies enabling their

shareholders to receive notices in electronic form and to allow shareholders to cast their votes electronically, remotely or at the meeting venue.

Additionally, new revenue streams like National Academic Depository and eKYC are gaining momentum though they will take some time to contribute meaningfully.

#### Distribution of Revenue Sources (Consolidated)



(Source: Company)

#### Depository Participant Network

The Company is the leading securities depository in India by incremental growth of Beneficial Owner (BO) accounts of over 40.50 Lakhs from FY 2015-16 to FY 2017-18. Further, the total number of registered Depository Participants (DPs) is 594 at the end of FY 2017-18. As on March 31, 2018, CDSL had over 14.8 million investor accounts (excluding closed accounts).

The Company has a wide network of DPs, who act as points of service. CDSL had 594 registered DPs with over 17,000 service centres across India. The DPs are spread across 29 states and 7 union territories.

As on March 31, 2018, CDSL had over 283 billion securities representing a total value of ₹ 19.8 trillion.

### OPPORTUNITIES & OUTLOOK

#### Growth Drivers

##### Buoyant markets

The evolution of Indian capital markets has made it a preferred investment destination even for overseas investors. The steps taken by Central Government, confidence in growth potential and business environment, stable political climate are some of the favourable factors. Investors (domestic, retail, HNI and international), Mutual funds, Private Equities and Pension/Sovereign funds are keener than ever to participate in Indian capital markets. There is a significant euphoria about Indian capital markets

among the corporate sector and entrepreneurs due to higher valuations, easing of IPO processes, Offer for sale etc. The Central Government has also been able to push through divestment by OFS (Offer for Sale) and innovative structuring of Exchange Traded Funds (ETFs).

#### Increase in Capital market participation by retail investors

After conceding its position as the fastest growing major economy to China for a year in 2017, India is likely to reclaim the position in 2018. In all likelihood, India is going to register higher growth rate than other major emerging market economies in the next decade. India's demographic dividend, growth in per capita income and savings, along with government initiatives will give a boost to retail participation in the capital markets. India also has the largest population of youth population with more than 50% of current population below the age of 25 and over 65% below the age of 35. This youth and larger working class are expected to increase the amount of investments, which may result in growth for depositories. There has been a steady growth in per capita income which in turn is likely to result in increased disposable income.

#### OUTLOOK

Corporates in India are the most direct beneficiaries of the structural reforms and increase in e-commerce, consumption growth, financial products and investments which could make India a significant



market for corporations worldwide. Recent measures to digitise the economy and improve tax compliance should boost tax revenue in the medium term. Boost from government for digitalisation will also help CDSL to promote online demat account opening. Promotion of paperless account will also help brokers to reduce cost and offer more efficient services to demat account holders.

According to Prime Database, FY 2018-19 is likely to see more volatility in the secondary market which shall affect fund raising plans of companies as well. While there are 12 companies holding SEBI approval wanting to raise over ₹10,395 crore and another 18 companies wanting to raise about ₹29,282 crore awaiting SEBI approval, as we have seen in the past, this pipeline may quickly vanish if the volatility and negative sentiment continues.

### VALUE ADDED SERVICE OFFERINGS

The Company has ventured into value added businesses in the form of GST Suvidha provider, the national academic depository and e-sign. These offerings will boost revenues in a gradual manner. In addition, the Company is looking to add newer services to contribute the future growth. The Company is working to provide a single demat account for all financial assets where an investor can access all the details of their investments on a common platform. This is envisaged as a one-stop account for all financial investments including pension funds, fixed deposits, life insurance policies, etc.

### INFORMATION TECHNOLOGY

CDSL boasts of having state-of-the-art IT systems with global accreditation. The Company's core depository system is based on a centralised architecture which helps to provide real-time updated information to users. The system can be accessed over the internet and the intranet through a secure channel using multi-factor user authentication. The Company has deployed state-of-the-art server hardware, enterprise flash storages and highly resilient network infrastructure.

CDSL has been certified for ISO 27001 for its Information Security Management System. It protects information throughout the life span, from its initial creation to its final disposal. CDSL infrastructure has multiple back-up levels which includes a redundant fail-over cluster and a seamless switchover to the Disaster Recovery System (DRS). The DRS is located at a different seismic zone. The Company has been awarded ISO 22301:2012 certification for its Business Continuity Management System.

### FINANCIAL PERFORMANCE (Consolidated)

Revenue from operations includes transaction charges, account maintenance charges and settlement charges paid by DPs and annual fees, corporate action charges and e-voting charges paid by companies and KYC charges paid by intermediaries. The Company clocked revenue of ₹ 19,102.44 Lakhs in FY 2017-18 as against ₹ 14,600.13 Lakhs in FY 2016-17, up 31%. As compared to the previous year, annual issuer charges increased by 8%, transaction charges increased by 41%, IPO corporate action charges increased by 79% and online data charges that is from the KYC income increased by 56%. The robust increase in revenues is attributable to good financial market conditions. Additionally, new revenue streams like National Academic Depository, eKYC have started flowing in though they will take some time to contribute meaningfully.

CDSL's main costs are employee wages and benefits, software development and maintenance costs, which are largely fixed in nature. Total expenditure in FY 2017-18 stood at ₹ 8,425.81 Lakhs, up 20% as compared to the previous year. Other expense is up 13% as compared to previous year mainly due to eCAS charges and leased line charges. eCAS is the consolidated account statement that the Company sends out to clients, on which additional postage and communication charges are incurred.

EBITDA improved to ₹ 14,836.34 Lakhs in FY 2017-18 as against ₹ 12,026.88 Lakhs in FY 2016-17 leading to 138 bps EBITDA margin expansion to 66% due to strong operating leverage. PAT improved to ₹ 10,363.83 Lakhs, up 20% over the previous year.

The net worth of the Company stood at ₹ 61,470 Lakhs as on March 31, 2018 as compared to ₹ 54,881 Lakhs as on March 31, 2017. The cash flow from operations stood at ₹ 11,783.42 Lakhs during FY 2017-2018. There is net cash from operations of ₹ 7,880.47 Lakhs as on March 31, 2018.

### RISK MANAGEMENT

Strict internal processes and controls enable the Company to effectively manage the business risks it encounters on daily basis. The Company's risk management framework includes risk management policy as devised by the Risk Management Committee (RMC). The Committee monitors and identifies risks at regular intervals to improve standard operating procedures and to set appropriate risk limits and controls. Risk management policies and systems are reviewed regularly to reflect changes in market

conditions and business activities, with any new activity or deviation from existing procedure referred to the RMC. The Company's risk management system covers various aspects of the business. The Company also has in place a special contingency insurance policy to cover risks associated with depository operations which covers the Company and registered DPs.

The Company also ensures that its clients comply with applicable regulatory provisions. The Company conducts regular inspections of both DPs and RTAs and provides compliance training across the country for DPs. In addition to the bi-annual internal audits, the Company has made it mandatory for all registered DPs to appoint independent chartered accountant firms to conduct concurrent audits of risk prone areas.

#### **Internal Financial Control Systems and their Adequacy**

Internal Financial Control Systems and their adequacy means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company had already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity level policies, process and operating level standard operating procedures.

Some significant features of our Internal Financial Control System are:

- 1) Adequate documentation and maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) The policies and procedures are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles and Indian Accounting Standards (IAS), and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and director of the Company and
- 3) Company has aligned its current systems with the requirement of the Companies Act, 2013 on the lines of the globally accepted risk based framework as issued by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission, so as to provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect of the financial statement.

During the year, such internal controls over financial reporting were tested by management, internal auditors and statutory auditors. No reportable material weakness in design and effectiveness was observed.

#### **DISCLAIMER**

Statements in the Annual Report, including those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

**Annexure H**

**Details pertaining to remuneration as required under section 197(12) of the Companies Act 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Depositories and Participants)(Amendment) Regulations 2012**

1. The ratio of the remuneration of MD & CEO to the median remuneration of the employees of the company for FY 2017-18 is 15.62:1
2. The remuneration of MD & CEO and CFO was increased by 27.56% and 38.45% respectively during the financial year. Shri. Pavan Kumar, VP-Legal and Group Company Secretary and Compliance officer resigned from the Company w.e.f. July 31, 2017 and Shri Amol Purandare, AVP-Legal and Company Secretary was appointed w.e.f. August 7, 2017. Mr. Amol Purandare has resigned w.e.f. June 26, 2018. As such, increase in remuneration of these officials could not be provided.
3. In the financial year, there was an increase of 18.02% in the median remuneration of employees.
4. There were 204 employees on the rolls of the company as on March 31, 2018.
5. There has been 22.25 percentile increase in the salaries of employees other than the managerial remuneration in the last financial year and there has been 33.01 percentile increase in the managerial remuneration in the last financial year. Percentile increase in managerial remuneration is more than percentile increase in the salaries of other employees because Managerial Personnel's remuneration includes performance linked bonus which is a major component.
6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.
7. Information as per section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name	Age in years	Qualification	Designation	Remuneration received (₹)	Experience (No. of years)	Date of commencement of employment	Last employment & designation
Shri P.S.Reddy	55	M.A.	MD & CEO	1,44,14,277	30	November 8, 2006	BSE Chief General Manager – Surveillance & Inspection
Shri. Joydeep Dutta	58	MS (Computer Science), B.E	Executive Director and Group CTO	1,06,89,546	36	July 7, 2014	CIO Advisory & IT Consultant

**Notes:**

1. Remuneration includes basic salary, performance linked incentive, other allowances, company's contribution to provident fund and taxable value of perquisites.
2. Nature of employment in all cases is contractual in accordance with their respective employment terms and Company's Service Rules.
3. None of the above is covered under Rule 5(3)(viii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
4. None of the above is a relative of any Director or manager of the Company.



## **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 for the year ended March 31, 2018 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 have not been a significant change in accounting policy during the year requiring disclosure 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

Place: Mumbai

Date : April 21, 2018

**Bharat Sheth**

Chief Financial Officer

Annexure I

**MGT - 9 EXTRACT OF ANNUAL RETURN**

**I. REGISTRATION AND OTHER DETAILS**

i) CIN:-	L67120MH1997PLC112443
ii) Registration Date –	12/12/1997
iii) Name of the Company -	Central Depository Services (India) Limited
iv) Category / Sub-Category of the Company	Company having Share capital
v) Address of the Registered office and contact details	Central Depository Services (India) Ltd. Marathon Futurex, 25th floor, A-Wing, Mafatlal Mills Compound, N.M Joshi Marg, Lower Parel, Mumbai 400013.
vi) Whether listed company	Yes
vii) Name , Address and Contact details of Registrar and Transfer Agen, if any	Link Intime India Pvt. Ltd 247 Park, C-101, L.B.S. Marg Vikhroli (West), Mumbai 400083.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Depository Services	64990	86%

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

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held held	Applicable Section
1	CDSL Ventures Ltd Marathon Futurex, 25th floor, A-Wing, Mafatlal Mills Compound, N.M Joshi Marg, Lower Parel, Mumbai 400013.	U93090MH2006PLC164885	Subsidiary	100	2(87) of the Companies Act, 2013
2	CDSL Insurance Repository Limited Marathon Futurex, 25th floor, A-Wing, Mafatlal Mills Compound, N.M Joshi Marg, Lower Parel, Mumbai 400013.	U74120MH2011PLC219665	Subsidiary	51	2(87) of the Companies Act, 2013
3	CDSL Commodity Repository Limited Marathon Futurex, 25th floor, A-Wing, Mafatlal Mills Compound, N.M Joshi Marg, Lower Parel, Mumbai 400013.	U74999MH2017PLC292113	Subsidiary	100	2(87) of the Companies Act, 2013

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

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

Category of Share holders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF			-	-			-	-	-
b) Central Govt			-	-			-	-	-
c) State Govt (s)			-	-			-	-	-
d) Bodies Corp.	52,297,850		52,297,850	50.05	25,080,000	-	25,080,000	24.00	-26.05
e) Banks / FI			-	-			-	-	-
f) Any Other....			-	-			-	-	-
<b>Sub-total (A) (1):-</b>	<b>52,297,850</b>	<b>-</b>	<b>52,297,850</b>	<b>50.05</b>	<b>25,080,000</b>	<b>-</b>	<b>25,080,000</b>	<b>24.00</b>	<b>-26.05</b>
(2) Foreign									
a) NRIs - Individuals			-	-			-	-	-
b) Other - Individuals			-	-			-	-	-
c) Bodies Corp.			-	-			-	-	-
d) Banks / FI			-	-			-	-	-
e) Any Other....			-	-			-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A) (2)</b>	<b>52,297,850</b>	<b>-</b>	<b>52,297,850</b>	<b>50.05</b>	<b>25,080,000</b>	<b>-</b>	<b>25,080,000</b>	<b>24.00</b>	<b>-26.05</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds			-	-	4,876,076	-	4,876,076	4.67	4.67
b) Banks / FI	46,864,600		46,864,600	44.85	37,069,625		37,069,625	35.47	-9.37
c) Central Govt			-	-			-	-	-
d) State Govt(s)			-	-			-	-	-
e) Venture Capital Funds			-	-			-	-	-
f) Insurance Companies	4,336,750		4,336,750	4.15	-	-	-	-	-4.15
g) FIIs			-	-	2,292,865		2,292,865	2.19	2.19
h) Foreign Venture Capital Funds			-	-			-	-	-
i) Others (specify)	1,000,000		1,000,000	0.96	8,175,333		8,175,333	7.82	6.87
<b>Sub-total (B)(1):-</b>	<b>52,201,350</b>	<b>-</b>	<b>52,201,350</b>	<b>49.95</b>	<b>52,413,899</b>	<b>-</b>	<b>52,413,899</b>	<b>50.16</b>	<b>0.20</b>

Category of Share holders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	800		800	0.00					-0.00
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh					18,265,316	510	18,265,826	17.48	17.48
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh					1,835,637		1,835,637	1.76	1.76
c) Others (specify)					6,904,638		6,904,638	6.61	6.61
<b>Sub-total (B)(2):-</b>	<b>800</b>	<b>-</b>	<b>800</b>	<b>0</b>	<b>27,005,591</b>	<b>510</b>	<b>27,006,101</b>	<b>25.84</b>	<b>25.84</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>52,202,150</b>	<b>-</b>	<b>52,202,150</b>	<b>49.95</b>	<b>79,419,490</b>	<b>510</b>	<b>79,420,000</b>	<b>76.00</b>	<b>26.05</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>104,500,000</b>	<b>-</b>	<b>104,500,000</b>	<b>100.00</b>	<b>104,499,490</b>	<b>510</b>	<b>104,500,000</b>	<b>100.00</b>	<b>-</b>

(ii) **Shareholding of Promoters**

Sr No	Shareholders Name	Shareholding at the beginning of the year 01-04-2017			Share holding at the end of the year 31.03.2018			% change in share holding during the year
		No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	
1	BSE Ltd.	5,22,97,850	50.05	0	25080000	24	0	-26.05

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

Sr No	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
	No. of shares held on 01.04.2017	% of total shares of the company	No. of shares held on 31.03.2018	% of total shares of the company	
	At the beginning of the year	52,297,850	50.05	52,297,850	50.05
	Decrease due to offer for sale on June 30, 2017	27,217,850	-26.05	27,217,850	-26.05
	At the End of the year	25,080,000	24.00	25,080,000	24.00

**IV. Shareholding Pattern of Top Ten Shareholders**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 01.04.2017		Cumulative Transactions during the year		Shareholding at the end of the year 31.03.2018	
		No.Of Shares Held	% Of Total Shares Of The Company	Date Of Transaction	No. Of Shares	No Of Shares Held	% Of Total Shares Of The Company
1	Standard Chartered Bank - Corporate Banking	7500000	7.18			7500000	7.18
	At The End Of The Year					7500000	7.18
2	HDFC Bank Ltd.	7500000	7.18			7500000	7.18
	At The End Of The Year					7500000	7.18
3	Canara Bank	6744600	6.45			6744600	6.45
	At The End Of The Year					6744600	6.45
4	Bank Of India	5820000	5.57			5820000	5.57
	At The End Of The Year					5820000	5.57
5	State Bank Of India	10000000	9.57			10000000	9.57
	Market Sell			30 Jun 2017	4775000	5225000	5.00
	At The End Of The Year					5225000	5.00
6	Life Insurance Corporation Of India	4336750	4.15			4336750	4.15
	At The End Of The Year					4336750	4.15
7	Bank Of Baroda	5300000	5.07			5300000	5.07
	Market Sell			30 Jun 2017	2174358	3125642	2.99
	At The End Of The Year					3125642	2.99
8	L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund	0	0.00			0	0.00
	Market Purchase			30 Jun 2017	60869	60869	0.06
	Market Sell			07 Jul 2017	-60869	0	0.00
	Market Purchase			03 Nov 2017	300000	300000	0.29
	Market Purchase			10 Nov 2017	250000	550000	0.53
	Market Purchase			24 Nov 2017	120000	670000	0.64
	Market Purchase			01 Dec 2017	116538	786538	0.75
	Market Purchase			08 Dec 2017	285562	1072100	1.03
	Market Purchase			15 Dec 2017	148129	1220229	1.17
	Market Purchase			05 Jan 2018	100871	1321100	1.26
	Market Purchase			19 Jan 2018	173333	1494433	1.43
	Market Purchase			26 Jan 2018	82794	1577227	1.51
	Market Purchase			02 Feb 2018	17206	1594433	1.53
	Market Purchase			09 Feb 2018	255171	1849604	1.77
	Market Purchase			23 Feb 2018	25000	1874604	1.79
	Market Purchase			09 Mar 2018	120000	1994604	1.91
	Market Purchase			16 Mar 2018	39431	2034035	1.95
	Market Purchase			23 Mar 2018	30569	2064604	1.98
	At The End Of The Year					2064604	1.98
9	Bank Of Maharashtra	2000000	1.91			2000000	1.91
	At The End Of The Year					2000000	1.91
10	Union Bank Of India	2000000	1.91			2000000	1.91
	At The End Of The Year					2000000	1.91

(v) **Shareholding of Directors and Key Managerial Personnel- Shri Bharat Sheth-Chief Financial Officer:**

Sr No	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	NIL	NIL	2690	Negligible
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	29.06.2017 via IPO allotment			
At the End of the year	NIL	NIL		Negligible

**V. INDEBTEDNESS**

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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sr. No.	Particulars of Remuneration	P. S. Reddy (MD & CEO)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,540,456	9,540,456
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0
2	Stock Option		0
3	Sweat Equity		0
4	Commission		0
	- as % of profit		0
	- others, specify...		0
5	Others, please specify	4,150,761	4,150,761
	<b>Total (A)</b>	<b>13,730,817</b>	<b>13,730,817</b>
	Ceiling as per the Act (₹ In lacs)		511.47

**B. Remuneration to other directors:**

Sr. no.	Particulars of Remuneration	Name of Directors										Total Amount			
		Shri T.S. Krishna Murthy	Shri A. Krishnakumar	Shri R.M. Malla	Shri B.Prasada Rao	Smt. Usha Narayanan	Shri Ananth Narayan	Shri Nehal Vora	Shri V. Balasubramaniam	Shri Nayan Mehta	Shri C.Venkat Nageswar		Shri K.V. Subramanian		
3.	Independent Directors - Fee for attending board / committee meetings - Commission - Others, please specify	1350000	1275000	1015000	845000	585000									5070000
<b>Total (1)</b>		<b>1350000</b>	<b>1275000</b>	<b>1015000</b>	<b>845000</b>	<b>585000</b>	<b>0</b>	<b>210000</b>	<b>130000</b>	<b>780000</b>	<b>360000</b>	<b>0</b>	<b>1480000</b>	<b>5070000</b>	
4.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify														
<b>Total (2)</b>															
<b>Total (B)=(1+2)</b>		<b>1350000</b>	<b>1275000</b>	<b>1015000</b>	<b>845000</b>	<b>585000</b>	<b>0</b>	<b>210000</b>	<b>130000</b>	<b>780000</b>	<b>360000</b>	<b>0</b>	<b>1480000</b>	<b>6550000</b>	
Total Managerial Remuneration															
Overall Ceiling as per the Act															



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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Shri Bharat Sheth	Shri. N.V.S Pavan Kumar	Shri Amol Purandare	
1.	Gross salary	7,022,775	1,060,408	1,084,636	9,167,819
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	10,800	-	43,200
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				-
	- as % of Profit				
	- others, specify...				
5	Others, please specify				-
	<b>Total</b>	<b>7,055,175</b>	<b>1,071,208</b>	<b>1,084,636</b>	<b>9,211,019</b>

As per Section 17(1) of the income tax act, it does not include PF contribution

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding/ fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
		Penalty			
		Punishment	NIL		
		Compounding			
<b>B. DIRECTORS</b>					
		Penalty			
		Punishment	NIL		
		Compounding			
<b>C. OTHER OFFICERS IN DEFAULT</b>					
		Penalty			
		Punishment	NIL		
		Compounding			

# INDEPENDENT AUDITORS' REPORT

## To The Members of

### **CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**

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

We have audited the accompanying standalone Ind AS financial statements of CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report

in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at March 31, 2018, on its financial position in its standalone Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts as at March 31, 2018. The Company does not have any outstanding derivative contracts as at March 31, 2018.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm’s Registration No. 117365W)

**G. K. Subramaniam**  
Partner  
(Membership No. 109839)

MUMBAI, April 21, 2018

## **ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT**

**(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including

the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on “the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India”.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm’s Registration No. 117365W)

**G. K. Subramaniam**  
Partner  
(Membership No. 109839)

MUMBAI, April 21, 2018

## **ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT**

**(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of 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) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) To the best our knowledge and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) To the best our knowledge and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in this regard in the case of the Company.
- (vi) To the best our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Value Added Tax, Income-tax, Service Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. There were no amounts payable in respect of Sales Tax, Customs Duty, Work Contract Tax, and Excise Duty.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Service Tax, Goods and Service Tax, cess, Sales Tax, Customs Duty, Work Contract Tax, Value Added Tax, and Excise Duty and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.



- (c) Details of dues of Income-tax and Service Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Sr. No.	Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in Lakhs)	Amount unpaid (₹ in Lakhs)
1	Service Tax	Service Tax	Customs, Excise & Service Tax Appellate Tribunal , West Zonal Bench	FY 2004-05 to FY 2008-09	3,293.70	3,293.70
2	Service Tax	Service Tax	Customs, Excise & Service Tax Appellate Tribunal , West Zonal Bench	FY 2009-10	512.02	512.02
3	Service Tax	Service Tax	Customs, Excise & Service Tax Appellate Tribunal , West Zonal Bench	FY 2010-11	86.81	86.81
4	Service Tax	Service Tax	Customs, Excise & Service Tax Appellate Tribunal , West Zonal Bench	FY 2011-12	86.28	86.28
5	Income Tax	Income Tax	The Commissioner of Income Tax (Appeals), Mumbai	FY 2010-11	4.92	4.92

There are no dues of Sales Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2018 on account of disputes.

- (viii) To the best of our knowledge and according to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government and has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) To the best of our knowledge and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (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 by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year

the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**G. K. Subramaniam**  
Partner  
(Membership No. 109839)

MUMBAI, April 21, 2018

# STANDALONE BALANCE SHEET

AS AT MARCH 31, 2018

Particulars	Note No.	(₹ in Lakhs)	
		As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited)
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a. Property, plant and equipment	3	7,416.41	447.10
b. Other Intangible assets	4	62.43	34.97
c. Financial Assets			
i. Investments			
a. Investments in subsidiaries	5	8,630.00	6,635.00
b. Other investments	6	27,955.26	21,709.42
ii. Loans	7	9.98	8.17
iii. Other financial assets	8	134.39	572.77
d. Deferred tax assets (net)	9	321.89	228.69
e. Non current tax assets (net)	10	1,139.98	1,094.92
f. Other non-current assets	11	92.21	3.05
<b>Total Non-Current Assets</b>		<b>45,762.55</b>	<b>30,734.09</b>
<b>2 Current assets</b>			
a. Financial Assets			
i. Other investments	6	6,272.47	17,836.76
ii. Trade receivables	12	1,131.45	893.21
iii. Cash and cash equivalents	13	480.36	119.63
iv. Bank balances other than (iii) above	13	2,600.72	1,041.69
v. Loans	7	9.90	10.83
vi. Other financial assets	8	689.14	917.32
b. Other current assets	11	381.71	151.17
<b>Total Current Assets</b>		<b>11,565.75</b>	<b>20,970.61</b>
<b>Total Assets (1+2)</b>		<b>57,328.30</b>	<b>51,704.70</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a. Equity Share capital	14	10,450.00	10,450.00
b. Other Equity	15	39,774.53	35,779.49
<b>Total Equity</b>		<b>50,224.53</b>	<b>46,229.49</b>
<b>LIABILITIES</b>			
<b>2 Non-current liabilities</b>			
a. Financial Liabilities			
Other financial liabilities	16	75.93	60.74
<b>Total Non-current Liabilities</b>		<b>75.93</b>	<b>60.74</b>
<b>3 Current liabilities</b>			
a. Financial Liabilities			
i. Trade payables	17	1,063.03	792.00
ii. Other financial liabilities	16	3,225.42	2,321.88
b. Provisions	18	874.09	743.20
c. Other current liabilities	19	1,572.70	1,195.53
d. Current tax liabilities (Net)	10	292.60	361.86
<b>Total Current Liabilities</b>		<b>7,027.84</b>	<b>5,414.47</b>
<b>Total Equity and Liabilities (1+2+3)</b>		<b>57,328.30</b>	<b>51,704.70</b>
Significant accounting policies	2		
See accompanying notes forming part of the financial statements	1-39		

In terms of our report attached

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells**

Chartered Accountants

**T. S. Krishna Murthy**

Chairman  
DIN: 00279767

**P. S. Reddy**

Managing Director & CEO  
DIN: 01064530

**G. K. Subramaniam**

Partner  
M.No :109839  
Place : Mumbai  
Date : April 21, 2018

**Amol Purandare**

Company Secretary  
M No. A18078

**Bharat Sheth**

Chief Financial Officer

# STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>1</b> Revenue From Operations	20	15,416.79	12,161.89
<b>2</b> Other Income	21	2,470.33	3,360.52
<b>3 Total Income (1+2)</b>		<b>17,887.12</b>	<b>15,522.41</b>
<b>4 Expenses</b>			
Employee benefits expense	22	2,670.25	2,262.84
Depreciation and amortisation expense	3&4	646.42	349.27
Impairment loss on financial assets	23	-	18.39
Administration and other expenses (including contribution to IPF of ₹ 408.39 Lakhs in current year) (refer note no.37)	24	3,932.31	3,708.26
<b>Total expenses</b>		<b>7,248.98</b>	<b>6,338.76</b>
<b>5 Profit before tax (3 -4)</b>		<b>10,638.14</b>	<b>9,183.65</b>
<b>6 Tax expense:</b>			
Current tax		2,962.40	2,700.00
Deferred tax		(92.96)	(301.41)
<b>Total tax expense</b>		<b>2,869.44</b>	<b>2,398.59</b>
<b>7 Profit for the year (5-6)</b>		<b>7,768.70</b>	<b>6,785.06</b>
<b>8 Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
i. Remeasurement of the defined benefit plans;		(0.69)	(47.92)
ii. Income tax relating to items that will not be reclassified to profit or loss		0.24	16.58
<b>Total other comprehensive income for the year (net of tax) (i+ii)</b>		<b>(0.45)</b>	<b>(31.34)</b>
<b>9 Total Comprehensive Income for the year (7+8)</b>		<b>7,768.25</b>	<b>6,753.72</b>
<b>10 Earnings per equity share (EPS) :</b>			
Basic and Diluted EPS (₹)		7.43	6.49
Face value of share (₹)		10.00	10.00
Weighted average number of shares		104,500,000	104,500,000
Significant accounting policies	2		
See accompanying notes forming part of the financial statements	1-39		

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**G. K. Subramaniam**  
Partner  
M.No :109839  
Place : Mumbai  
Date : April 21, 2018

For and on behalf of the Board of Directors

**T. S. Krishna Murthy**  
Chairman  
DIN: 00279767

**Amol Purandare**  
Company Secretary  
M No. A18078

**P. S. Reddy**  
Managing Director & CEO  
DIN: 01064530

**Bharat Sheth**  
Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2018

## A. Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
Balance as at April 1, 2016	10,450.00
Changes in equity share capital during the year	-
Balance as at March 31, 2017	10,450.00
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2018</b>	<b>10,450.00</b>

## B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
Balance as at April 1, 2016	1,094.93	31,075.19	32,170.12
Profit for the year	-	6,785.06	6,785.06
Other comprehensive income for the year (net of tax)	-	(31.34)	(31.34)
Payment of dividends (Including dividend distribution tax)	-	(3,144.35)	(3,144.35)
<b>Balance at March 31, 2017</b>	<b>1,094.93</b>	<b>34,684.56</b>	<b>35,779.49</b>
Profit for the period	-	7,768.70	7,768.70
Other comprehensive income for the period (net of tax)	-	(0.45)	(0.45)
Payment of dividends (Including dividend distribution tax)	-	(3,773.21)	(3,773.21)
<b>Balance at March 31, 2018</b>	<b>1,094.93</b>	<b>38,679.60</b>	<b>39,774.53</b>

Significant accounting policies 2  
See accompanying notes forming part of the financial statements 1-39

### In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**G. K. Subramaniam**  
Partner  
M.No :109839  
Place : Mumbai  
Date : April 21, 2018

### For and on behalf of the Board of Directors

**T. S. Krishna Murthy**  
Chairman  
DIN: 00279767

**Amol Purandare**  
Company Secretary  
M No. A18078

**P. S. Reddy**  
Managing Director & CEO  
DIN: 01064530

**Bharat Sheth**  
Chief Financial Officer

# CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit for the year</b>	7,768.70	6,785.06
<b>Adjustments for</b>		
Income tax expenses recognised in profit or loss	2,869.44	2,398.59
Depreciation and Amortisation expense	646.42	349.27
Gain on sale / disposal of Property, plant and equipment and Intangible assets (Net)	(11.47)	(10.19)
Provision for gratuity and compensated absences	12.27	68.01
Interest income recognised in profit or loss	(820.87)	(1,018.80)
Dividend income recognised in profit or loss	(296.55)	(444.37)
Net gain arising on financial assets measured at FVTPL	(1,152.54)	(1,740.59)
Impairment loss on financial assets and bad debts written off	285.42	376.00
Actuarial liability recognised	(0.69)	(47.92)
<b>Operating profit before working capital changes</b>	<b>9,300.13</b>	<b>6,715.06</b>
<b>Movements in working capital</b>		
(Increase) / Decrease in trade receivables	(523.66)	(291.76)
(Increase) / Decrease in loans and other assets	(323.70)	(20.64)
(Increase) / Decrease in other financial assets	(425.96)	(466.54)
Increase / (Decrease) in trade payables	271.03	154.66
Increase / (Decrease) in provisions	119.31	295.22
Increase / (Decrease) in other financial liabilities and other liabilities	1,116.53	(548.01)
<b>Cash generated from operations</b>	<b>9,533.68</b>	<b>5,837.99</b>
Direct taxes paid (net of refunds)	(3,076.72)	(2,538.39)
<b>Net cash generated from operating activities</b>	<b>6,456.96</b>	<b>3,299.60</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, intangible assets and capital advances	(7,481.34)	(465.26)
Proceeds from sale of property, plant and equipment	32.20	15.96
Net (Increase) / Decrease in investments	4,476.90	(3,632.48)
Net Decrease / (Increase) in fixed deposits with banks	(488.87)	2,350.00
Interest received	841.54	1,118.27
Dividend received	296.55	444.37
<b>Net cash (used in) / generated from investing activities</b>	<b>(2,323.02)</b>	<b>(169.14)</b>

# CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend and taxes paid thereon	(3,773.21)	(3,144.35)
<b>Net cash used in financing activities</b>	<b>(3,773.21)</b>	<b>(3,144.35)</b>
<b>Net (Decrease) / Increase in cash and cash equivalents (A+B+C)</b>	<b>360.73</b>	<b>(13.89)</b>
Cash and cash equivalents at the beginning of the year	119.63	133.52
Cash and cash equivalents at the end of the period *	480.36	119.63
* Cash and cash equivalents at the end of the year comprises		
i) Cash on Hand	0.15	0.21
ii) Cheques in hand	43.85	-
iii) Balances with Banks		
- In Current Accounts	436.36	119.42

Significant accounting policies 2

See accompanying notes forming part of the financial statements 1-39

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

**In terms of our report attached**

**For Deloitte Haskins & Sells**

Chartered Accountants

**G. K. Subramaniam**

Partner

M.No :109839

Place : Mumbai

Date : April 21, 2018

**For and on behalf of the Board of Directors**

**T. S. Krishna Murthy**

Chairman

DIN: 00279767

**Amol Purandare**

Company Secretary

M No. A18078

**P. S. Reddy**

Managing Director & CEO

DIN: 01064530

**Bharat Sheth**

Chief Financial Officer



# SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

## 1. Company Overview

Central Depository Services (India) Limited (“CDSL”) herein after referred to as “the Company” is a limited company incorporated in India. The registered office of the Company is at 2501, A-Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai- 400013. 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 participant (DP) who acts as an agent of the depository, offers depository services to investors.

The equity shares of the Company got listed on the National Stock Exchange of India Limited on June 30, 2017.

The financial statements were authorised for issue by the Company’s Board of Directors on April 21, 2018.

## 2. Significant Accounting Policies

### 2.1 Basis of preparation and presentation

#### a) Statement of compliance

The financial statements as at and for the year ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under section 133 of the Companies Act 2013, read together with the companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### b) Basis of measurement

The financial statements have been prepared and presented under the historical cost convention, except for certain items that have been measured at fair values at the end of each reporting period as required by the relevant Ind AS:

- (i) Financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- (ii) Defined benefit and other long-term employee benefits.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### c) Functional and presentation currency

The financial statements of the Company are presented in Indian rupees, the national currency of India, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees has been rounded to the nearest Lakhs except share and per share data in terms of Schedule III unless otherwise stated.

#### d) Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, disclosure of contingent assets and disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant

effect on the amounts recognised in the financial statements is included in the following notes:

- (i) **Income taxes:** The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.
- (ii) **Employee Benefits:** Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.
- (iii) **Property plant and equipment and Intangible assets:** The charge in respect of periodic depreciation / amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- (iv) **Impairment of trade receivables:** The Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

## 2.2 Summary of significant accounting policies

### i) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional

currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss and reported within foreign exchange gains/ (losses).

### ii) Investments in subsidiaries

Investments in subsidiaries are measured at cost. Dividend income if any from subsidiaries is recognised when its right to receive the dividend is established.

### iii) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

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

Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, loans and borrowings are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the

following categories: financial assets (debt instrument) comprising amortised cost, financial assets (debt instrument) comprising Fair Value Through Other Comprehensive Income (“FVTOCI”), financial asset (equity instruments) at Fair value Through Profit and Loss account (“FVTPL”) and FVTOCI and financial liabilities at amortised cost or FVTPL.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company’s Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

**Financial assets**

**a) Financial assets (debt instruments) at amortised cost**

A financial asset shall be measured at amortised cost if both of the following conditions are met:

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

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair

value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

Amortised cost are represented by investment in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks with original maturity less than 3 months which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company’s cash management system.

**b) Financial assets (debt instruments) at FVTOCI**

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- The asset’s contractual cash flow represent SPPI.

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses and

reversals and foreign exchange gain or loss in profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the Effective Interest Rate (EIR) model.

Currently the Company has not classified any interest bearing debt instruments under this category.

**c) Equity instruments at FVTOCI and FVTPL**

All equity instruments are measured at fair value other than investments in subsidiaries. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently reclassified to profit or loss.

Currently the Company has not classified any equity instrument at FVTOCI.

If the Company decides to classify an equity instrument as at FVTPL, then all fair value changes on the instrument and dividend are recognised in Profit or Loss.

**d) Financial assets at FVTPL**

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as FVTPL. In addition the Company may elect to designate the financial asset, which otherwise meets amortised

cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

**e) Earmarked Funds**

Earmarked Funds represent bonus payable to Managing Director of the Company, held for specific purposes as per the SEBI letter viz. MRD/DP/OW/31553/2013 dated December 05, 2013. These amounts are invested in mutual fund units and the same are earmarked in the Balance Sheet. The Gain / (Loss) on changes in fair value of such investments are shown as liabilities / assets and are not routed through the Profit or Loss.

**Financial liabilities**

**a) Financial liabilities at amortised cost**

Financial liabilities at amortised cost represented by trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

**b) Financial liabilities at FVTPL**

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the profit or loss.

**iv) Equity Instruments**

Ordinary shares: Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognised as a deduction from equity, net of any tax effect (if any).

**v) Property, plant and equipment (PPE) Recognition and measurement:**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

The Group had elected to consider the carrying value of all its property, plant and equipment appearing in the financial statements prepared in accordance with Accounting Standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and used the same as deemed cost in opening Ind AS Balance sheet prepared on 1<sup>st</sup> April, 2016.

**Derecognition of PPE:**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**vi) Intangible assets**

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

Amortisation has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

Intangible assets consists of computer software.

Amortisation methods, useful lives and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

**Derecognition of intangible assets:**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or

loss when the asset is derecognised.

**vii) Depreciation:**

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

Description of asset	Useful life (in years)
Building (leasehold)	10
Building (Freehold)	60
Civil and Interior work	10
Computer Hardware/ Software	2
Office Equipment	3-5
Furniture and Fixtures	5
Vehicles	4

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation methods, useful lives and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.



Repairs and maintenance costs are recognised in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the Profit or Loss.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

**viii) Leases**

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

**Finance Lease:**

When acquired, such assets are capitalised at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Corresponding liability to the lessor is included in the financial statements as finance lease obligation.

**Operating Lease:**

Lease payments under operating leases are recognised as an income / expense on a straight line basis in the Statement of Profit and Loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

**ix) Impairment**

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

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified

approach' for recognition of impairment loss allowance on trade receivables.

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

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

- All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument.

However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

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

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

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

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

#### **b) Non-financial assets**

The Company assesses at each reporting date whether there is any observable evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the

relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, then the previously recognised impairment loss is reversed through profit or loss.

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

#### **x) Employee benefits**

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.



**a) Short term employee benefits:**

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

**b) 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 profit or loss for the respective financial year as and when services are rendered by the employees.

**ii) Defined Benefits Plans**

• Gratuity:

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

• 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 non-current employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

**xi) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

**xii) Revenue**

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

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

**xiii) Investment income**

Investment income consists of interest income on funds invested, dividend income and gains on the disposal of FVTPL financial assets. Interest income is recognised as it accrues in the Statement of Profit and Loss, using the effective interest method.

Dividend income is recognised in the Profit or Loss on the date that the Company's right to receive payment is established.

**xiv) Income tax**

Income tax comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

**a) Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation

authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realise the asset and liability simultaneously.

**b) Deferred income tax**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that

have been enacted or substantively enacted at the reporting date.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

**xv) Earnings per share**

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

**xvi) Current / Non-current classification**

The Company present assets and liabilities in the balance sheet based on current/non-current classification

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

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

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

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

**xvii) Operating Cycle**

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

**2.3 New standards and interpretations not yet adopted**

- a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

**b) Ind AS 115- Revenue from Contract with Customers:**

On March 28, 2018, MCA has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018.

**c) Amendment to Ind AS 7**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**d) Amendment to Ind AS 102**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the ‘fair values’, but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company does not have share based payments hence there will be no impact on the financial statements.

3. Property, plant and equipment

Particulars	(₹ in Lakhs)									
	Freehold Office	Civil and Interior Work	Freehold -Building	Leasehold-Building	Plant and equipment	Computers	Furniture and fixtures	Office equipments	Motor vehicles	Total
<b>Gross carrying value</b>										
Balance as at April 1, 2016	-	-	0.01	169.10	154.13	39.40	72.02	40.50	56.13	531.29
Additions during the year ended March 31, 2017	-	-	-	-	290.81	38.75	-	1.20	101.81	432.57
Deductions / adjustments	-	-	-	-	-	3.31	-	0.13	27.39	30.83
<b>Balance as at March 31, 2017</b>	-	-	<b>0.01</b>	<b>169.10</b>	<b>444.94</b>	<b>74.84</b>	<b>72.02</b>	<b>41.57</b>	<b>130.55</b>	<b>933.03</b>
Balance as at April 1, 2017	-	-	0.01	169.10	444.94	74.84	72.02	41.57	130.55	933.03
Additions during the year	6,325.27	250.22	-	-	437.50	18.51	262.78	235.76	25.87	7,555.91
Deductions / adjustments	-	-	-	-	20.19	-	15.57	6.55	3.05	45.36
<b>Balance as at March 31, 2018</b>	<b>6,325.27</b>	<b>250.22</b>	<b>0.01</b>	<b>169.10</b>	<b>862.25</b>	<b>93.35</b>	<b>319.23</b>	<b>270.78</b>	<b>153.37</b>	<b>8,443.58</b>
<b>Accumulated depreciation and impairment</b>										
Balance as at April 1, 2016	-	-	-	50.08	97.09	18.89	27.27	13.89	28.93	236.15
Depreciation for the year ended March 31, 2017	-	-	-	50.08	134.70	28.40	26.38	13.73	21.55	274.84
Deductions / Adjustments	-	-	-	-	-	3.31	-	0.02	21.73	25.06
<b>Balance as at March 31, 2017</b>	-	-	-	<b>100.16</b>	<b>231.79</b>	<b>43.98</b>	<b>53.65</b>	<b>27.60</b>	<b>28.75</b>	<b>485.93</b>
Balance as at April 1, 2017	-	-	-	100.16	231.79	43.98	53.65	27.60	28.75	485.93
Depreciation for the year	74.96	10.35	-	50.08	280.04	27.94	59.97	27.79	34.84	565.97
Deductions / Adjustments	-	-	-	-	7.22	-	10.77	3.69	3.05	24.73
<b>Balance as at March 31, 2018</b>	<b>74.96</b>	<b>10.35</b>	-	<b>150.24</b>	<b>504.61</b>	<b>71.92</b>	<b>102.85</b>	<b>51.70</b>	<b>60.54</b>	<b>1,027.17</b>
<b>Net carrying value</b>										
<b>As at March 31, 2018</b>	<b>6,250.31</b>	<b>239.87</b>	<b>0.01</b>	<b>18.86</b>	<b>357.64</b>	<b>21.43</b>	<b>216.38</b>	<b>219.08</b>	<b>92.83</b>	<b>7,416.41</b>
<b>As at March 31, 2017</b>	-	-	<b>0.01</b>	<b>68.94</b>	<b>213.15</b>	<b>30.86</b>	<b>18.37</b>	<b>13.97</b>	<b>101.80</b>	<b>447.10</b>

Note:

- Contractual commitments:
- Refer to note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- The Company's obligations under finance lease (see note 27) are secured by the lessor's title to the leased assets.

#### 4. Intangible assets

(₹ in Lakhs)

Particulars	Computer Softwares	Total
<b>Gross carrying value</b>		
Balance as at April 1, 2016	170.98	170.98
Additions during the year ended March 31, 2017	45.67	45.67
Deductions / adjustments	-	-
<b>Balance as at March 31, 2017</b>	<b>216.65</b>	<b>216.65</b>
Balance as at April 1, 2017	216.65	216.65
Additions during the year	107.91	107.91
Deductions / adjustments	-	-
<b>Balance as at March 31, 2018</b>	<b>324.56</b>	<b>324.56</b>
<b>Accumulated amortisation and impairment</b>		
Balance as at April 1, 2016	107.25	107.25
Amortisation for the year ended March 31, 2017	74.43	74.43
Deductions / Adjustments	-	-
<b>Balance as at March 31, 2017</b>	<b>181.68</b>	<b>181.68</b>
Balance as at April 1, 2017	181.68	181.68
Amortisation for the year	80.45	80.45
Deductions / Adjustments	-	-
<b>Balance as at March 31, 2018</b>	<b>262.13</b>	<b>262.13</b>
<b>Net carrying value</b>		
<b>As at March 31, 2018</b>	<b>62.43</b>	<b>62.43</b>
<b>As at March 31, 2017</b>	<b>34.97</b>	<b>34.97</b>

Note:

Contractual commitments: Refer to Note 33 for disclosure of contractual commitments for the acquisition of Intangible assets.

#### 5. Investments in subsidiaries

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Un-quoted investments (measured at cost)</b>		
Investments in equity instruments		
- CDSL Ventures Limited (Fully paid up)	2,100.00	2,100.00
- CDSL Insurance Repository Limited (Fully paid up)	1,530.00	1,530.00
- CDSL Commodity Repository Limited (Fully paid up)	5,000.00	3,005.00
<b>Total aggregate un-quoted investments</b>	<b>8,630.00</b>	<b>6,635.00</b>
Aggregate carrying value of un-quoted investments	8,630.00	6,635.00
Aggregate amount of impairment in value of investments in subsidiaries	-	-



6. Other investments

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current investments</b>		
<b>Un-quoted investments (all fully paid)</b>		
<b>Investments in equity instruments measured at FVTPL</b>		
- Belapur Railway Station Commercial Company Limited (BRSCCL) (Fully paid equity shares of ₹ 10 each)	0.50	0.50
- National E-Governance Services Limited (NESL) (Fully paid equity shares of ₹ 10 each)	300.00	300.00
<b>Aggregate value of un-quoted Investments</b>	<b>300.50</b>	<b>300.50</b>
<b>Total investment in equity instruments at FVTPL</b>	<b>300.50</b>	<b>300.50</b>
<b>Quoted Investments</b>		
<b>Investments in tax free bonds measured at amortised cost</b>		
<b>Owned</b>		
- Tax free bonds	9,040.46	9,055.33
	<b>9,040.46</b>	<b>9,055.33</b>
<b>Investments in mutual funds measured at FVTPL</b>		
<b>Owned</b>		
- Units of growth oriented debt schemes of mutual funds	18,591.46	12,312.73
<b>Earmarked</b>		
Units of growth oriented debt schemes of mutual funds	22.84	40.86
	<b>18,614.30</b>	<b>12,353.59</b>
<b>Total Non-current investments</b>	<b>27,955.26</b>	<b>21,709.42</b>
<b>Aggregate amount of quoted investments</b>	<b>27,654.76</b>	<b>21,408.92</b>
<b>Market value of quoted investments</b>	<b>27,654.76</b>	<b>21,408.92</b>
<b>Aggregate amount of unquoted investments</b>	<b>300.50</b>	<b>300.50</b>
<b>Current investments</b>		
<b>Quoted investments</b>		
Investments in mutual funds measured at FVTPL		
<b>Owned</b>		
- Investments in mutual funds - ETFs	-	275.54
	-	275.54
<b>Unquoted investments</b>		
Investments in mutual funds measured at FVTPL		
<b>Owned</b>		
- Investments in other mutual funds	4,948.66	6,114.97
	<b>4,948.66</b>	<b>6,114.97</b>
<b>Current portion of long term investments</b>		
<b>Quoted investments</b>		
<b>Investments in mutual funds measured at FVTPL</b>		
<b>Owned</b>		
- Units of growth oriented debt schemes of mutual funds	1,302.92	11,428.79
<b>Earmarked</b>		
- Units of growth oriented debt schemes of mutual funds	20.89	17.46
	<b>1,323.81</b>	<b>11,446.25</b>
<b>Total current investments</b>	<b>6,272.47</b>	<b>17,836.76</b>
<b>Aggregate amount of quoted investments</b>	<b>1,323.81</b>	<b>11,721.79</b>
<b>Aggregate amount of unquoted investments</b>	<b>4,948.66</b>	<b>6,114.97</b>



**6A Investments**

Type	Particulars	No. of Shares / Units		₹ In Lakhs	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>Details of Non current investments</b>					
<b>Investment in subsidiaries</b>					
<b>a)</b>	<b>Investment in equity shares</b>				
Unquoted	CDSL Ventures Limited (Fully paid up)	4,500,000	4,500,000	2,100.00	2,100.00
Unquoted	CDSL Insurance Repository Limited (Fully paid up)	15,299,999	15,299,999	1,530.00	1,530.00
Unquoted	CDSL Commodity Repository Limited (Fully paid up)	50,000,000	30,050,000	5,000.00	3,005.00
				<b>8,630.00</b>	<b>6,635.00</b>
<b>Investment in others</b>					
<b>b)</b>	<b>Investments in equity shares</b>				
Unquoted	Belapur Railway Station Commercial Company Limited (BRSCCL) (Fully paid up)	5,000	5,000	0.50	0.50
Unquoted	National E-Governance Services Limited (NESL) (Fully paid up)	3,000,000	3,000,000	300.00	300.00
				<b>300.50</b>	<b>300.50</b>
<b>c)</b>	<b>Investment in tax free bonds</b>				
Quoted	7.21% REC Tax Free bonds 211122	50	50	500.03	500.07
Quoted	7.22% PFC Tax Free Bond Series 95 291122	50	50	500.03	500.03
Quoted	7.18% IRFCL Tax Free Bonds 190223	130,000	130,000	1,304.38	1,305.08
Quoted	7.19% IRFC Tax Free Bond 310725	50	50	500.46	500.53
Quoted	8.01% NHB Tax Free Bonds 300823	70	70	700.19	700.22
Quoted	7.17% NHB Tax Free Bonds 010123	50	50	502.12	502.49
Quoted	8.35% NHAI Tax Free Bonds 221123	70	70	700.14	700.16
Quoted	8.20% NHAI Tax Free Bonds 250122	72,500	72,500	742.70	746.59
Quoted	8.18% NHPC Tax Free Bonds 021123	22,547	22,547	225.47	225.47
Quoted	8.19% NTPC Tax Free Bonds 040324	50	50	500.03	500.04
Quoted	8.41% NTPC Tax Free Bonds 161223	31,665	31,665	316.65	316.65
Quoted	8.20% PFC Tax Free Bonds 010222	100,000	100,000	1,029.56	1,036.66
Quoted	7.15% NTPC Tax Free Bond 210825	50	50	500.26	500.29

Type	Particulars	No. of Shares / Units		₹ In Lakhs	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Quoted	7.17% RECL Tax Free Bond 230725	50	50	500.36	500.39
Quoted	8.18% RECL Tax Free Bonds 111023	50	50	518.08	520.66
				<b>9,040.46</b>	<b>9,055.33</b>
<b>d)</b>	<b>Investment in Units of Mutual funds</b>				
Quoted	ABSL Fixed Term Plan- Series OM - Direct - Growth	5,000,000.00	-	533.43	-
Quoted	ABSL Fixed Term Plan- Series OD - Direct - Growth	9,260,869.00	9,260,869.00	994.76	931.52
Quoted	ABSL Fixed Term Plan- Series OH - Direct - Growth	7,180,656.00	7,180,656.00	773.30	724.32
Quoted	ABSL Fixed Term Plan- Series OI - Direct - Growth	10,901,955.00	10,901,955.00	1,171.48	1,096.64
Quoted	ABSL Fixed Term Plan- Series OK - Direct - Growth	10,000,000.00	10,000,000.00	1,071.24	1,002.99
Quoted	ABSL Fixed Term Plan- Series OY - Direct - Growth	3,000,000.00	-	305.43	-
Quoted	DHFL Pramerica Fixed Maturity Plan Series 63 - Direct - Growth	-	6,500,000.00	-	838.89
Quoted	DSP Blackrock FMP Sr 204 - 37M - Direct - Growth	10,000,000.00	10,000,000.00	1,072.81	1,006.84
Quoted	DSP Blackrock FMP Sr 205 - 37M - Direct - Growth	10,000,000.00	10,000,000.00	1,072.30	1,005.75
Quoted	DSP Blackrock FMP Sr 209 - 37M - Direct - Growth	4,300,000.00	4,300,000.00	459.17	430.49
Quoted	DSP Blackrock FMP Sr 219 - 40M - Direct - Growth	3,000,000.00	-	304.48	-
Quoted	HDFC FMP 1150D Mar 2018 (1) Sr 39 Direct Growth	7,043,577.00	-	711.57	-
Quoted	HDFC MF FMP1158D Feb2018 (1) Sr39-Direct-Growth	6,000,000.00		607.67	-
Quoted	HSBC Fixed Term Series 131 - Direct -Growth	3,000,000.00		301.05	
Quoted	ICICI Prudentail FMP Sr 80- Plan J - 1253 Days Direct Cum 29.07.2020	4,493,054.00	4,493,054.00	483.62	452.94
Quoted	ICICI Prudentail FMP Sr 80- Plan L - 1245 Days Direct Cum 05.08.2020	6,000,000.00	6,000,000.00	645.61	604.85
Quoted	ICICI Prudentail FMP Sr 80- Plan O - 1233 Days Direct Cum 29.07.2020	3,000,000.00	3,000,000.00	322.46	302.02
Quoted	ICICI Prudentail FMP Sr 80- Plan T - 1225 Days Direct Cum 04.08.2020	6,500,000.00	6,500,000.00	695.19	651.00

Type	Particulars	No. of Shares / Units		₹ In Lakhs	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Quoted	ICICI Prudentail FMP Sr 81 - Plan Q - 1163 Days Direct Cum 05.10.2020	10,000,000.00	-	1,034.76	-
Quoted	ICICI Prudentail FMP Sr 82 - Plan A - 1236 Days Direct Cum 26.04.2021	5,000,000.00	-	509.04	-
Quoted	IDFC FTP Sr 129 - Direct-Growth 1147Days 24.04.2020	10,000,000.00	10,000,000.00	1,076.53	1,008.21
Quoted	IDFC FTP Sr 131 - Direct-Growth 1139Days 12.05.2020	12,512,212.00	12,512,212.00	1,339.78	1,253.21
Quoted	Invesco India FMP Sr 29 -Plan B - Direct -Growth 14.05.2020	10,000,000.00	10,000,000.00	1,071.20	1,003.06
Quoted	Invesco India FMP Sr 30 -Plan A - Direct -Growth 27.04.2021	5,000,000.00	-	509.23	-
Quoted	Invesco India FMP Sr 30 Plan C - Direct-Growth 27.04.2021	6,000,000.00	-	609.22	-
Quoted	Reliance Fixed Horizon Fund - XXVIII - SR 19-Direct-Growth	-	165,632.40	-	19.48
Quoted	Reliance Fixed Horizon Fund - XXXV - SR 11-Direct-Growth 10.05.2021	50,000,000.00	-	508.82	-
Quoted	Reliance Fixed Horizon Fund - XXXV - SR 12-Direct-Growth 10.05.2021	40,000,000.00	-	407.31	-
Quoted	Sundaram FTP HM - 1100 Days-Direct-Growth	198,759.00	198,759.00	22.84	21.38
				<b>18,614.30</b>	<b>12,353.59</b>
	<b>Total of Non current investments (a+b+c+d)</b>			<b>36,585.26</b>	<b>28,344.42</b>
	<b>Details of Current portion of Long term investments</b>				
	<b>Investment in Others</b>				
<b>e)</b>	<b>Investment in Units of Mutual funds</b>				
Quoted	ABSL Interval Income Fund - Annual Plan 5 - Gr.-Direct	-	8,266,208.66	-	1,144.83
Quoted	DHFL Pramerica Fixed Maturity Plan Series 70 (2 Years)- Direct Plan - Growth	-	138,027.00	-	17.46
Quoted	DHFL Pramerica Fixed Maturity Plan Series 63 - Direct Plan - Growth	6,500,000.00	-	899.95	-
Quoted	DSP BlackRock FMP S161-12M-Dir-G Mat Dt 20.04.15	-	6,549,900.00	-	835.69
Quoted	HDFC FMP 370D Apr 2014 (2) - Direct Plan- GR	-	4,079,690.00	-	520.54

Type	Particulars	No. of Shares / Units		₹ In Lakhs	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Quoted	HDFC FMP 370D Mar2014 (1) - Direct Plan- GR		4,384,836.00	-	568.71
Quoted	HDFC FMP 371D Feb 2014(2) Sr 29 - Direct Plan- GR		6,000,000.00	-	778.52
Quoted	HDFC FMP 377Days March2014 (1) - Direct Plan-GR		14,468,207.00	-	1,853.13
Quoted	ICICI Prudential Fixed Maturity Plan-Series 73-366 days Plan A - Direct Plan-Cum		3,284,400.00	-	424.42
Quoted	ICICI Prudential Fixed Maturity Plan-Series 73-369 days Plan P - Direct Plan-Cum		12,303,571.00	-	1,572.73
Quoted	ICICI Prudential Fixed Maturity Plan-Series 73-369 days Plan S - Direct Plan-Cum		4,793,668.00	-	613.54
Quoted	ICICI Prudential Fixed Maturity Plan-Series 74-369 days Plan I - Direct Plan-Cum		5,565,133.00	-	712.06
Quoted	ICICI Prudential Fixed Maturity Plan-Series 74-370 days Plan V - Direct Plan-Cum		4,000,000.00	-	503.12
Quoted	Reliance Fixed Horizon Fund - XXVIII - SR 19-Direct-Growth	165,632.40	-	20.89	-
Quoted	Reliance Fixed Horizon Fund - XXV - Series 24 - Direct Plan Growth Plan		5,000,000.00	-	649.64
Quoted	Reliance Fixed Horizon Fund - XXV - Series 26 - Direct Plan Growth Plan		4,840,140.49	-	627.39
Quoted	Reliance Fixed Horizon Fund XXXVI Series 7 - Direct - Growth	4,000,000.00	-	402.97	-
Quoted	Reliance Yearly Interval Fund - Series 5 - Direct Plan Growth Plan		4,496,856.79	-	624.47
	<b>Total of Current portion of Long term investments</b>			<b>1,323.81</b>	<b>11,446.25</b>
<b>Details of Current Investments</b>					
<b>f)</b>	<b>Investment in Units of Mutual funds</b>				
Unquoted	Axis Liquid Fund - Direct Plan - DDR	57,955.06	-	580.10	-
Unquoted	DSP BlackRock Ultra Short Fund- Direct-DDR		8,913,320.59	-	897.62

Type	Particulars	No. of Shares / Units		₹ In Lakhs)	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Unquoted	HDFC Liquid Fund - Direct-DDR	0.01	-	-	-
Unquoted	Invesco India Ultra Short Term Fund - Direct-DDR		20,625.18	-	210.16
Unquoted	Invesco India Active Income Fund-Direct-Growth	24,820.44		505.05	
Unquoted	LIC MF Savings Plus - Direct - DDR	626,023.03	-	63.27	-
Unquoted	Reliance Money Manager Direct -DDR	-	139,141.92	-	1,401.85
Unquoted	Reliance Short Term Fund - Direct - MDR	8,318,202.89	8,012,167.62	941.63	899.85
Unquoted	Reliance Floating Rate Fund_ Short Term Plan Direct Gr	3,885,879.04	3,885,879.04	1,092.20	1,021.70
Unquoted	Sundaram Select Debt Asset Plan -Direct-MDR	13,809,283.24	13,257,495.82	1,766.41	1,683.79
				<b>4,948.66</b>	<b>6,114.97</b>
<b>g)</b>	<b>Investment in Units of Mutual funds- Exchange Traded Fund</b>				
Quoted	Sensex Prudential ICICI ETF (SPICE)	-	90,000.00	-	275.54
				-	<b>275.54</b>
	<b>Total of Current Investments (f+g)</b>			<b>4,948.66</b>	<b>6,390.51</b>
	<b>Total Investment</b>			<b>42,857.73</b>	<b>46,181.18</b>

## 7. Loans

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
Unsecured, considered good		
Loans to staff	9.98	8.17
<b>Total</b>	<b>9.98</b>	<b>8.17</b>
<b>Current</b>		
Unsecured, considered good		
Loans to staff	9.90	10.83
<b>Total</b>	<b>9.90</b>	<b>10.83</b>

Note: These financial assets are carried at amortised cost.

8. Other financial assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
(a) Sundry deposits		
Deposits with Related Party - BSE Limited	-	72.77
Others	60.54	-
(b) Bank balance in deposit accounts (with remaining maturity of more than 12 months, Earmarked ₹23.85 Lakhs)	73.85	500.00
<b>Total</b>	<b>134.39</b>	<b>572.77</b>
<b>Current</b>		
(a) Advances to related parties		
CDSL Commodity Repository Limited	-	77.23
(b) Sundry deposits		
Deposits with Related Party - BSE Limited	72.77	-
Others	-	15.19
(c) Accrued interest		
- On bank deposits	72.06	92.72
- On bonds	296.85	296.86
(d) Receivable from selling shareholders	247.16	430.33
(e) Others	0.30	4.99
<b>Total</b>	<b>689.14</b>	<b>917.32</b>

9. Deferred tax balances

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	669.26	903.02
Deferred tax liabilities	347.37	674.33
<b>TOTAL</b>	<b>321.89</b>	<b>228.69</b>

**Deferred tax assets / (liabilities) in relation to:**

Particulars	Opening balance as at April 1, 2017	Recognised in Profit or loss for year ended March 31, 2017	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2017	Recognised in Profit or loss for year ended March 31, 2018	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2018
<b>1. Deferred tax assets</b>							
Provision for compensated absences, gratuity and other employee benefits	278.99	93.02	-	372.01	(4.94)		367.07
Provision for incentive scheme for DPs	97.43	45.46	-	142.89	11.89		154.78
Allowance for doubtful debts (expected credit loss allowance)	179.31	6.37	-	185.68	(54.64)		131.04
On difference between book balance and tax balance of PPE	191.89	(8.74)	-	183.15	(186.31)		(3.16)
On defined benefit obligation	2.71	-	16.58	19.29		0.24	19.53
<b>Total</b>	<b>750.33</b>	<b>136.11</b>	<b>16.58</b>	<b>903.02</b>	<b>(234.00)</b>	<b>0.24</b>	<b>669.26</b>
<b>2. Deferred tax liabilities</b>							
On changes in fair value of investments	835.87	(182.43)	-	653.44	(327.29)	-	326.15
Impact on account of amortised cost accounting of financial assets (Investments in bonds)	1.06	0.54	-	1.60	0.09	-	1.69
On defined benefit obligation	2.71	16.58	-	19.29	0.24	-	19.53
<b>Total liabilities</b>	<b>839.64</b>	<b>(165.31)</b>	<b>-</b>	<b>674.33</b>	<b>(326.96)</b>	<b>-</b>	<b>347.37</b>
<b>Net asset / (liabilities)</b>	<b>(89.31)</b>	<b>301.42</b>	<b>16.58</b>	<b>228.69</b>	<b>92.96</b>	<b>0.24</b>	<b>321.89</b>

**Note: Unused tax losses (capital in nature) for which no deferred tax assets have been recognised are attributable to the following: (₹ in Lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2018
Tax losses (capital in nature)	1,533.21	2,333.74
<b>Total</b>	<b>1,533.21</b>	<b>2,333.74</b>

**Note: The unrecognised tax credits will expire in following years:**

Particulars	As at March 31, 2018	As at March 31, 2017
A.Y. 2017-18 - Capital in Nature	-	271.16
A.Y. 2018-19 - Capital in Nature	-	45.67
A.Y. 2019-20 - Capital in Nature	285.64	769.34
A.Y. 2020-21 - Capital in Nature	221.42	221.42
A.Y. 2021-22 - Capital in Nature	124.23	124.23
A.Y. 2022-23 - Capital in Nature	593.52	593.52
A.Y. 2023-24 - Capital in Nature	308.40	308.40



10. Income tax asset and liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current tax assets</b>		
Advance income tax (net of provisions of ₹ 10,787.40 Lakhs, March 31, 2017 ₹ 7,817.59 Lakhs)	1,139.98	1,094.92
<b>TOTAL</b>	<b>1,139.98</b>	<b>1,094.92</b>
<b>Current tax liabilities</b>		
Income tax payable (net of advance tax of ₹ 7,788.86 Lakhs, March 31, 2017 ₹ 7,719.47 Lakhs)	292.60	361.86
<b>TOTAL</b>	<b>292.60</b>	<b>361.86</b>

11. Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non Current</b>		
Prepaid expenses	92.21	3.05
<b>TOTAL</b>	<b>92.21</b>	<b>3.05</b>
<b>Current</b>		
Capital advances	-	3.11
Prepaid expenses	210.65	107.97
CENVAT / GST credit receivable	167.23	34.33
Advances to creditors	3.83	5.75
<b>TOTAL</b>	<b>381.71</b>	<b>151.17</b>

12. Trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
- Secured, considered good	-	-
- Unsecured, considered good	1,131.45	893.21
- Unsecured, considered doubtful	450.00	536.52
Less: Allowance for doubtful debts (expected credit loss allowance)	(450.00)	(536.52)
<b>TOTAL</b>	<b>1,131.45</b>	<b>893.21</b>

- Trade receivables are dues in respect of services rendered in the normal course of business.
- The average credit period on sale of services is 25 days. No interest is charged on trade receivables for the first 25 days from the date of invoice. Thereafter, interest is charged at 12 % per annum on the outstanding balance.
- The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables by individual departments.
- There are no dues by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

### Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	536.52	518.13
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (refer note no. 23)	(86.52)	18.39
<b>Balance at end of the year</b>	<b>450.00</b>	<b>536.52</b>

### 13. Cash and cash equivalents and other bank balances

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

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
(a) Cash on hand	0.15	0.21
(b) Cheques, drafts on hand	43.85	-
<b>Balance with Banks</b>		
<b>Owned fund</b>		
- In current accounts	436.36	119.42
<b>Cash and cash equivalents as per balance sheet</b>	<b>480.36</b>	<b>119.63</b>
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>480.36</b>	<b>119.63</b>
<b>Bank Balances other than above</b>		
<b>Balances with Banks</b>		
<b>Owned fund</b>		
- In deposit accounts (refer note 13.1 below)	1,955.02	1,040.00
<b>Earmarked fund</b>		
- In current account (refer note 13.2 below)	584.59	-
- In current accounts	61.11	1.69
<b>Total</b>	<b>2,600.72</b>	<b>1,041.69</b>

Notes:

13.1. Deposits includes FDRs of ₹ 368.37 Lakhs as lien made against bank guarantees

13.2. Earmarked against payable on expenses towards IPO.

14. Equity Share capital

Particulars	As at	As at	As at	As at
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
<b>Equity Share capital</b>				
<b>Authorised share capital:</b>				
Equity Shares of ₹ 10/- each with voting rights	150,000,000	15,000.00	150,000,000	15,000.00
<b>Issued share capital:</b>				
Equity Shares of ₹ 10/- each with voting rights	104,500,000	10,450.00	104,500,000	10,450.00
<b>Subscribed and Paid-up share capital</b>				
Equity Shares of ₹ 10/- each with voting rights	104,500,000	10,450.00	104,500,000	10,450.00
<b>Total</b>	<b>104,500,000</b>	<b>10,450.00</b>	<b>104,500,000</b>	<b>10,450.00</b>

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

Particulars	Opening Balance	Fresh issue	Closing Balance
<b>Equity shares with voting rights</b>			
<b>As at March 31, 2017</b>			
- Number of shares	104,500,000	-	104,500,000
- Amount (₹) In Lakhs	10,450.00	-	10,450.00
<b>As at March 31, 2018</b>			
- Number of shares	104,500,000	-	104,500,000
- Amount (₹) In Lakhs	10,450.00	-	10,450.00

**Details of shares held by each shareholders holding more than 5% shares**

Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
BSE Limited (Entity having significant influence)	25,080,000	24.00	52,297,850	50.05
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
Bank of India	5,820,000	5.57	5,820,000	5.57
State Bank of India	5,225,000	5.00	10,000,000	9.57
Bank of Baroda	-	-	5,300,000	5.07

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## 15. Other equity

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
General reserve	1,094.93	1,094.93
Retained earnings	38,679.60	34,684.56
<b>Total</b>	<b>39,774.53</b>	<b>35,779.49</b>

### 15.1 General reserve

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Balance at beginning of year	1,094.93	1,094.93
Movement during the year	-	-
<b>Balance at end of year</b>	<b>1,094.93</b>	<b>1,094.93</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to Profit or Loss.

### 15.2 Retained earnings

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Balance at beginning of year	34,684.56	31,075.19
Profit for the year	7,768.70	6,785.06
Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of income tax)	(0.45)	(31.34)
Payment of dividends (including tax on dividend)	(3,773.21)	(3,144.35)
<b>Balance at end of year</b>	<b>38,679.60</b>	<b>34,684.56</b>

Retained earnings reflect surplus/deficit after taxes in the Statement of Profit and Loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

On May 29, 2017, a dividend of ₹ 3.00 per share (total dividend including dividend distribution tax of ₹ 3,773.21 Lakhs) was paid to the holders of equity shares. On June 01, 2016, the dividend paid was ₹ 2.50 per share (total dividend including dividend distribution tax of ₹ 3,144.35 Lakhs).

The Board of Directors, at its meeting on April 21, 2018, have proposed a final dividend of ₹ 3.50/- per equity share of face value ₹ 10/- per share for the financial year ended March 31, 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held and if approved would result in a cash outflow of approximately ₹ 4,402.17 Lakhs, including dividend distribution tax.

## 16. Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non Current</b>		
Accrued employee benefits expense (refer note 16.1 below)	75.93	60.74
<b>TOTAL</b>	<b>75.93</b>	<b>60.74</b>
<b>Current</b>		
Security deposits	2,254.97	2,281.50
Payable for purchase of Property, plant and equipment	180.80	1.43
Payables on expenses towards IPO (recovered from selling shareholders) (refer note 16.2 below)	693.30	-
Others	96.35	38.95
<b>TOTAL</b>	<b>3,225.42</b>	<b>2,321.88</b>

### Notes:

16.1. Investments have been earmarked against certain portion of this liability.

16.2. Current accounts have been earmarked against this liability.

## 17. Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
a. Total outstanding dues of micro enterprises and small enterprises (refer note no. 34.2)	-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Payable to BSE	-	5.31
- Accrued employee benefits expense	843.26	691.96
- Other trade payables	219.77	94.73
<b>TOTAL (a+b)</b>	<b>1,063.03</b>	<b>792.00</b>

## 18. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(a) Provision for employee benefits</b>		
Compensated absences (refer note no. 35.2)	278.12	251.37
Provision for gratuity (net)	64.46	78.94
<b>(b) Other provisions</b>		
Provision for Incentive Scheme for DP (refer note no. 38)	531.51	412.89
<b>Total (a+b)</b>	<b>874.09</b>	<b>743.20</b>

## 19. Other current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Income received in advance	58.51	69.47
Advances from customers	784.54	762.44
Statutory remittances	321.26	72.62
Contribution to Investor Protection Fund	408.39	291.00
<b>Total</b>	<b>1,572.70</b>	<b>1,195.53</b>

## 20. Revenue from operations

(₹ in Lakhs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
(a) Sale of services (Refer Note (i) below)	15,083.17	12,113.76
(b) Other operating revenues (Refer Note (ii) below)	333.62	48.13
<b>Total</b>	<b>15,416.79</b>	<b>12,161.89</b>
<b>Notes</b>		
<b>(i) Sale of services comprise :</b>		
Annual issuer charges	5,562.42	5,171.44
Transaction charges	4,402.59	3,124.66
Users facility charges	341.14	376.73
Settlement charges	162.71	166.22
Account maintenance charges	287.66	267.60
E-Voting charges	409.47	417.70
ECAS charges	642.99	747.19
IPO/Corporate action charges	2,948.67	1,651.53
Others	325.52	190.69
<b>Total - Sale of services</b>	<b>15,083.17</b>	<b>12,113.76</b>
<b>(ii) Other operating revenues comprise :</b>		
Interest from debtors	35.78	30.97
Advances written back	169.55	-
Bad debts recovered / provision written back	128.29	17.16
<b>Total - Other operating revenue</b>	<b>333.62</b>	<b>48.13</b>

## 21. Other income

(₹ in Lakhs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
<b>a) Interest income earned on financial assets that are measured at amortised cost</b>		
Bank deposits	142.27	340.11
Investments in debt instruments	676.94	677.48
Interest on staff loan	1.66	1.21
<b>b) Dividend from investments in mutual funds (measured at FVTPL)</b>		
Dividend income from others	296.55	444.37
<b>c) Other gains or losses:</b>		
Net gain arising on financial assets measured at FVTPL	1,152.54	1,740.59
Gain on sale / disposal of property, plant and equipments and intangible assets (Net)	11.47	10.19
<b>d) Other non-operating income</b>		
Miscellaneous income	188.90	146.57
<b>Total</b>	<b>2,470.33</b>	<b>3,360.52</b>

**22. Employee benefits expense**

(₹ in Lakhs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
Salaries, allowances and bonus	2,432.20	2,068.29
Contribution to provident and other funds	135.67	103.76
Staff welfare expenses	102.38	90.79
<b>Total</b>	<b>2,670.25</b>	<b>2,262.84</b>

**23. Impairment loss on financial assets**

(₹ in Lakhs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
Impairment loss allowance on trade receivables	-	18.39
<b>Total</b>	<b>-</b>	<b>18.39</b>

**24. Administration and other expenses**

(₹ in Lakhs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
Annual SEBI fees	154.75	153.27
Bad debts written off	285.42	357.61
Contribution to investor protection fund (refer note no.37)	408.39	459.75
Business promotion expenses	68.40	51.27
Incentive scheme for DPs (refer note no.38)	307.03	288.12
Directors' sitting fees	63.90	39.60
Auditors' remuneration		
Audit fees	15.00	15.00
Tax audit fees	1.00	1.00
Reimbursement of expenses	0.57	0.69
Insurance	57.90	76.13
Legal, professional and consultancy fees	139.04	115.56
Postage, telephone and communication charges	606.54	469.57
Power and fuel	64.97	64.26
Printing and stationery	23.63	21.57
Rates and taxes	49.52	22.82
Rent	259.54	321.38
Repairs to buildings	149.87	131.86
Computer technology related expenses	908.48	811.71
Travelling and conveyance	116.96	119.61
Water charges	4.05	2.96
Contribution to Corporate social responsibility (refer note no.24.1)	107.22	105.19
ASA/KSA Expenses	64.96	-
Miscellaneous expenses	75.17	79.33
<b>Total</b>	<b>3,932.31</b>	<b>3,708.26</b>



## 24.1 CSR Expenditure

(₹ in Lakhs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
a) The gross amount required to be spent by the Company during the year	168.00	130.00
b) Amount debited to the statement of profit or loss were paid in cash during the respective year and were incurred for the purpose other than construction / acquisition of any asset.		

## 25. Taxes

### 25.1. Income tax expense

The major components of income tax expense for the year ended March 31, 2018 and 2017 are as under:

#### 25.1.1 Profit or loss section

(₹ in Lakhs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
Current tax expense	2,962.40	2,700.00
Deferred tax	(92.96)	(301.41)
<b>Total income tax expense recognised in profit or loss</b>	<b>2,869.44</b>	<b>2,398.59</b>

#### 25.1.2 Other comprehensive section

(₹ in Lakhs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
Remeasurement of the defined benefit plans	0.24	16.58
<b>Total income tax expense recognised in other comprehensive income</b>	<b>0.24</b>	<b>16.58</b>

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

(₹ in Lakhs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
(A) Profit before tax	10,638.14	9,183.65
(B) Enacted tax rate in India	34.61%	34.608%
(C) Expected tax expenses (A*B)	3,681.86	3,178.28
(D) Other than temporary differences		
Effect of fair value of investments	(586.85)	(559.74)
Effect of income that is exempt from taxation	(336.92)	(387.70)
Expenses disallowed / (allowed)	111.35	167.75
Total adjustments	(812.42)	(779.69)
(E) Tax expenses after adjustments (C+D)	2,869.44	2,398.59
(F) Tax expenses recognised in Profit or Loss	2,869.44	2,398.59

## 26. Earnings per share (EPS)

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

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS	10,45,00,000	10,45,00,000
Effect of dilutive equity shares outstanding during the year	-	-
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of dilutive EPS	10,45,00,000	10,45,00,000
Face Value per Share (₹)	10/- each	10/- each
Profit for the year (₹ in Lakhs)	7,768.70	6,785.06
Basic and Diluted EPS (₹ per share)	7.43	6.49

## 27. Leases

### 27.1 Obligations under finance lease

The Company has building situated at Belapur, Maharashtra which is classified as finance lease. The Company has made an upfront payment and there are no lease obligations to be paid in future periods. Therefore, disclosures with respect to Minimum lease payments and Present value of Minimum lease payments have not been given.

### 27.2 Operating lease arrangements

Lease payments recognised in the profit or loss for the year is ₹ 180.70 Lakhs (year ended March 31, 2017 ₹ 259.81 Lakhs). The agreements are executed for a period ranging from 12 to 60 months with renewable clause and also provide for termination at will by either party giving a prior notice period between 1 to 3 months.

## 28. Financial instruments

The carrying value and fair value of financial instruments by categories:

(₹ in Lakhs)

Particulars	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>i) Financial assets</b>				
<b>a) Amortised Cost</b>				
Investment in debt instruments	9,040.46	9,055.33	9,040.46	9,055.33
Trade receivables	1,131.45	893.21	1,131.45	893.21
Cash and cash equivalents	480.36	119.63	480.36	119.63
Bank balances other than cash and cash equivalents	2,600.72	1,041.69	2,600.72	1,041.69
Loans	19.88	19.00	19.88	19.00
Other financial assets	823.53	1,490.09	823.53	1,490.09
<b>Total</b>	<b>14,096.40</b>	<b>12,618.95</b>	<b>14,096.40</b>	<b>12,618.95</b>
<b>b) FVTPL</b>				
Investment in equity instruments	300.50	300.50	300.50	300.50
Investment in mutual funds	24,886.77	30,190.35	24,886.77	30,190.35
<b>Total</b>	<b>25,187.27</b>	<b>30,490.85</b>	<b>25,187.27</b>	<b>30,490.85</b>
<b>c) Others</b>				
Investment in subsidiaries	8,630.00	6,635.00	8,630.00	6,635.00
<b>ii) Financial liabilities</b>				
<b>a) Amortised Cost</b>				
Trade payables	1,063.03	792.00	1,063.03	792.00
Other financial liabilities	3,301.35	2,382.62	3,301.35	2,382.62
<b>Total</b>	<b>4,364.38</b>	<b>3,174.62</b>	<b>4,364.38</b>	<b>3,174.62</b>

### Fair value hierarchy

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

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

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

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

(₹ in Lakhs)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2018	March 31, 2017		
Investments in equity instruments	300.50	300.50	Level 3	Discounted cash flows
Investments in mutual funds	24,886.77	29,914.81	Level 2	NAV declared by respective mutual funds
Investments in exchange traded funds	-	275.54	Level 2	NAV declared by respective mutual funds

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

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

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

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

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

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

## 29. Financial risk management

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

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

### Credit risk

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

- **Trade and other receivables**

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

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

None of the customers accounted for more than 10% of the receivables for the years ended March 31, 2018 and March 31, 2017 and revenue for the years ended March 31, 2018 and March 31, 2017.

- **Investments**

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

### Liquidity risk

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

The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows.

**The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018 and March 31, 2017.**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2018	March 31, 2017
Trade payables		
< 1 year	1,063.03	792.00
1-5 years	-	-
> 5 years	-	-
Other financial liabilities		
< 1 year	3,116.71	40.38
1-5 years	75.93	2,342.24
> 5 years	-	-
<b>Total</b>	<b>3,192.64</b>	<b>3,174.62</b>

The table below provides details regarding the contractual maturities of significant financial assets as at March 31, 2018 and March 31, 2017.

(₹ in Lakhs)

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Investments*</b>		
< 1 year	6,272.47	17,836.79
1 - 5 years	23,193.12	14,136.81
> 5 years	4,762.14	7,572.58
<b>Total</b>	<b>34,227.73</b>	<b>39,546.18</b>
<b>Loans</b>		
< 1 year	9.90	10.83
1 - 5 years	9.98	8.17
> 5 years	-	-
<b>Total</b>	<b>19.88</b>	<b>19.00</b>
<b>Other financial assets</b>		
< 1 year	689.14	917.32
1 - 5 years	134.39	572.77
> 5 years	-	-
<b>Total</b>	<b>823.53</b>	<b>1,490.09</b>
<b>Trade receivables</b>		
< 1 year	1,131.45	893.21
1 - 5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>1,131.45</b>	<b>893.21</b>
<b>Cash and cash equivalents</b>		
< 1 year	480.36	119.83
1 - 5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>480.36</b>	<b>119.83</b>
<b>Bank balances other than cash and cash equivalents</b>		
< 1 year	2,600.72	1,041.69
1 - 5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>2,600.72</b>	<b>1,041.69</b>

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

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

### Market risk

The Company's business, financial condition and results of operations are highly dependent upon the levels of activity in the capital markets and in particular upon the trading volume on stock exchanges, the number of listed securities, the number of new listings and subsequent issuances and introduction of new services which will ease in doing business in capital markets.

Our securities depository business competes closely with our competitor for DPs, investor accounts and number of instruments on our systems. We rely heavily on technological equipment and IT at our facilities. Interruptions in the availability of IT systems could adversely impact our business. Shift in consumer preferences away from investing in securities market to other financial products, may dampen prospects of our business.

• **Foreign Currency risk**

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

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

• **Interest rate risk**

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

Interest rate risk primarily arises from floating rate investment. The Company’s investments in floating rate are primarily in FMPs of mutual funds, which do not expose it to significant interest rate risk. There is also a reinvestment risk in the current scenario, as the rates are going downwards.

**Regulatory risk**

The Company requires various regulatory approvals, registrations and permissions to operate its business, including at a corporate level as well as at the level of each of it’s components. Some of these approvals are required to be renewed from time to time. The Company’s operations are subject to continued review by regulator and these regulations may change from time to time in fast changing capital market environment. The Company’s compliance team constantly monitors the compliance with these rules and regulations.

**30. Capital management**

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

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

**31. Information on related party transactions as required by Ind AS 24 – ‘Related party disclosures’ for the year ended 31<sup>st</sup> March, 2018.**

<b>Description of relationship</b>	<b>Name of the related party</b>
Subsidiaries	CDSL Ventures Limited CDSL Insurance Repository Limited CDSL Commodity Repository Limited
Entity having significant influence (from 30.06.2017) (Parent Company up to 29.06.2017)	BSE Limited
Subsidiaries of the entity having significant influence (from 30.06.2017) (Fellow Subsidiaries up to 29.06.2017)	Marketplace Technologies Private Limited Indian Clearing Corporation Limited

Description of relationship	Name of the related party
Key Management Personnel (KMP)	Shri P. S. Reddy - MD & CEO
	Shri T S Krishna Murthy
	Shri R. M. Malla (appointed w.e.f. July 30, 2016)
	Shri B. Prasada Rao (appointed w.e.f. October 21, 2016)
	Smt Jayshree Vyas (ceased to be director w.e.f. January 17, 2017)
	Shri A. Krishna Kumar (appointed w.e.f. July 30, 2016)
	Smt Usha Narayanan (appointed w.e.f. April 24, 2017)
	Shri C. Venkat Nageswar (appointed w.e.f. June 28, 2016)
	Smt Nehal Vora
	Shri Nayan Mehta
	Shri K.V. Subramanian

**Details of related party transactions**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>BSE Limited</b>		
Rendering of services	384.69	180.70
Receiving of services	240.83	248.33
License agreements-Rent and Maintenance	173.63	298.56
Dividend Paid	1,568.94	1,415.87
<b>Balances outstanding at the end of the year</b>		
Trade receivables	24.66	41.90
Loans and advances-Deposits given	72.77	72.77
Trade payables	-	5.31
<b>CDSL Ventures Limited</b>		
Rendering of services	289.57	157.36
Receiving of services	8.27	5.02
Sale of Property, plant and equipment	15.31	-
Balances outstanding at the end of the year	-	-
<b>CDSL Insurance Repository Limited</b>		
Rendering of services	30.24	28.56
Receiving of services	-	3.71
Balances outstanding at the end of the year	-	-
<b>CDSL Commodity Repository Limited</b>		
Expenses incurred	234.10	77.23
Equity shares subscribed	1,995.00	3,005.00
Balances outstanding at the end of the year		
Expenses recoverable	-	77.23
Equity shares subscribed	5,000.00	3,005.00



(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Marketplace Technologies Private Limited</b>		
Rendering of services	0.11	0.17
Receiving of services	15.72	13.09
<b>Balances outstanding at the end of the year</b>		
Trade payables	-	2.24
<b>Indian Clearing Corporation Limited</b>		
Rendering of services	6.61	6.00
<b>Balances outstanding at the end of the year</b>		
Trade receivables	0.07	0.04
<b>KMP</b>		
<b>The remuneration of directors and other members of key management personnel during the year is as follows:</b>		
• Shri P. S. Reddy	144.54	114.35

### 32. Contingent liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Claims against the Company not acknowledged as debt in respect of :</b>		
a) Service tax matters	3,978.81 (refer note (i),(ii),(iii) and (iv))	3,984.72 (refer note (i),(ii),(iii) and (iv))
b) Income tax matters	4.92 (refer note (v))	4.92 (refer note (v))
(i) 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. The amount is not ascertainable.		
(ii) The Commissioner of Service Tax, Mumbai has issued Order on 19 <sup>th</sup> August 2016 to CDSL demanding service tax amount of ₹ 2,112.18 Lakhs and Penalty of ₹ 1,866.63 Lakhs.		
(iii) The Commissioner of Service Tax, Mumbai has issued Show cause cum Demand Notice (SCN) on 23 <sup>rd</sup> April 2012 to CDSL demanding service tax amount of ₹ 5.91 Lakhs on the charges recovered by CDSL for wrong availment of Cenvat Credit on Group Mediclaim policy in respect of staff for FY 2007-08 to FY 2011-12. Order has been issued on 20 <sup>th</sup> December, 2017 by Commissioner (Appeals)-I CGST& CX, Mumbai, allowing CENVAT credit of ₹ 5.91 Lakhs in companies favour.		
(iv) Claims against the Company not acknowledged as debt : Service Tax The Commissioner of Service Tax, Mumbai has issued Show cause cum Demand Notice (SCN) on 21 <sup>st</sup> October 2009 to CDSL demanding service tax amount of ₹ 1,791 Lakhs 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 4 <sup>th</sup> October 2010 to CDSL demanding service tax amount of ₹ 465 Lakhs on the charges recovered by CDSL for providing “Depository services” to DPs and RTAs for the period 2009-10.		
(v) Claims against the Company not acknowledged as debt : Income Tax Appeal pending with Commissioner of Income Tax (Appeals) for the AY 2011-12 amounting to ₹ 4.92 Lakhs.		

### 33. Commitments

(₹ In Lakhs)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	3.33	116.59
Intangible assets	355.00	34.34
(b) Other commitments	31.63	249.44

### 34. Additional information to the financial statements

#### 34.1 Expenditure in foreign currency:

(₹ In Lakhs)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Travelling Expenses	19.25	25.15
Others	8.18	78.67

#### 34.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at	As at
	March 31, 2018	March 31, 2017
(a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day	-	-
(b) Interest due and payable for delay during the year	-	-
(c) Amount of interest accrued and unpaid as at year end	-	-
(d) The amount of further interest due and payable even in the succeeding year	-	-

### 35. Employee benefits

#### 35.1 Defined benefits plan – Gratuity

Gratuity is administered through Gratuity Scheme with Life Insurance Corporation of India. The LIC raises demand for annual contribution for gratuity amount based on its own computation without providing entire details as required by the Ind AS 19 “Employee Benefits”. Hence the Company obtains separate actuarial valuation report as required under Ind AS 19 “Employee Benefits” from an independent Actuary. The maximum amount as per these two valuation reports is recognised 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.

Such plan exposes the Group to actuarial risks such as: investment risk, interest rate risk, demographic risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the funded status of the Gratuity benefit scheme and the amount recognised in the Financial Statements as at March 31, 2018 and 2017.

	(₹ in Lakhs)	
Valuation Result as at	March 31, 2018	March 31, 2017
<b>Changes in present value of obligations (PVO)</b>		
PVO at beginning of year	221.96	161.56
Interest cost	14.51	11.80
Current Service Cost	20.96	15.53
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	33.03	-
Benefits Paid	(10.00)	(8.99)
Transfer in	-	-
Transfer out	-	-
Contributions by plan participants	-	-
Business Combinations	-	-
Curtailments	-	-
Settlements	-	-
Actuarial (Gain)/Loss on obligation	(13.21)	42.07
PVO at end of year	267.25	221.96
<b>Interest Expenses</b>		
Interest cost	14.51	11.80
<b>Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning	143.02	144.87
Interest Income	13.90	10.63
<b>Net Liability</b>		
PVO at beginning of year	221.96	161.56
Fair Value of the Assets at beginning report	143.02	144.87
Net Liability	78.94	16.70

(₹ in Lakhs)

<b>Valuation Result as at</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Net Interest</b>		
Interest Expenses	14.51	11.80
Interest Income	13.90	10.63
Net Interest	0.61	1.16
Actual return on plan assets	-	4.78
Less Interest income included above	13.90	10.63
Return on plan assets excluding interest income	(13.90)	(5.86)
<b>Actuarial (Gain)/loss on obligation</b>		
Due to Demographic Assumption	9.65	2.38
Due to Financial Assumption	(21.43)	16.94
Due to Experience	(1.44)	22.74
Total Actuarial (Gain)/Loss	(13.21)	42.07
<b>Fair Value of Plan Assets</b>		
Opening Fair Value of Plan Asset	143.02	144.87
Adjustment to Opening Fair Value of Plan Asset	69.77	-
Return on Plan Assets excl. interest income	(13.90)	(5.86)
Interest Income	13.90	10.63
Contributions by Employer	2.38	2.38
Contributions by Employee	-	-
Benefits Paid	(10.00)	(8.99)
Fair Value of Plan Assets at end	202.79	143.02
<b>Past Service Cost Recognised</b>		
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Average remaining future service till vesting of the benefit	33.03	-
Recognised Past service Cost- non vested benefits	-	-
Recognised Past service Cost- vested benefits	33.03	-
Unrecognised Past Service Cost- non vested benefits	-	-
<b>Amounts to be recognised in the Balance Sheet</b>		
PVO at end of year	267.25	221.96
Fair Value of Plan Assets at end of year	202.79	143.02
Funded Status	(64.46)	(78.94)
Adjustments	-	-
Net Asset/(Liability) recognised in the balance sheet	(64.46)	(78.94)
<b>Expense recognised in the profit or loss</b>		
Current Service Cost	20.96	15.53
Net Interest	0.61	1.16
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	33.03	-
Curtailment Effect	-	-
Settlement Effect	-	-
Expense recognised in the profit or loss	54.60	16.70

(₹ in Lakhs)

Valuation Result as at	March 31, 2018	March 31, 2017
<b>Expense recognised in the Other Comprehensive Income (OCI)</b>		
Actuarial (Gain)/Loss recognised for the year	(13.21)	42.07
Asset limit effect	-	-
Return on Plan Assets excluding net interest	13.90	5.86
Unrecognised Actuarial (Gain)/Loss from previous year	-	-
Total Actuarial (Gain)/Loss recognised in (OCI)	0.69	47.92
<b>Movements in the Liability recognised in Balance Sheet</b>		
Opening Net Liability	78.94	16.70
Adjustment to opening balance	(69.77)	-
Expenses as above	54.60	16.70
Contribution paid		(2.38)
Other Comprehensive Income(OCI)	0.69	47.92
Closing Net Liability	64.46	78.94
Projected Service Cost March 31, 2018	-	-
Asset Information		
Gratuity Fund (LIC)*	100%	100%

\* The details of the composition of the plan asset, by category, from the insurer have not been received and hence the disclosures as required by Ind AS 19- Employee Benefits have not been given.

(₹ in Lakhs)

Assumptions as at	March 31, 2018	March 31, 2017
Mortality		
Interest / Discount Rate	7.63%	6.69%
Rate of increase in compensation	4.00%	4.00%
Annual increase in healthcare costs		
Future Changes in maximum state healthcare benefits		
Expected average remaining service (years)	13.36	15.84
Employee Attrition Rate (Past Service (PS))	PS: 0 to 42: 3.54%	PS: 0 to 42: 2.16%

**Sensitivity Analysis**

(₹ in Lakhs)

	DR : Discount Rate		ER: Salary Escalation Rate	
	PVO DR+1%	PVO DR-1%	PVO ER+1%	PVO ER-1%
PVO	247.32	290.05	287.72	248.97

**Expected Payout**

(₹ in Lakhs)

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten Years
PVO payouts	22.86	43.13	23.78	19.47	51.50	129.47

### Asset Liability Comparisons

(₹ in Lakhs)

Year	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
PVO at end of year	112.58	133.89	161.56	221.96	267.25
Plan assets	107.95	126.13	144.87	143.02	202.79
Surplus/ (Deficit)	(4.63)	(7.76)	16.70	(78.94)	(64.46)
Experience adjustments on plan assets	0.36	1.43	0.52	(5.86)	(13.90)

#### 35.2 Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Company recognises actuarial gains or losses immediately in the statement of profit and loss.

During the year ended March 31, 2018 an amount recognised as an expenses in respect of compensated leave absences is ₹ 26.75 Lakhs, (Previous year ended March 31, 2017 is ₹ 52.32 Lakhs).

36. SEBI had issued Depositories and Participants (Amendment) Regulations, 2012 on September 11, 2012 (the “2012 Regulations”). According to the 2012 Regulations, depositories were required to establish and maintain an Investor Protection Fund (the “IPF”) for the protection of interest of beneficial owners and every depository was required to credit 25% of its profits every year to the Investor Protection Fund. On January 21, 2016, SEBI has issued the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2016 (the “Amended Regulations”). According to these Amended Regulations, every depository shall credit 5% or such percentage as may be specified by the Board, of its profits from depository operations every year to the IPF. These Amended Regulations shall be deemed to have come into force from September 11, 2012.
37. From the year ended March 31, 2016 onwards, the Company has determined the IPF contribution at 5% of profit from depository operation after making such contribution according to the Amended Regulations. The profit from depository operations has been determined by reducing the other income for the year from the Net profit before exceptional items and tax for the year after making such contribution. From FY 2012-13 to FY 2014-15 however, as per the 2012 Regulations, the Company calculated IPF contribution at 25% of the profits of the Company before tax, available after making such contribution. The amount contributed to IPF determined over the reported period is as under:

#### Table showing movement of IPF provision:

(₹ in Lakhs)

Particular	For the year ended March 31, 2018	For the year ended March 31, 2017
Rate %	5	5
Opening provision	291.00	773.11
Add: Provision made during the year	408.39	459.75*
Less: Amount transferred to IPF Trust during the Year	291.00	941.86*
Closing Provision	408.39	291.00

- \* During the year ended March 31, 2017, the Company has also contributed a sum of ₹ 168.75 Lakhs being the interest income from investments to be contributed to the IPF pursuant to SEBI Circular SEBI/HO/MRD/DP/CIR/P/2016/58 dated June 07, 2016. Thus, the total contribution during the year ended March 31, 2017 amounts to ₹ 459.75 Lakhs.

- 38.** SEBI vide its circular no. CIR/MRD/DP/18/2015 dated December 9, 2015 (the “Circular”) has revised the annual custody/issuer charges to be collected by the depositories from the issuers with effect from financial year 2015-16. With an objective of promoting financial inclusion and expanding the reach of depository services through depository participants (DPs) in tier II and tier III towns, the Circular recommends that the Depository Participants (DPs) be incentivised by way of two schemes. In the first scheme, the depositories shall pay the DPs an incentive of ₹ 100/- for every new Basic Services Demat Accounts (BSDA) opened by their participants in specified cities mentioned in the Circular. In the second scheme, the depositories may pay ₹ 2 per folio per ISIN to the respective depository participants (DPs), in respect of the ISIN positions held in BSDA across all BSDA accounts in the depository. In order to manage the aforementioned incentive schemes, the Circular has directed the Depositories to set aside 20% of the incremental revenue received from the issuers.

Pursuant to the Circular, the Company has set aside ₹ 307.03 Lakhs during the year ended March 31, 2018 (₹ 288.12 Lakhs during the year ended March 31, 2017) being 20% of the incremental revenue received from issuers during the respective years, towards the DP incentive scheme.

**Table showing movement of DP incentive provision:**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Opening provision	412.89	281.52
Provision for DP incentive made during the year	307.03	288.12
Amount paid	(188.41)	(156.75)
Closing provision	531.51	412.89

- 39.** The Managing Director (MD) and CEO of the Company, has been identified as the chief operating decision maker (CODM) as defined by Indian Accounting Standard 108 “Operating Segments”. The CODM evaluates the Company’s performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit.

The principal business of the Company is of “Depository Services”. All other activities of the Company revolve around its principal business. Therefore, directors have concluded that there is only one operating reportable segment as per Indian Accounting Standard 108 “Operating Segments”.

**39.1 Information about services:** - Refer note 1

**39.2 Information about geographical areas:** There is no revenue from external customers and non-current assets outside India.

**39.3 Information about customers:** No single external customer amounts to 10% or more of Company’s revenue.

Signatures to Notes 1 to 39

**For and on behalf of the Board of Directors**

**T. S. Krishna Murthy**

Chairman  
DIN: 00279767

**P. S. Reddy**

Managing Director & CEO  
DIN: 01064530

**Amol Purandare**

Company Secretary  
M No. A18078

**Bharat Sheth**

Chief Financial Officer

Place : Mumbai  
Date : April 21, 2018



# INDEPENDENT AUDITORS' REPORT

## To The Members of

### **CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**

#### **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (hereinafter referred to as the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to

the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Other Matter

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 20,700.82 Lakhs as at March 31, 2018, total revenues of ₹4,796.96 Lakhs and net cash inflows amounting to ₹93.74 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries incorporated in India, referred in the Other Matter paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our

knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent and taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations

as at March 31, 2018, on the consolidated financial position of the Group.

- ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts as at March 31, 2018.

The Group does not have any outstanding derivative contracts as at March 31, 2018.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**G. K. Subramaniam**  
Partner  
(Membership No. 109839)

MUMBAI, April 21, 2018

## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (hereinafter referred to as the “Parent”) and its subsidiary companies, which are companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and

## **ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT**

**(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based

on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm’s Registration No. 117365W)

**G. K. Subramaniam**  
Partner  
(Membership No. 109839)

MUMBAI, April 21, 2018

# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2018

Particulars	Note No.	(₹ in Lakhs)	
		As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited)
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a. Property, plant and equipment	3	7,463.79	465.33
b. Other Intangible assets	4	145.35	57.10
c. Intangible assets under development		-	25.50
d. Financial Assets			
i. Investments	5	35,874.81	27,289.77
ii. Loans	6	9.98	8.17
iii. Other financial assets	7	803.68	952.77
e. Deferred tax assets (net)	8	321.89	228.69
f. Income tax assets (net)	9	1,370.69	1,312.58
g. Other assets	10	103.70	6.16
<b>Total Non-Current Assets</b>		<b>46,093.89</b>	<b>30,346.07</b>
<b>2 Current assets</b>			
a. Financial Assets			
i. Investments	5	15,873.79	23,000.18
ii. Trade receivables	11	1,885.49	1,327.34
iii. Cash and cash equivalents	12	591.43	3,143.49
iv. Bank balances other than (iii) above	12	3,513.61	1,688.69
v. Loans	6	9.93	11.30
vi. Other financial assets	7	812.17	969.15
b. Other assets	10	544.24	238.25
<b>Total Current Assets</b>		<b>23,230.66</b>	<b>30,378.40</b>
<b>Total Assets (1+2)</b>		<b>69,324.55</b>	<b>60,724.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a. Equity Share capital	13	10,450.00	10,450.00
b. Other Equity	14	49,425.38	42,882.11
<b>Equity attributable to owners of the Company</b>		<b>59,875.38</b>	<b>53,332.11</b>
Non-controlling Interests		1,594.68	1,548.68
<b>Total Equity</b>		<b>61,470.06</b>	<b>54,880.79</b>
<b>LIABILITIES</b>			
<b>2 Non-current liabilities</b>			
a. Financial Liabilities			
Other financial liabilities	15	75.93	60.74
b. Deferred tax liabilities (Net)	8	128.04	74.56
<b>Total Non-current Liabilities</b>		<b>203.97</b>	<b>135.30</b>
<b>3 Current liabilities</b>			
a. Financial Liabilities			
i. Trade payables	16	1,304.78	898.22
ii. Other financial liabilities	15	3,229.33	2,322.91
b. Provisions	17	883.19	757.69
c. Current tax liabilities (Net)	9	454.40	518.78
d. Other current liabilities	18	1,778.82	1,210.78
<b>Total Current Liabilities</b>		<b>7,650.52</b>	<b>5,708.38</b>
<b>Total Equity and Liabilities (1+2+3)</b>		<b>69,324.55</b>	<b>60,724.47</b>
Significant accounting policies	2		
See accompanying notes forming part of the financial statements	1-38		

In terms of our report attached

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells**

Chartered Accountants

**T. S. Krishna Murthy**

Chairman  
DIN: 00279767

**P. S. Reddy**

Managing Director & CEO  
DIN: 01064530

**G. K. Subramaniam**

Partner  
M.No :109839  
Place : Mumbai  
Date : April 21, 2018

**Amol Purandare**

Company Secretary  
M No. A18078

**Bharat Sheth**

Chief Financial Officer



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>1</b> Revenue From Operations	19	19,102.44	14,600.13
<b>2</b> Other Income	20	3,465.15	4,084.87
<b>3 Total Income (1+2)</b>		<b>22,567.59</b>	<b>18,685.00</b>
<b>4 Expenses</b>			
Employee benefits expense	21	3,033.51	2,486.87
Depreciation and amortisation expense	3&4	694.56	370.42
Impairment loss on financial assets	22.1	1.63	19.89
Administration and other expenses (including contribution to IPF of ₹ 408.39 Lakhs in current year) (refer note no.37)	22.2	4,696.11	4,151.36
<b>Total expenses</b>		<b>8,425.81</b>	<b>7,028.54</b>
<b>5 Profit before tax (3 -4)</b>		<b>14,141.78</b>	<b>11,656.46</b>
<b>6 Tax expense:</b>	23		
Current tax		3,782.40	3,432.61
Prior period tax adjustment		(1.94)	(10.71)
Deferred tax		(2.51)	(424.12)
<b>Total tax expense</b>		<b>3,777.95</b>	<b>2,997.78</b>
<b>7 Profit for the year (5-6)</b>		<b>10,363.83</b>	<b>8,658.68</b>
<b>Attributable to</b>			
Owners of the Company		10,317.78	8,578.26
Non-controlling Interests		46.05	80.42
<b>8 Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
i. Remeasurement of the defined benefit plans;		(1.91)	(51.00)
ii. Income tax relating to items that will not be reclassified to profit or loss		0.61	17.65
<b>Total other comprehensive income for the year (net of tax) (i+ii)</b>		<b>(1.30)</b>	<b>(33.35)</b>
<b>9 Total Comprehensive Income for the year (7+8)</b>		<b>10,362.53</b>	<b>8,625.33</b>
<b>Attributable to</b>			
Owners of the Company		10,316.53	8,545.10
Non-controlling Interests		46.00	80.23
<b>10 Earnings per equity share (EPS) :</b>			
Basic and Diluted EPS (₹)		9.87	8.21
Face value of share (₹)		10.00	10.00
Weighted average number of shares		104,500,000	104,500,000
Significant accounting policies	2		
See accompanying notes forming part of the financial statements	1-38		

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**G. K. Subramaniam**

Partner

M.No :109839

Place : Mumbai

Date : April 21, 2018

For and on behalf of the Board of Directors

**T. S. Krishna Murthy**

Chairman

DIN: 00279767

**Amol Purandare**

Company Secretary

M No. A18078

**P. S. Reddy**

Managing Director & CEO

DIN: 01064530

**Bharat Sheth**

Chief Financial Officer



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2018

## A. Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
Balance as at April 1, 2016	10,450.00
Changes in equity share capital during the year	-
Balance as at March 31, 2017	10,450.00
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2018</b>	<b>10,450.00</b>

## B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus		Equity attributable to shareholders of the group	Non Controlling Interest	Total
	General Reserve	Retained Earnings			
Balance as at April 1, 2016	1,094.93	36,386.62	37,481.55	1,468.26	38,949.81
Profit for the year	-	8,578.26	8,578.26	80.42	8,658.68
Other comprehensive income for the year (net of tax)	-	(33.35)	(33.35)	-	(33.35)
Payment of dividends (Including dividend distribution tax)	-	(3,144.35)	(3,144.35)	-	(3,144.35)
<b>Balance at March 31, 2017</b>	<b>1,094.93</b>	<b>41,787.18</b>	<b>42,882.11</b>	<b>1,548.68</b>	<b>44,430.79</b>
Profit for the year	-	10,317.78	10,317.78	46.05	10,363.83
Other comprehensive income for the period (net of tax)	-	(1.30)	(1.30)	-	(1.30)
Payment of dividends (Including dividend distribution tax)	-	(3,773.21)	(3,773.21)	-	(3,773.21)
<b>Balance at March 31, 2018</b>	<b>1,094.93</b>	<b>48,330.45</b>	<b>49,425.38</b>	<b>1,594.73</b>	<b>51,020.11</b>

Significant accounting policies

2

See accompanying notes forming part of the financial statements

1-38

**In terms of our report attached**

**For and on behalf of the Board of Directors**

**For Deloitte Haskins & Sells**

Chartered Accountants

**T. S. Krishna Murthy**

Chairman

DIN: 00279767

**P. S. Reddy**

Managing Director & CEO

DIN: 01064530

**G. K. Subramaniam**

Partner

M.No :109839

Place : Mumbai

Date : April 21, 2018

**Amol Purandare**

Company Secretary

M No. A18078

**Bharat Sheth**

Chief Financial Officer

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit for the year</b>	10,363.83	8,658.68
<b>Adjustments for</b>		
Income tax expenses recognised in profit or loss	3,777.95	2,997.78
Depreciation and Amortisation expense	694.56	370.42
Gain on sale / disposal of Property, plant and equipment and Intangible assets (Net)	(11.47)	(10.19)
Provision for gratuity and compensated absences	11.70	89.19
Interest income recognised in profit or loss	(1,131.59)	(1,239.36)
Dividend income recognised in profit or loss	(386.24)	(556.77)
Net gain arising on financial assets measured at FVTPL	(1,860.04)	(2,201.22)
Impairment loss on financial assets and bad debts written off	288.56	377.50
Actuarial liability recognised	(1.91)	(51.00)
<b>Operating profit before working capital changes</b>	<b>11,745.35</b>	<b>8,435.03</b>
<b>Movements in working capital</b>		
(Increase) / Decrease in trade receivables	(846.71)	(403.94)
(Increase) / Decrease in loans and other assets	(407.08)	(61.56)
(Increase) / Decrease in other financial assets	(503.00)	(389.31)
Increase / (Decrease) in trade payables	406.56	166.42
Increase / (Decrease) in provisions	127.41	307.18
(Decrease) / Increase in other financial liabilities and other liabilities	1,310.28	(573.10)
<b>Cash generated from operations</b>	<b>11,832.81</b>	<b>7,480.72</b>
Direct taxes paid (net of refunds)	(3,902.95)	(3,206.44)
<b>Net cash generated from operating activities</b>	<b>7,929.86</b>	<b>4,274.28</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, intangible assets and capital advances	(7,644.92)	(518.34)
Proceeds from sale of property, plant and equipment	32.10	(9.54)
Net (Increase) / Decrease in investments	402.13	(2,341.85)
Net Decrease / (Increase) in fixed deposits with banks	(1,042.55)	2,818.00
Interest received	1,158.29	1,313.56
Dividend received	386.24	556.77
<b>Net cash (used in) / generated from investing activities</b>	<b>(6,708.71)</b>	<b>1,818.60</b>

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend and taxes paid thereon	(3,773.21)	(3,144.35)
<b>Net cash used in financing activities</b>	<b>(3,773.21)</b>	<b>(3,144.35)</b>
<b>Net (Decrease) / Increase in cash and cash equivalents (A+B+C)</b>	<b>(2,552.06)</b>	<b>2,948.53</b>
Cash and cash equivalents at the beginning of the year	3,143.49	194.96
Cash and cash equivalents at the end of the year	591.43	3,143.40
Cash and cash equivalents at the end of the year comprises		
i) Cash on Hand	0.59	0.39
ii) Cheques in hand	43.93	-
iii) Balances with Banks		
- In Current Accounts	546.91	3,143.10

Significant accounting policies 2

See accompanying notes forming part of the financial statements 1-38

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

**In terms of our report attached**

**For Deloitte Haskins & Sells**  
Chartered Accountants

**G. K. Subramaniam**  
Partner  
M.No :109839  
Place : Mumbai  
Date : April 21, 2018

**For and on behalf of the Board of Directors**

**T. S. Krishna Murthy**  
Chairman  
DIN: 00279767

**Amol Purandare**  
Company Secretary  
M No. A18078

**P. S. Reddy**  
Managing Director & CEO  
DIN: 01064530

**Bharat Sheth**  
Chief Financial Officer

# SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED MARCH 31, 2018**

## 1. Company Overview

Central Depository Services (India) Limited (“CDSL”) herein after referred to as the “Parent Company” is a limited company incorporated in India under the provisions of the Companies Act, 1956. The registered office of the Parent Company is at 2501, A-Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai- 400013. 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 participant (DP) who acts as an agent of the depository, offers depository services to investors.

The equity shares of the Parent Company got listed on the National Stock Exchange of India Limited on June 30, 2017.

The consolidated financial statements were authorised for issue by the Parent Company’s Board of Directors on April 21, 2018.

## 2. Significant Accounting Policies:

### 2.1. Basis of preparation and presentation

#### a) Statement of compliance

The consolidated financial statements as at and for the year ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under section 133 of the Companies Act 2013, read together with the companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### b) Basis of measurement

The consolidated financial statements have been prepared and presented under the historical cost convention, except for certain items that have been

measured at fair values at the end of each reporting period as required by the relevant Ind AS:

- (i) Financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- (ii) Defined benefit and other long-term employee benefits.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 2.2. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (the Group). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- the size of the Company’s holding of voting rights relative to the size and

dispersion of holdings of the other vote holders;

- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of

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

Name of Subsidiary	Country of Incorporation	Principal Activity	Proportion of Ownership Interest as on March 31, 2018	Proportion of Ownership Interest as on March 31, 2017
CDSL Ventures Limited	India	KYC Registration	100.00 %	100.00 %
CDSL Insurance Repository Limited	India	Holding insurance policies in electronic mode	54.25 %	54.25%
- On its own name			51.00%	51.00%
- Through CDSL Ventures Limited.			3.25%	3.25%
CDSL Commodity Repository Limited (Incorporated on 7.3.2017)	India	Commodity Repository	100%	100%

a) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

b) **Functional and presentation currency**

The consolidated financial statements of the Group are presented in Indian rupees, the national currency of India, which is the functional currency of the Group and the currency of the primary economic environment in which the Group operates. All financial information presented in Indian rupees has been rounded to the nearest Lakhs except share and per share data in terms of Schedule III unless otherwise stated.

**c) Use of estimates and judgment**

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, disclosure of contingent assets and disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- (i) Income taxes: The Company's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.
- (ii) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that in the separate financial statements of the subsidiary there will be normal income tax payable. Accordingly, MAT is recognised as a deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow within permissible time limit under Income Tax Act, 1961 to the extent MAT asset recognised.

- (iii). Employee Benefits: Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.
- (iv). Property plant and equipment and Intangible assets: The charge in respect of periodic depreciation / amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Group assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- (v). Impairment of trade receivables: The Group estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

**2.3 Summary of significant accounting policies**

**i) Foreign currency transactions and balances**

In preparing the financial statements of each individual group entity, transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date

of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss and reported within foreign exchange gains/ (losses).

**ii) Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

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

Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, loans and borrowings are recognised net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories: financial assets (debt instrument) comprising amortised cost, financial assets (debt instrument) comprising Fair Value Through Other Comprehensive Income (“FVTOCI”), financial asset (equity instruments) at Fair value Through Profit and Loss account (“FVTPL”) and FVTOCI and financial liabilities at amortised cost or FVTPL.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset

expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company’s Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

**Financial assets**

**a) Financial assets (debt instruments) at amortised cost**

A financial asset shall be measured at amortised cost if both of the following conditions are met:

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

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

Amortised cost are represented by investment in interest bearing debt instruments, trade receivables, security deposits, cash and cash equivalents, employee and other



advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks with original maturity less than 3 months which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

**b) Financial assets (debt instruments) at FVTOCI**

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and
- The asset's contractual cash flow represent SPPI.

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in Other Comprehensive Income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to

profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.

Currently the Group has not classified any interest bearing debt instruments under this category.

**c) Equity instruments at FVTOCI and FVTPL**

All equity instruments are measured at fair value other than investments in subsidiaries. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently reclassified to profit or loss.

Currently the Group has not classified any equity instrument at FVTOCI.

If the Group decides to classify an equity instrument as at FVTPL, then all fair value changes on the instrument and dividend are recognised in Profit or Loss.

**d) Financial assets at FVTPL**

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as FVTPL. In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

**e) Earmarked Funds**

Earmarked Funds represent bonus payable to Managing Director of the Company, held for specific purposes as per the SEBI letter viz. MRD/DP/OW/31553/2013 dated December 05, 2013. These amounts are invested in mutual fund units and the same are earmarked in the Balance Sheet. The Gain / (Loss) on changes in fair value of such investments are shown as liabilities / assets and are not routed through the Profit or Loss.

**Financial liabilities at amortised cost**

Financial liabilities at amortised cost represented by trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

**Financial liabilities at FVTPL**

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the profit or loss.

**iii) Equity Instruments**

Ordinary shares: Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognised as a deduction from equity, net of any tax effect (if any).

**iv) Property, Plant and Equipment (PPE) Recognition and measurement:**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

The Group had elected to consider the carrying value of all its property, plant and equipment appearing in the financial statements prepared

in accordance with Accounting Standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and used the same as deemed cost in opening Ind AS Balance sheet prepared on 1<sup>st</sup> April, 2016.

**Derecognition of PPE:**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**v) Intangible assets**

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

Amortisation has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

Intangible assets consists of computer software.

Amortisation methods, useful lives and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

**Derecognition of intangible assets:**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

**vi) Depreciation:**

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

<b>Description of asset</b>	<b>Useful life (in years)</b>
Building (leasehold)	10
Building (Freehold)	60
Civil and Interior work	10
Computer Hardware/ Software	2
Office Equipment	3-5
Furniture and Fixtures	5
Vehicles	4

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation methods, useful lives and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Repairs and maintenance costs are recognised in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the Profit or Loss.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

**vii) Leases:**

Leases under which the Parent Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

**Finance Lease:**

When acquired, such assets are capitalised at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Corresponding liability to the lessor is included in the financial statements as finance lease obligation.

**Operating Lease:**

Lease payments under operating leases are recognised as an income / expense on a straight line basis in the Statement of Profit and Loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

**viii) Impairment**

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

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for

measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

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

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

- All contractual terms of the financial instrument

(including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

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

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

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

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

#### **b) Non-financial assets**

The Company assesses at each reporting date whether there is any observable evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. An impairment loss is calculated as

the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, then the previously recognised impairment loss is reversed through profit or loss.

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

**ix) Employee benefits**

The Group participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the

period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

- a) Short term employee benefits: Performance linked bonus is provided as and when the same is approved by the management.
- b) 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 profit or loss for the respective financial year as and when services are rendered by the employees.

**ii) Defined Benefits Plans:**

- Gratuity: Gratuity for employees is covered by Gratuity Scheme with Life Insurance Corporation of India and the contribution thereof is paid / provided for. Provision for gratuity is made on the basis of actuarial valuation on Projected Unit Credit Method as at the end of the period.
- 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 non-current employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

**x. Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised

as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Provisions are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

**xi. Revenue**

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

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

**xii. Investment income**

Investment income consists of interest income on funds invested, dividend income and gains on the disposal of FVTPL financial assets. Interest income is recognised as it accrues in



the Statement of Profit and Loss, using the effective interest method.

Dividend income is recognised in the Profit or Loss on the date that the Company's right to receive payment is established.

### **xiii. Income tax**

Income tax comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

#### **a) Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realise the asset and liability simultaneously.

#### **b) Deferred income tax**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred income tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Group recognises interest levied and penalties related to income tax assessments in income tax expenses.

### **xiv. Earnings per share**

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period.



Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

**xv. Current / Non-current classification**

The Group present assets and liabilities in the balance sheet based on current/non-current classification

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

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

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

1. it is expected to be settled in, the entity's normal operating cycle;
2. it is held primarily for the purpose of being traded; it is due to be settled within twelve months after the balance sheet date; or

3. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.
4. All other liabilities are classified as non-current

**xvi. Operating Cycle**

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

**2.4 New standards and interpretations not yet adopted**

**a) Ind AS 115 Revenue from Contracts with Customers:**

Ind AS 115, Revenue from Contracts with Customers was initially notified under the Companies (Indian Accounting Standards) Rules, 2015.

The standard applies to contracts with customers. The core principle of the new standard is that an entity should recognise revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions - and retrospectively adjust each comparative period. Alternatively, an entity can recognise the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in

the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

However, it may be noted that Ind AS 115, stands withdrawn under Companies (Indian Accounting Standards) (Amendments) Rules, 2016 vide MCA notification dated March 30, 2016. Accordingly, disclosure with respect to the impact of Ind AS 115 for the financial year ending March 31, 2017 has not been disclosed.

**b) Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**c) Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance to measurement

of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group does not have share based payments hence there will be no impact on the financial statements.

3. Property, plant and equipment

Particulars	(₹ in Lakhs)									
	Freehold Office	Civil and Interior Work	Building-Freehold	Building-Leasehold	Plant and equipment	Computers	Furniture and fixtures	Office equipments	Motor vehicles	Total
<b>Gross carrying value</b>										
Balance as at April 1, 2016	-	-	0.01	169.09	195.94	44.48	72.07	40.75	56.14	578.48
Additions during the year ended March 31, 2017	-	-	-	-	311.00	38.75	-	1.20	101.81	452.76
Deductions / adjustments	-	-	-	-	-	-	0.08	0.13	27.39	27.60
<b>Balance as at March 31, 2017</b>	-	-	<b>0.01</b>	<b>169.09</b>	<b>506.94</b>	<b>83.23</b>	<b>71.99</b>	<b>41.82</b>	<b>130.56</b>	<b>1,003.64</b>
Balance as at April 1, 2017	-	-	0.01	169.09	506.94	83.23	71.99	41.82	130.56	1,003.64
Additions during the year	6,325.27	250.22	-	-	454.33	50.93	262.78	235.76	25.87	7,605.16
Deductions / adjustments	-	-	-	-	20.19	-	15.57	6.55	3.05	45.36
<b>Balance as at March 31, 2018</b>	<b>6,325.27</b>	<b>250.22</b>	<b>0.01</b>	<b>169.09</b>	<b>941.08</b>	<b>134.16</b>	<b>319.20</b>	<b>271.03</b>	<b>153.38</b>	<b>8,563.44</b>
<b>Accumulated depreciation and impairment</b>										
Balance as at April 1, 2016	-	-	-	50.08	134.18	18.89	27.34	16.69	28.93	276.11
Depreciation for the year ended March 31, 2017	-	-	-	50.08	141.43	28.40	26.38	16.19	21.55	284.03
Deductions / Adjustments	-	-	-	-	-	-	0.08	0.02	21.73	21.83
<b>Balance as at March 31, 2017</b>	-	-	-	<b>100.16</b>	<b>275.61</b>	<b>47.29</b>	<b>53.64</b>	<b>32.86</b>	<b>28.75</b>	<b>538.31</b>
Balance as at April 1, 2017	-	-	-	100.16	275.61	47.29	53.64	32.86	28.75	538.31
Depreciation for the year	74.96	10.35	-	50.08	287.50	40.55	59.97	27.82	34.84	586.07
Deductions / Adjustments	-	-	-	-	7.22	-	10.77	3.69	3.05	24.73
<b>Balance as at March 31, 2018</b>	<b>74.96</b>	<b>10.35</b>	-	<b>150.24</b>	<b>555.89</b>	<b>87.84</b>	<b>102.84</b>	<b>56.99</b>	<b>60.54</b>	<b>1,099.65</b>
<b>Net carrying value</b>										
<b>As at March 31, 2018</b>	<b>6,250.31</b>	<b>239.87</b>	<b>0.01</b>	<b>18.85</b>	<b>385.19</b>	<b>46.32</b>	<b>216.36</b>	<b>214.04</b>	<b>92.84</b>	<b>7,463.79</b>
<b>As at March 31, 2017</b>	-	-	<b>0.01</b>	<b>68.93</b>	<b>231.33</b>	<b>35.94</b>	<b>18.35</b>	<b>8.96</b>	<b>101.81</b>	<b>465.33</b>

Note:

- Contractual commitments:
- Refer to note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- The Company's obligations under finance lease (see note 25) are secured by the lessor's title to the leased assets.

#### 4. Intangible assets

(₹ in Lakhs)

Particulars	Computer Softwares	Total
<b>Gross carrying value</b>		
Balance as at April 1, 2016	207.80	207.80
Additions during the year ended March 31, 2017	78.56	78.56
Deductions / adjustments	-	-
<b>Balance as at March 31, 2017</b>	<b>286.36</b>	<b>286.36</b>
Balance as at April 1, 2017	286.36	286.36
Additions during the year	196.74	196.74
Deductions / adjustments	-	-
<b>Balance as at March 31, 2018</b>	<b>483.10</b>	<b>483.10</b>
<b>Accumulated amortisation and impairment</b>		
Balance as at April 1, 2016	142.87	142.87
Amortisation for the year ended March 31, 2017	86.39	86.39
Deductions / Adjustments	-	-
<b>Balance as at March 31, 2017</b>	<b>229.26</b>	<b>229.26</b>
Balance as at April 1, 2017	229.26	229.26
Amortisation for the year	108.49	108.49
Deductions / Adjustments	-	-
<b>Balance as at March 31, 2018</b>	<b>337.75</b>	<b>337.75</b>
<b>Net carrying value</b>		
<b>As at March 31, 2018</b>	<b>145.35</b>	<b>145.35</b>
<b>As at March 31, 2017</b>	<b>57.10</b>	<b>57.10</b>

Note:

Contractual commitments: Refer to Note 31 for disclosure of contractual commitments for the acquisition of Intangible assets.

5. Other investments

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current investments</b>		
<b>Un-quoted investments (all fully paid)</b>		
<b>Investments in equity instruments measured at FVTPL</b>		
- Belapur Railway Station Commercial Company Limited (BRSCCL) (Fully paid equity shares of ₹ 10 each)	0.50	0.50
- National E-Governance Services Limited (NESL) (Fully paid equity shares of ₹ 10 each)	300.00	300.00
<b>Aggregate value of un-quoted Investments</b>	<b>300.50</b>	<b>300.50</b>
<b>Total investment in equity instruments at FVTPL</b>	<b>300.50</b>	<b>300.50</b>
<b>Quoted Investments</b>		
<b>Investments in tax free bonds measured at amortised cost</b>		
<b>Owned</b>		
- Tax free bonds	10,341.07	10,355.99
	<b>10,341.07</b>	<b>10,355.99</b>
<b>Investments in mutual funds measured at FVTPL</b>		
<b>Owned</b>		
- Units of growth oriented debt schemes of mutual funds	25,210.40	16,592.42
<b>Earmarked</b>		
Units of growth oriented debt schemes of mutual funds	22.84	40.86
	<b>25,233.24</b>	<b>16,633.28</b>
<b>Total Non-current investments</b>	<b>35,874.81</b>	<b>27,289.77</b>
<b>Aggregate amount of quoted investments</b>	<b>35,574.31</b>	<b>26,989.27</b>
<b>Market value of quoted investments</b>	<b>300.50</b>	<b>300.50</b>
<b>Aggregate amount of unquoted investments</b>	-	-
<b>Current investments</b>		
<b>Quoted investments</b>		
Investments in mutual funds measured at FVTPL		
<b>Owned</b>		
- Investments in mutual funds - ETFs	-	275.54
	-	<b>275.54</b>
<b>Unquoted investments</b>		
Investments in mutual funds measured at FVTPL		
<b>Owned</b>		
- Investments in other mutual funds	14,106.80	9,803.84
	<b>14,106.80</b>	<b>9,803.84</b>
<b>Current portion of long term investments</b>		
<b>Quoted investments</b>		
<b>Investments in mutual funds measured at FVTPL</b>		
<b>Owned</b>		
- Units of growth oriented debt schemes of mutual funds	1,746.10	12,903.34
<b>Earmarked</b>		
- Units of growth oriented debt schemes of mutual funds	20.89	17.46
	<b>1,766.99</b>	<b>12,920.80</b>
<b>Total current investments</b>	<b>15,873.79</b>	<b>23,000.18</b>
<b>Aggregate amount of quoted investments</b>	<b>1,766.99</b>	<b>13,196.34</b>
<b>Aggregate amount of unquoted investments</b>	<b>14,106.80</b>	<b>9,803.84</b>
<b>Aggregate amount of impairment in value of investments</b>	-	-

## 5A Investments

Type	Name of the Body Corporate	No. of Shares / Units		(` In Lakhs)	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>Details of Non current investments</b>					
<b>Investment in others</b>					
<b>a)</b>	<b>Investments in equity shares</b>				
Unquoted	Belapur Railway Station Commercial Company Limited (BRSCCL) (Fully paid up)	5,000	5,000	0.50	0.50
Unquoted	National E-Governance Services Limited (NESL) (Fully paid up)	3,000,000	3,000,000	300.00	300.00
				<b>300.50</b>	<b>300.50</b>
<b>b)</b>	<b>Investment in tax free bonds</b>				
Quoted	7.21% REC Tax Free bonds 211122	50	50	500.03	500.07
Quoted	7.22% PFC Tax Free Bond Series 95 291122	50	50	500.03	500.03
Quoted	7.18% IRFCL Tax Free Bonds 190223	130,000	130,000	1,304.38	1,305.08
Quoted	7.19% IRFC Tax Free Bond 310725	50	50	500.46	500.53
Quoted	8.01% NHB Tax Free Bonds 300823	70	70	700.19	700.22
Quoted	7.17% NHB Tax Free Bonds 010123	50	50	502.12	502.49
Quoted	8.35% NHAI Tax Free Bonds 221123	70	70	700.14	700.16
Quoted	8.20% NHAI Tax Free Bonds 250122	72,500	72,500	742.70	746.59
Quoted	8.18% NHPC Tax Free Bonds 021123	22,547	22,547	225.47	225.47
Quoted	8.19% NTPC Tax Free Bonds 040324	50	50	500.03	500.04
Quoted	8.41% NTPC Tax Free Bonds 161223	31,665	31,665	316.65	316.65
Quoted	8.20% PFC Tax Free Bonds 010222	100,000	100,000	1,029.56	1,036.66
Quoted	7.15% NTPC Tax Free Bond 210825	50	50	500.26	500.29
Quoted	7.17% RECL Tax Free Bond 230725	50	50	500.36	500.39
Quoted	8.18% RECL Tax Free Bonds 111023	50	50	518.08	520.66
Quoted	HAI 7.11% Tax Free Bonds 18.09.2025	30	30	300.02	300.03
Quoted	PFC 7.16% Tax Free Bonds 17.07.2025	50	50	500.26	500.29
Quoted	REC 7.17% Tax Free Bonds 23.07.2025	50	50	500.33	500.37
				<b>10,341.07</b>	<b>10,355.99</b>
<b>c)</b>	<b>Investment in Units of Mutual funds</b>				
Quoted	ABSL Fixed Term Plan- Series OM - Direct - Growth	5,000,000.00	-	533.43	-
Quoted	ABSL Fixed Term Plan- Series OD - Direct - Growth	9,260,869.00	9,260,869.00	994.76	931.52
Quoted	ABSL Fixed Term Plan- Series OH - Direct - Growth	7,180,656.00	7,180,656.00	773.30	724.32

Type	Name of the Body Corporate	No. of Shares / Units		₹ In Lakhs)	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Quoted	ABSL Fixed Term Plan- Series OI - Direct - Growth	10,901,955.00	10,901,955.00	1,171.48	1,096.64
Quoted	ABSL Fixed Term Plan- Series OK - Direct - Growth	10,000,000.00	10,000,000.00	1,071.24	1,002.99
Quoted	ABSL Fixed Term Plan- Series OY - Direct - Growth	3,000,000.00	-	305.43	-
Quoted	DHFL Pramerica Fixed Maturity Plan Series 63 - Direct - Growth	-	6,500,000.00	-	838.89
Quoted	DSP Blackrock FMP Sr 204 - 37M - Direct - Growth	10,000,000.00	10,000,000.00	1,072.81	1,006.84
Quoted	DSP Blackrock FMP Sr 205 - 37M - Direct - Growth	10,000,000.00	10,000,000.00	1,072.30	1,005.75
Quoted	DSP Blackrock FMP Sr 209 - 37M - Direct - Growth	4,300,000.00	4,300,000.00	459.17	430.49
Quoted	DSP Blackrock FMP Sr 219 - 40M - Direct - Growth	3,000,000.00	-	304.48	-
Quoted	HDFC FMP 1150D Mar 2018 (1) Sr 39 Direct Growth	7,043,577.00	-	711.57	-
Quoted	HDFC MF FMP1158D Feb2018 (1) Sr39-Direct-Growth	6,000,000.00	-	607.67	-
Quoted	HSBC Fixed Term Series 131 - Direct -Growth	3,000,000.00	-	301.05	-
Quoted	ICICI Prudential FMP Sr 80- Plan J - 1253 Days Direct Cum 29.07.2020	4,493,054.00	4,493,054.00	483.62	452.94
Quoted	ICICI Prudential FMP Sr 80- Plan L - 1245 Days Direct Cum 05.08.2020	6,000,000.00	6,000,000.00	645.61	604.85
Quoted	ICICI Prudential FMP Sr 80- Plan O - 1233 Days Direct Cum 29.07.2020	3,000,000.00	3,000,000.00	322.46	302.02
Quoted	ICICI Prudential FMP Sr 80- Plan T - 1225 Days Direct Cum 04.08.2020	6,500,000.00	6,500,000.00	695.19	651.00
Quoted	ICICI Prudential FMP Sr 81 - Plan Q - 1163 Days Direct Cum 05.10.2020	10,000,000.00	-	1,034.76	-
Quoted	ICICI Prudential FMP Sr 82 - Plan A - 1236 Days Direct Cum 26.04.2021	5,000,000.00	-	509.04	-
Quoted	IDFC FTP Sr 129 - Direct- Growth 1147Days 24.04.2020	10,000,000.00	10,000,000.00	1,076.53	1,008.21
Quoted	IDFC FTP Sr 131 - Direct- Growth 1139Days 12.05.2020	12,512,212.00	12,512,212.00	1,339.78	1,253.21
Quoted	Invesco India FMP Sr 29 -Plan B - Direct -Growth 14.05.2020	10,000,000.00	10,000,000.00	1,071.20	1,003.06
Quoted	Invesco India FMP Sr 30 -Plan A - Direct -Growth 27.04.2021	5,000,000.00	-	509.23	-
Quoted	Invesco India FMP Sr 30 Plan C - Direct-Growth 27.04.2021	6,000,000.00	-	609.22	-
Quoted	Reliance Fixed Horizon Fund - XXVIII - SR 19-Direct-Growth	-	165,632.40	-	19.48
Quoted	Reliance Fixed Horizon Fund - XXXV - SR 11-Direct-Growth 10.05.2021	50,000,000.00	-	508.82	-



Type	Name of the Body Corporate	No. of Shares / Units		₹ In Lakhs)	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Quoted	Reliance Fixed Horizon Fund - XXXV - SR 12-Direct-Growth 10.05.2021	40,000,000.00	-	407.31	-
Quoted	Sundaram FTP HM - 1100 Days-Direct-Growth	198,759.00	198,759.00	22.84	21.38
Quoted	ABSL Fixed Term Plan Series OD - Direct - Gr	5,000,000	5,000,000	537.08	502.94
Quoted	ABSL Fixed Term Plan Series OE - Direct - Gr	8,000,000	8,000,000	858.95	804.46
Quoted	ABSL Fixed Term Plan Series OI - Direct - Gr	9,995,095	9,995,095	1,074.03	1,005.42
Quoted	ABSL Fixed Term Plan Series OK - Direct - Gr	5,500,000	5,500,000	589.18	551.64
Quoted	ABSL Fixed Term Plan Series OT - Direct - Gr	4,715,264	-	487.89	-
Quoted	Kotak Fixed Term Plan Series 202 - Direct - Gr	10,000,000	10,000,000	1,069.49	1,002.14
Quoted	Kotak Fixed Term Plan Series 212 - Direct - Gr	3,500,000	-	355.89	-
Quoted	Reliance FHF XXIV Sr 15-Direct - Growth	-	3,000,000	-	413.09
Quoted	Reliance FHF XXXIII-SR 10 Direct Growth	5,204,160	-	553.58	-
Quoted	DSP BR FMP Sr 210-36M - Direct Growth	5,000,000.000	-	532.13	-
Quoted	Reliance FHF - XXXV-Sr 14-Direct -Growth	5,520,267.322	-	560.72	-
<b>Total of Non current investments (a+b+c)</b>				<b>25,233.24</b>	<b>16,633.28</b>
<b>Total of Current portion of Long term investments</b>				<b>36,585.26</b>	<b>28,344.42</b>
<b>Details of Current portion of Long term investments</b>					
<b>Investment in Others</b>					
<b>d)</b>	<b>Investment in Units of Mutual funds</b>				
Quoted	ABSL Interval Income Fund - Annual Plan 5 - Gr.-Direct		8,266,208.66	-	1,144.83
Quoted	DHFL Pramerica Fixed Maturity Plan Series 70 (2 Years)- Direct Plan - Growth	-	138,027.00	-	17.46
Quoted	DHFL Pramerica Fixed Maturity Plan Series 63 - Direct Plan - Growth	6,500,000.00	-	899.95	-
Quoted	DSP BlackRock FMP S161-12M-Dir-G Mat Dt 20.04.15	-	6,549,900.00	-	835.69
Quoted	HDFC FMP 370D Apr 2014 (2) - Direct Plan- GR		4,079,690.00	-	520.54
Quoted	HDFC FMP 370D Mar2014 (1) - Direct Plan- GR		4,384,836.00	-	568.71
Quoted	HDFC FMP 371D Feb 2014(2) Sr 29 - Direct Plan- GR		6,000,000.00	-	778.52
Quoted	HDFC FMP 377Days March2014 (1) - Direct Plan- GR		14,468,207.00	-	1,853.13
Quoted	ICICI Prudential Fixed Maturity Plan-Series 73-366 days Plan A - Direct Plan-Cum		3,284,400.00	-	424.42

Type	Name of the Body Corporate	No. of Shares / Units		₹ In Lakhs	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Quoted	ICICI Prudential Fixed Maturity Plan-Series 73-369 days Plan P - Direct Plan-Cum		12,303,571.00	-	1,572.73
Quoted	ICICI Prudential Fixed Maturity Plan-Series 73-369 days Plan S - Direct Plan-Cum		4,793,668.00	-	613.54
Quoted	ICICI Prudential Fixed Maturity Plan-Series 74-369 days Plan I - Direct Plan-Cum		5,565,133.00	-	712.06
Quoted	ICICI Prudential Fixed Maturity Plan-Series 74-370 days Plan V - Direct Plan-Cum		4,000,000.00	-	503.12
Quoted	Reliance Fixed Horizon Fund - XXVIII - SR 19-Direct-Growth	165,632.40	-	20.89	-
Quoted	Reliance Fixed Horizon Fund - XXV - Series 24 - Direct Plan Growth Plan		5,000,000.00	-	649.64
Quoted	Reliance Fixed Horizon Fund - XXV - Series 26 - Direct Plan Growth Plan		4,840,140.49	-	627.39
Quoted	Reliance Fixed Horizon Fund XXXVI Series 7 - Direct - Growth	4,000,000.00	-	402.97	-
Quoted	Reliance Yearly Interval Fund - Series 5 - Direct Plan Growth Plan		4,496,856.79	-	624.47
Quoted	Reliance Yearly Interval Fund-Sr-5-Direct Plan - Growth	-	3,257,927	-	452.42
Quoted	Reliance Fixed Horizon Fund XXV Sr 26 - Direct Plan - Growth	-	4,000,000	-	518.49
Quoted	Reliance Fixed Horizon Fund XXVI Sr 31 - Direct Plan - Growth	-	4,000,000	-	503.64
Quoted	Reliance FHF XXIV Sr 15-Direct - Growth	3,000,000	-	443.18	-
	<b>Total of Current portion of Long term investments</b>			<b>1,766.99</b>	<b>12,920.80</b>
<b>Details of Current Investments</b>					
<b>e)</b>	<b>Investment in Units of Mutual funds</b>				
Unquoted	Axis Liquid Fund - Direct Plan - DDR	57,955.06	-	580.10	-
Unquoted	DSP BlackRock Ultra Short Fund-Direct-DDR		8,913,320.59	-	897.65
Unquoted	HDFC Liquid Fund - Direct-DDR	0.01	-	-	-
Unquoted	Invesco India Ultra Short Term Fund - Direct-DDR		20,625.18	-	210.16
Unquoted	Invesco India Active Income Fund-Direct-Growth	24,820.44		505.05	
Unquoted	LIC MF Savings Plus - Direct - DDR	626,023.03	-	63.27	-
Unquoted	Reliance Money Manager Direct -DDR	-	139,141.92	-	1,401.85
Unquoted	Reliance Short Term Fund - Direct - MDR	8,318,202.89	8,012,167.62	941.63	899.85
Unquoted	Reliance Floating Rate Fund_Short Term Plan Direct Gr	3,885,879.04	3,885,879.04	1,092.20	1,021.70
Unquoted	Sundaram Select Debt Asset Plan -Direct-MDR	13,809,283.24	13,257,495.82	1,766.41	1,683.79

Type	Name of the Body Corporate	No. of Shares / Units		(₹ In Lakhs)	
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Unquoted	ABSL Savings Fund-Direct-DDR	715,138	38,863	716.49	38.98
Unquoted	Kotak Floater Short Term- Direct - DDR	32,413	21,873	327.90	221.28
Unquoted	Kotak Treasury Advantage Fund-Direct - Growth	443,053	-	125.08	-
Unquoted	Reliance Short Term Plan - Direct -MDR	4,190,096	-	474.32	-
Unquoted	Reliance Floating Rate Fund Direct Growth	6,790,120	4,601,997	1,908.50	1,209.98
Unquoted	DSP BlackRock Liquidity Fund Direct - DDR	36,837.492	88,697.919	368.72	887.73
Unquoted	ICICI Prudential Banking and PSU Debt Fund- Direct -Growth	4,209,447.844	4,209,447.844	851.05	796.82
Unquoted	Reliance Banking & PSU Debt Fund -Direct- MDR	-	5,192,299.161	-	534.05
Unquoted	Axis Liquid Fund - Direct- DDR	23,962.98	-	239.86	-
Unquoted	Axis Banking & PSU Debt Fund-Direct-Growth	64,005.94	-	1,036.17	-
Unquoted	HDFC Floating Rate Income Fund-Short Term Plan-Direct-Growth	5,123,351.93	-	1,556.59	-
Unquoted	Reliance Money Manager Fund-Direct- Growth	63,700.55	-	1,553.46	-
				<b>14,106.80</b>	<b>9,803.84</b>
<b>f)</b>	<b>Investment in Units of Mutual funds- Exchange Traded Fund</b>				
Quoted	Sensex Prudential ICICI ETF (SPICE)	-	90,000.00	-	275.54
				-	<b>275.54</b>
	<b>Total of Current Investments (e+f)</b>			<b>14,106.80</b>	<b>10,079.38</b>
	<b>Total Investment</b>			<b>51,748.60</b>	<b>50,289.95</b>

## 6. Loans

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
Unsecured, considered good		
Loans to staff	9.98	8.17
<b>Total</b>	<b>9.98</b>	<b>8.17</b>
<b>Current</b>		
Unsecured, considered good		
Loans to staff	9.93	11.30
<b>Total</b>	<b>9.93</b>	<b>11.30</b>

Note: These financial assets are carried at amortised cost.

7. Other financial assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current</b>		
(a) Sundry deposits		
Deposits with Related Party - BSE Limited	-	72.77
Others	62.04	-
(b) Bank balance in deposit accounts (with remaining maturity of more than 12 months, Earmarked ₹ 23.85 Lakhs)	741.64	880.00
<b>Total</b>	<b>803.68</b>	<b>952.77</b>
<b>Current</b>		
(a) Sundry deposits	-	15.19
(b) Deposits with Related Party - BSE Limited	72.77	-
(c) Accrued interest		
Owned		
- On bank deposits	136.63	163.36
- On bonds	355.31	355.28
(d) Receivable from selling shareholders	247.16	430.33
(e) Others	0.30	4.99
<b>Total</b>	<b>812.17</b>	<b>969.15</b>

8. Deferred tax balances

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Deferred tax assets (net)</b>		
Deferred tax assets	669.26	903.02
Deferred tax liabilities	347.37	674.33
<b>Deferred tax assets (net)</b>	<b>321.89</b>	<b>228.69</b>
<b>Deferred tax liabilities (net)</b>		
Deferred tax liabilities	227.81	137.45
Deferred tax assets	99.77	62.89
<b>Deferred tax liabilities (net)</b>	<b>128.04</b>	<b>74.56</b>

**Deferred tax assets / (liabilities) in relation to:**

Particulars	Opening balance as at April 1, 2017	Recognised in Profit or loss for year ended March 31, 2017	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2017	Recognised in Profit or loss for year ended March 31, 2018	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2018
<b>1. Deferred tax assets</b>							
Provision for compensated absences, gratuity and other employee benefits	292.80	99.31	-	392.11	(3.45)	-	388.66
Provision for incentive scheme for DPs	97.43	45.46	-	142.89	11.89	-	154.78
Allowance for doubtful debts (expected credit loss allowance)	179.31	6.37	-	185.68	(54.64)	-	131.04
On difference between book balance and tax balance of PPE	199.58	(16.00)	-	183.58	(192.77)	-	(9.19)
On defined benefit obligation	2.54	-	(2.54)	-	-	1.30	1.30
MAT credit	5.90	35.00	-	40.90	36.56	-	77.46
<b>Total</b>	<b>777.56</b>	<b>170.14</b>	<b>(2.54)</b>	<b>945.16</b>	<b>(202.41)</b>	<b>1.30</b>	<b>744.05</b>
<b>2. Deferred tax liabilities</b>							
On changes in fair value of investments	1,065.15	(275.72)	-	789.43	(242.19)	-	547.24
Impact on account of amortised cost accounting of financial assets (Investments in bonds)	1.06	0.54	-	1.60	(0.09)	-	1.51
On defined benefit obligation	2.54	-	(2.54)	-	1.30	-	1.30
<b>Total liabilities</b>	<b>1,068.75</b>	<b>(275.18)</b>	<b>(2.54)</b>	<b>791.03</b>	<b>(240.98)</b>	<b>-</b>	<b>550.05</b>
<b>Net asset / (liabilities)</b>	<b>(291.19)</b>	<b>445.32</b>	<b>-</b>	<b>154.13</b>	<b>38.57</b>	<b>1.30</b>	<b>194.00</b>

**Note: Unused tax losses (capital in nature) for which no deferred tax assets have been recognised are attributable to the following: (₹ in Lakhs)**

Particulars	As at March 31, 2018	As at March 31, 2017
Tax losses (revenue in nature)	1,533.21	2,383.96
Tax losses (capital in nature)	265.04	312.50
<b>Total</b>	<b>1,798.25</b>	<b>2,696.46</b>

**Note: The unrecognised tax credits will expire in following years:**

Particulars	As at March 31, 2018	As at March 31, 2017
A.Y. 2017-18 - Capital in Nature	-	271.16
A.Y. 2018-19 - Capital in Nature	-	45.67
A.Y. 2019-20 - Capital in Nature	285.64	769.34
A.Y. 2020-21 - Capital in Nature	221.42	221.42
A.Y. 2021-22 - Capital in Nature	124.23	124.79
A.Y. 2022-23 - Capital in Nature	593.52	614.03
A.Y. 2022-23 - Revenue in Nature	141.74	189.20
A.Y. 2023-24 - Capital in Nature	308.40	337.42
A.Y. 2023-24 - Revenue in Nature	62.25	62.25
A.Y. 2024-25 - Capital in Nature	-	0.13
A.Y. 2024-25 - Revenue in Nature	61.05	61.05

9. Income tax asset and liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current tax assets</b>		
Advance income tax (net of provisions of ₹ 11,247.40 Lakhs, March 31, 2017 ₹ 8,312.59 Lakhs)	1,370.69	1,312.58
<b>TOTAL</b>	<b>1,370.69</b>	<b>1,312.58</b>
<b>Current tax liabilities</b>		
Income tax payable (net of advance tax of ₹ 9,400.00 Lakhs, March 31, 2017 ₹ 9,281.19 Lakhs)	454.40	518.78
<b>TOTAL</b>	<b>454.40</b>	<b>518.78</b>

10. Other assets

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non Current</b>		
Capital advances	-	3.11
Prepaid Expenses	103.70	3.05
<b>TOTAL</b>	<b>103.70</b>	<b>6.16</b>
<b>Current</b>		
Prepaid expenses	230.12	111.86
CENVAT / GST credit receivable	309.10	118.01
Advances to creditors	5.02	8.38
<b>TOTAL</b>	<b>544.24</b>	<b>238.25</b>

11. Trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
- Secured, considered good	-	-
- Unsecured, considered good	1,885.49	1,327.34
- Unsecured, considered doubtful	456.76	541.65
Less: Allowance for doubtful debts (expected credit loss allowance)	(456.76)	(541.65)
<b>TOTAL</b>	<b>1,885.49</b>	<b>1,327.34</b>

1. Trade receivables are dues in respect of services rendered in the normal course of business.
2. The average credit period on sale of services is 25 days. No interest is charged on trade receivables for the first 25 days from the date of invoice.
3. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables by individual departments.
4. There are no dues by directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

### Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	541.65	521.76
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (refer note no. 22.1)	(84.89)	19.89
<b>Balance at end of the year</b>	<b>456.76</b>	<b>541.65</b>

### 12. Cash and cash equivalents and other bank balances

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

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
(a) Cash on hand	0.59	0.39
(b) Cheques, drafts on hand	43.93	-
<b>Balance with Banks</b>		
<b>Owned fund</b>		
- In current accounts	546.91	3,143.10
<b>Cash and cash equivalents as per balance sheet</b>	<b>591.43</b>	<b>3,143.49</b>
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>591.43</b>	<b>3,143.49</b>
<b>Bank Balances other than above</b>		
<b>Balances with Banks</b>		
<b>Owned fund</b>		
- In deposit accounts (refer note 12.1 below)	2,867.91	1,687.00
<b>Earmarked fund</b>		
- In current account (refer note 12.2 below)	584.59	-
- In current accounts	61.11	1.69
<b>Total</b>	<b>3,513.61</b>	<b>1,688.69</b>

Notes:

12.1. Deposits includes FDRs of ₹ 901.26 Lakhs as lien made against bank guarantees

12.2. Earmarked against payable on expenses towards IPO.



13. Equity Share capital

Particulars	As at	As at	As at	As at
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
<b>Equity Share capital</b>				
<b>Authorised share capital:</b>				
Equity Shares of ₹ 10/- each with voting rights	150,000,000	15,000.00	150,000,000	15,000.00
<b>Issued share capital:</b>				
Equity Shares of ₹ 10/- each with voting rights	104,500,000	10,450.00	104,500,000	10,450.00
<b>Subscribed and Paid-up share capital</b>				
Equity Shares of ₹ 10/- each with voting rights	104,500,000	10,450.00	104,500,000	10,450.00
<b>Total</b>	<b>104,500,000</b>	<b>10,450.00</b>	<b>104,500,000</b>	<b>10,450.00</b>

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

Particulars	Opening Balance	Fresh issue	Closing Balance
<b>Equity shares with voting rights</b>			
<b>As at March 31, 2017</b>			
- Number of shares	104,500,000	-	104,500,000
- Amount (₹) In Lakhs	10,450.00	-	10,450.00
<b>As at March 31, 2018</b>			
- Number of shares	104,500,000	-	104,500,000
- Amount (₹) In Lakhs	10,450.00	-	10,450.00

**Details of shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
BSE Limited (Entity having significant influence)	25,080,000	24.00	52,297,850	50.05
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
Bank of India	5,820,000	5.57	5,820,000	5.57
State Bank of India	5,225,000	5.00	10,000,000	9.57
Bank of Baroda	-	-	5,300,000	5.07

The Group has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### 14. Other equity

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
General reserve	1,094.93	1,094.93
Retained earnings	48,330.45	41,787.18
<b>Total</b>	<b>49,425.38</b>	<b>42,882.11</b>

##### 14.1 General reserve

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Balance at beginning of year	1,094.93	1,094.93
Movement during the year	-	-
<b>Balance at end of year</b>	<b>1,094.93</b>	<b>1,094.93</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to Profit or Loss.

##### 14.2 Retained earnings

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Balance at beginning of year	41,787.18	36,386.62
Profit attributable to owners of the Company	10,317.78	8,578.26
Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of income tax)	(1.30)	(33.35)
Payment of dividends (including tax on dividend)	(3,773.21)	(3,144.35)
<b>Balance at end of year</b>	<b>48,330.45</b>	<b>41,787.18</b>

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of Companies Act, 2013. Thus, the amount reported above are not distributable in entirety.

On May 29, 2017, a dividend of ₹ 3.00 per share (total dividend including dividend distribution tax of ₹ 3,773.21 Lakhs) was paid to the holders of equity shares. On June 01, 2016, the dividend paid was ₹ 2.50 per share (total dividend including dividend distribution tax of ₹ 3,144.35 Lakhs).

The Board of Directors of the Parent Company, at its meeting on April 21, 2018, have proposed a final dividend of ₹ 3.50/- per equity share of face value ₹ 10/- per share for the financial year ended March 31, 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held and if approved would result in a cash outflow of approximately ₹ 4,402.17 Lakhs, including dividend distribution tax.

15. Other financial liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non Current</b>		
Accrued employee benefits expense*	75.93	60.74
<b>TOTAL</b>	<b>75.93</b>	<b>60.74</b>
<b>Current</b>		
Security deposits	2,254.97	2,281.50
Payable for purchase of Property, plant and equipment	181.71	2.34
Payable to selling shareholders	693.30	-
Others	99.35	39.07
<b>TOTAL</b>	<b>3,229.33</b>	<b>2,322.91</b>

\* Investments have been earmarked against certain portion of this liability

16. Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
a. Total outstanding dues of micro enterprises and small enterprises (refer note no. 34.2)	-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Payable to BSE	-	5.31
- Accrued employee benefits expense	902.58	733.96
- Other trade payables	402.20	158.95
<b>TOTAL (a+b)</b>	<b>1,304.78</b>	<b>898.22</b>

17. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(a) Provision for employee benefits</b>		
Compensated absences (refer note no. 35.2)	286.16	256.86
Provision for gratuity (net)	65.52	87.94
<b>(b) Other provisions</b>		
Provision for Incentive Scheme for DP (refer note no. 38)	531.51	412.89
<b>Total (a+b)</b>	<b>883.19</b>	<b>757.69</b>

18. Other current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current</b>		
Income received in advance	161.31	69.47
Advances from customers	795.93	766.08
Statutory remittances	413.19	84.23
Contribution to Investor Protection Fund	408.39	291.00
<b>Total</b>	<b>1,778.82</b>	<b>1,210.78</b>

## 19. Revenue from operations

Particulars	(₹ in Lakhs)	
	For the year ended 31/03/2018	For the year ended 31/03/2017
(a) Sale of services (Refer Note (i) below)	18,768.82	14,552.00
(b) Other operating revenues (Refer Note (ii) below)	333.62	48.13
<b>Total</b>	<b>19,102.44</b>	<b>14,600.13</b>
<b>Notes</b>		
<b>(i) Sale of services comprise :</b>		
Annual Issuer charges	5,562.42	5,171.44
Transaction charges	4,402.59	3,124.66
Users Facility charges	341.14	376.73
Settlement charges	162.71	166.22
Account Maintenance charges	287.66	267.60
E-Voting charges	409.47	417.70
ECAS charges	642.99	747.19
IPO/Corporate Action charges	2,948.67	1,651.53
Others	349.98	190.51
On Line Data charges	2,918.39	1,872.98
Documents Storage charges	527.59	543.51
New Policy (EIA) charges - Created by CDSL Insurance Repository Ltd.	2.35	1.27
New Policy (EIA) charges - Created by Insurer	1.33	0.38
Existing Policy charges	5.24	0.72
Annual Maintenance charges-Insurance Company	7.77	7.69
Health Insurance Policies	0.19	-
E-KYC/C-KYC	198.33	11.87
<b>Total - Sale of services</b>	<b>18,768.82</b>	<b>14,552.00</b>
<b>(ii) Other operating revenues comprise :</b>		
Interest from debtors	35.78	30.97
Advances written back	169.55	-
Bad debts recovered/Written back	128.29	17.16
<b>Total - Other operating revenues</b>	<b>333.62</b>	<b>48.13</b>

## 20. Other income

Particulars	(₹ in Lakhs)	
	For the year ended 31/03/2018	For the year ended 31/03/2017
<b>a) Interest income earned on financial assets that are measured at amortised cost</b>		
Bank deposits	360.01	467.58
Investments in debt instruments	769.92	770.38
Interest on staff loan	1.66	1.40
<b>b) Dividend from investments in mutual funds (measured at FVTPL)</b>		
Dividend income from others	386.24	556.77
<b>c) Other gains or losses:</b>		
Net gain arising on financial assets measured at FVTPL	1,860.04	2,201.22
Gain on sale / disposal of property, plant and equipments and intangible assets (Net)	11.47	10.19
<b>d) Other non-operating income</b>		
Miscellaneous income	75.81	77.33
<b>Total</b>	<b>3,465.15</b>	<b>4,084.87</b>

21. Employee benefits expense

Particulars	(₹ in Lakhs)	
	For the year ended 31/03/2018	For the year ended 31/03/2017
Salaries, allowances and bonus	2,783.37	2,282.73
Contribution to provident and other funds	144.51	111.34
Staff welfare expenses	105.63	92.80
<b>Total</b>	<b>3,033.51</b>	<b>2,486.87</b>

22.1 Impairment loss on financial assets

Particulars	(₹ in Lakhs)	
	For the year ended 31/03/2018	For the year ended 31/03/2017
Impairment loss allowance on trade receivable	1.63	19.89
<b>Total</b>	<b>1.63</b>	<b>19.89</b>

22.2 Administration and other expenses

Particulars	(₹ in Lakhs)	
	For the year ended 31/03/2018	For the year ended 31/03/2017
Annual SEBI fees	161.75	155.97
Bad debts written off	286.93	357.61
Contribution to investor protection fund (refer note no.37)	408.39	459.75
Business promotion expenses	70.39	51.51
Incentive scheme for DPs (refer note no.38)	307.03	288.12
Directors' sitting fees	80.30	51.50
Auditors' remuneration		
Audit fees	18.07	17.00
Tax audit fees	1.50	1.50
Reimbursement of expenses	0.72	1.03
Insurance	60.32	76.96
Legal, professional and consultancy fees	197.13	133.44
Postage, telephone and communication charges	633.39	491.52
Power and fuel	64.97	64.26
Printing and stationery	24.58	24.38
Rates and taxes	55.75	26.87
Rent	259.76	321.87
Repairs to buildings	152.48	131.86
Inter KRA Expenses	64.12	-
Computer technology related expenses	970.26	842.36
Travelling and conveyance	137.19	125.51
Water charges	4.05	2.96
Point of Service (POS) charges	248.06	228.59
Contribution to Corporate social responsibility (refer note no.22.2.1)	158.22	118.97
ASA/KSA - AUA/KUA Expenses	124.93	-
Expenses for GST Suvidha Provider	2.06	-
Expenses for NAD	59.21	22.83
Preliminary Expenses (CCRL)	-	48.83
Miscellaneous expenses	144.55	106.16
<b>Total</b>	<b>4,696.11</b>	<b>4,151.36</b>

### 22.2.1 CSR Expenditure

(₹ in Lakhs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
a) The gross amount required to be spent by the Company during the year	206.00	157.00
b) Amount debited to Consolidated Statement of Profit or Loss were paid in cash during the respective year and were incurred for the purpose other than construction / acquisition of any asset.		

## 23. Taxes

### 23.1. Income tax expense

The major components of income tax expense for the year ended March 31, 2018 and 2017 are as under:

#### 23.1.1 Profit or loss section

(₹ in Lakhs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
Current tax expense	3,782.40	3,432.61
Provision for tax for prior year write back	(1.94)	(10.71)
Deferred tax	(2.51)	(424.12)
<b>Total income tax expense recognised in Profit or Loss</b>	<b>3,777.95</b>	<b>2,997.78</b>

#### 23.1.2 Other comprehensive section

(₹ in Lakhs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
Remeasurement of the defined benefit plans	0.61	17.65
<b>Total income tax expense recognised in other comprehensive income</b>	<b>0.61</b>	<b>17.65</b>

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

(₹ in Lakhs)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
(A) Profit before tax	14,141.78	11,656.46
(B) Enacted tax rate in India	34.608%	34.608%
(C) Expected tax expenses	4,894.19	4,034.07
(D) Other than temporary differences		
Effect of fair value of investments	(884.23)	(760.14)
Effect of Income that is exempt from taxation	(386.72)	(445.30)
Expenses disallowed / (allowed)	135.16	184.63
Income setoff with brought forward losses/DTA not recognised	19.55	(15.48)
<b>Total adjustments</b>	<b>(1,116.24)</b>	<b>(1,036.29)</b>
(E) Tax expenses after adjustments (C+D)	3,777.95	2,997.78
(F) Tax expenses recognised in Profit or Loss	3,777.95	2,997.78

## 24. Earnings per share (EPS)

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

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS	10,45,00,000	10,45,00,000
Effect of dilutive equity shares outstanding during the year	-	-
Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of dilutive EPS	10,45,00,000	10,45,00,000
Face Value per Share (₹)	10/- Each	10/- Each
Profit for the year (₹ in Lakhs)	10,317.78	8,578.26
Basic and Diluted EPS (₹ per share)	9.87	8.21

## 25. Leases

### 25.1 Obligations under finance lease

The Company has building situated at Belapur, Maharashtra which is classified as finance lease. The Company has made an upfront payment and there are no lease obligations to be paid in future periods. Therefore, disclosures with respect to Minimum lease payments and Present value of Minimum lease payments have not been given.

### 25.2 Operating lease arrangements

Lease payments recognised in the profit or loss for the year is ₹ 149.23 Lakhs (year ended March 31, 2017 ₹ 259.81 Lakhs). The agreements are executed for a period ranging from 12 to 60 months with renewable clause and also provide for termination at will by either party giving a prior notice period between 1 to 3 months.

## 26. Financial instruments

The carrying value and fair value of financial instruments by categories:

(₹ in Lakhs)

Particulars	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>i) Financial assets</b>				
<b>a) Amortised Cost</b>				
Investment in debt instruments	10,341.07	10,355.99	10,341.07	10,355.99
Trade receivables	1,885.49	1,327.34	1,885.49	1,327.34
Cash and cash equivalents	591.43	3,143.49	591.43	3,143.49
Bank balances other than cash and cash equivalents	3,513.61	1,688.69	3,513.61	1,688.69
Loans	19.91	19.47	19.91	19.47
Other financial assets	1,615.85	1,921.92	1,615.85	1,921.92
<b>Total</b>	<b>17,967.36</b>	<b>18,456.90</b>	<b>17,967.36</b>	<b>18,456.90</b>
<b>b) FVTPL</b>				
Investment in equity instruments	300.50	300.50	300.50	300.50
Investment in mutual funds	41,107.03	39,633.46	41,107.03	39,633.46
<b>Total</b>	<b>41,407.53</b>	<b>39,933.96</b>	<b>41,407.53</b>	<b>39,933.96</b>
<b>ii) Financial liabilities</b>				
<b>a) Amortised Cost</b>				
Trade payables	1,304.78	898.22	1,304.78	898.22
Other financial liabilities	3,305.26	2,383.65	3,305.26	2,383.65
<b>Total</b>	<b>4,610.04</b>	<b>3,281.87</b>	<b>4,610.04</b>	<b>3,281.87</b>



### Fair value hierarchy

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

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

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

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

(₹ in Lakhs)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2018	March 31, 2017		
Investments in equity instruments	300.50	300.50	Level 3	Discounted cash flow
Investments in mutual funds	41,107.03	39,357.92	Level 2	NAV declared by respective mutual funds
Investments in exchange traded funds	-	275.54	Level 2	NAV declared by respective mutual funds

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

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

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

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

- (a) The fair value of the quoted bonds and mutual fund are based on price quotations at reporting date. The fair value of unquoted instruments and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- (b) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires the management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of fair value for these unquoted equity investments.

## 27. Financial risk management

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

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk) and regulatory risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

### Credit risk

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

- **Trade and other receivables**

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

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

None of the customers accounted for more than 10% of the receivables for the years ended March 31, 2018 and March 31, 2017 and revenue for the years ended March 31, 2018 and March 31, 2017.

- **Investments**

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

### Liquidity risk

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

The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The management monitors the Group's net liquidity position through forecasts on the basis of expected cash flows.

**The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018 and March 31, 2017**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2018	March 31, 2017
Trade payables		
< 1 year	1,304.78	898.22
1-5 years	-	-
> 5 years	-	-
Other financial liabilities		
< 1 year	3,229.33	2,322.91
1-5 years	75.93	60.74
> 5 years	-	-
<b>Total</b>	<b>4,610.04</b>	<b>3,281.87</b>

The table below provides details regarding the contractual maturities of significant financial assets as at March 31, 2018 and March 31, 2017.

(₹ in Lakhs)

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Investments</b>		
< 1 year	15,873.79	23,000.18
1 - 5 years	29,812.06	18,416.50
> 5 years	6,062.75	8,873.27
<b>Total</b>	<b>51,748.60</b>	<b>50,289.95</b>
<b>Loans</b>		
< 1 year	9.93	11.30
1 - 5 years	9.98	8.17
> 5 years	-	-
<b>Total</b>	<b>19.91</b>	<b>19.47</b>
<b>Other financial assets</b>		
< 1 year	812.17	969.15
1 - 5 years	803.68	952.77
> 5 years	-	-
<b>Total</b>	<b>1,615.85</b>	<b>1,921.92</b>
<b>Trade receivables</b>		
< 1 year	1,885.59	1,327.34
1 - 5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>1,885.59</b>	<b>1,327.34</b>
<b>Cash and cash equivalents</b>		
< 1 year	591.43	3,143.49
1 - 5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>591.53</b>	<b>3,143.49</b>
<b>Bank balances other than cash and cash equivalents</b>		
< 1 year	3,513.61	1,688.23
1 - 5 years	-	-
> 5 years	-	-
<b>Total</b>	<b>3,513.61</b>	<b>1,688.23</b>

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

### Market risk

The Group's business, financial condition and results of operations are highly dependent upon the levels of activity in the capital markets and in particular upon the trading volume on stock exchanges, the number of listed securities, the number of new listings and subsequent issuances and introduction of new services which will ease in doing business in capital markets.

Our securities depository business competes closely with our competitor for DPs, investor accounts and number of instruments on our systems. We rely heavily on technological equipment and IT at our facilities. Interruptions in the availability of IT systems could adversely impact our business. Shift in consumer preferences away from investing in securities market to other financial products, may dampen prospects of our business.

• **Foreign Currency risk**

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

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

• **Interest rate risk**

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

Interest rate risk primarily arises from floating rate investment. The Group’s investments in floating rate are primarily in FMPs of mutual funds, which do not expose it to significant interest rate risk. There is also a reinvestment risk in the current scenario, as the rates are going downwards.

**Regulatory risk**

The Group requires various regulatory approvals, registrations and permissions to operate its business, including at a corporate level as well as at the level of each of it’s components. Some of these approvals are required to be renewed from time to time. The Group’s operations are subject to continued review by regulator and these regulations may change from time to time in fast changing capital market environment. The Group’s compliance team constantly monitors the compliance with these rules and regulations.

**28. Capital management**

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

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

**29. Information on related party transactions as required by Ind AS 24 – ‘Related party disclosures’ for the year ended 31<sup>st</sup> March, 2018.**

<b>Description of relationship</b>	<b>Name of the related party</b>
Entity having significant influence (from 30.06.2017) (Parent Company up to 29.06.2017)	BSE Limited
Subsidiaries of the entity having significant influence (from 30.06.2017) (Fellow Subsidiaries up to 29.06.2017)	Marketplace Technologies Private Limited Indian Clearing Corporation Limited

Description of relationship	Name of the related party
Key Management Personnel (KMP)	Shri P. S. Reddy - MD & CEO
	Shri T S Krishna Murthy
	Shri R. M. Malla (appointed w.e.f. July 30, 2016)
	Shri B. Prasada Rao (appointed w.e.f. October 21, 2016)
	Smt Jayshree Vyas (ceased to be director w.e.f. January 17, 2017)
	A. Krishna Kumar (appointed w.e.f. July 30, 2016)
	Usha Narayanan (appointed w.e.f. April 24, 2017)
	Shri C. Venkat Nageswar (appointed w.e.f. June 28, 2016)
	Smt Nehal Vora
	Shri Nayan Mehta
	Shri K.V. Subramanian

**Details of related party transactions**

(₹ In Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>BSE Limited</b>		
Rendering of services	384.80	180.92
Receiving of services	243.19	250.55
License agreements-Rent and Maintenance	173.63	298.56
Dividend Paid	1,568.94	1,415.87
<b>Balances outstanding at the end of the year</b>		
Trade receivables	24.66	41.90
Loans and advances-Deposits given	72.77	72.77
Trade payables	-	5.31
<b>Marketplace Technologies Private Limited</b>		
Rendering of services	0.11	0.17
Receiving of services	19.23	16.87
<b>Balances outstanding at the end of the year</b>		
Trade payables	-	2.56
<b>Indian Clearing Corporation Limited</b>		
Rendering of services	6.61	6.00
Receiving of services	0.07	-
<b>Balances outstanding at the end of the year</b>		
Trade receivables	0.06	0.04
<b>KMP</b>		
<b>The remuneration of directors and other members of key management personnel during the year is as follows:</b>		
• Shri P. S. Reddy	144.54	114.35

### 30. Contingent liabilities

(₹ In Lakhs)

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>Claims against the Company not acknowledged as debt in respect of :</b>		
a) Service tax matters	3,978.81 (refer note (i),(ii),(iii) and (iv))	3,984.72 (refer note (i),(ii),(iii) and (iv))
b) Income tax matters	4.92 (refer note (v))	4.92 (refer note (v))

- (i) The Group is a party in certain legal proceedings filed by beneficial owners/third parties in the normal course of business. The Group does not expect the outcome of these proceedings to have any material adverse effect on its financial conditions, results of operations and cash flow. The amount is not ascertainable.
- (ii) The Commissioner of Service Tax, Mumbai has issued Order on 19th August 2016 to CDSL demanding service tax amount of ₹ 2,112.18 Lakhs and Penalty of ₹1,866.63 Lakhs.
- (iii) The Commissioner of Service Tax, Mumbai has issued Show cause cum Demand Notice (SCN) on 23rd April 2012 to Parent Company demanding service tax amount of ₹ 5.91 Lakhs on the charges recovered by Parent Company for wrong availment of Cenvat Credit on Group Mediclaim policy in respect of staff for FY 2007-08 to FY 2011-12. Order has been issued on 20th December, 2017 by Commissioner (Appeals)-I CGST& CX, Mumbai, allowing CENVAT credit of ₹ 5.91 Lakhs in companies favour.
- (iv) Claims against the Parent 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 ₹ 1,791 Lakhs on the charges recovered by Parent Company 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 4th October 2010 to Parent Company demanding service tax amount of ₹ 465 Lakhs on the charges recovered by Parent Company for providing “Depository services” to DPs and RTAs for the period 2009-10.
- (v) Claims against the Parent Company not acknowledged as debt : Income Tax  
Appeal pending with Commissioner of Income Tax (Appeals) for the AY 2011-12 amounting to ₹ 4.92 Lakhs.

### 31. Commitments

(₹ In Lakhs)

Particulars	As at	
	March 31, 2018	March 31, 2017
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	18.33	116.59
Intangible assets	355.00	34.34
(b) Other commitments	41.16	253.33

### 32. Segment information

The Managing Director (MD) and CEO of the Parent Company, has been identified as the chief operating decision maker (CODM) as defined by Indian Accounting Standard 108 “Operating Segments”. The CODM evaluates the Group’s performance, allocates resources based on analysis of the various performance indicators of the Group as a single unit.

The Group operates in three operating Segments namely Depository Services, Data Processing Services and Others. These are the reportable business segment as per Indian Accounting Standard 108 “Operating Segments”. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

(₹ In Lakhs)

Sr. No	Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
<b>I</b>	<b>Segment Revenue</b>		
	(a) Depository Activity	17,887.12	15,522.41
	(b) Data Processing Services	4,282.36	2,968.40
	(c) Others	514.60	271.64
	<b>Total</b>	<b>22,684.08</b>	<b>18,762.45</b>
	Less : Inter Segment Revenue	116.49	77.45
	<b>Total Income</b>	<b>22,567.59</b>	<b>18,685.00</b>
<b>II</b>	<b>Segment Results</b>		
	(a) Depository Activity	10,638.14	9,183.65
	(b) Data Processing Services	3,273.12	2,349.00
	(c) Others	230.52	123.81
	<b>Total</b>	<b>14,141.78</b>	<b>11,656.46</b>
	<b>Profit before taxation</b>	<b>14,141.78</b>	<b>11,656.46</b>
	Less : Provision for taxation	3,777.95	2,997.78
	<b>Profit after taxation</b>	<b>10,363.83</b>	<b>8,658.68</b>
		<b>As at</b>	<b>As at</b>
		<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>III</b>	<b>Segment assets</b>		
	(a) Depository Activity	46,650.34	43,908.02
	(b) Data Processing Services	11,834.08	9,309.53
	(c) Others	8,524.62	6,517.74
	(d) Unallocated	2,315.21	989.18
	<b>Total</b>	<b>69,324.55</b>	<b>60,724.47</b>
<b>IV</b>	<b>Segment liabilities</b>		
	(a) Depository Activity	6,117.87	5,113.35
	(b) Data Processing Services	437.46	125.66
	(c) Others	120.15	88.54
	(d) Unallocated	1,179.01	516.13
	<b>Total</b>	<b>7,854.49</b>	<b>5,843.68</b>
	<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>
		<b>March 31, 2018</b>	<b>March 31, 2017</b>
	<b>Property, plant and equipment and intangible assets</b>		
	<b>Acquired during the year</b>		
	(a) Depository Activity	7,663.82	478.24
	(b) Data Entry and Storage	32.42	23.08
	(c) Others	105.66	30.00
	(d) Unallocated	-	-
	<b>Total Segment property, plant and equipment and intangible assets acquired</b>	<b>7,801.90</b>	<b>531.32</b>
	<b>Depreciation and amortisation</b>		
	(a) Depository Activity	646.42	349.27
	(b) Data Entry and Storage	14.09	7.17
	(c) Others	34.05	13.98
	(d) Unallocated	-	-
	<b>Total Depreciation and amortisation</b>	<b>694.56</b>	<b>370.42</b>
	Unallocated Depreciation and amortisation	-	-
	<b>Total Depreciation and amortisation</b>	<b>694.56</b>	<b>370.42</b>



- 33.1. Information about services: Refer note 1.  
 33.2. Information about geographical areas: There is no revenue from external customers and non-current assets outside India.  
 33.3. Information about customers: No single external customer amounts to 10% or more of Company's revenue.

**34. Additional information to the financial statements**

**34.1 Expenditure in foreign currency:**

(₹ In Lakhs)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Travelling Expenses	21.15	25.15
Others	8.18	81.80

**34.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at	As at
	March 31, 2018	March 31, 2017
(a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day	-	-
(b) Interest due and payable for delay during the year	-	-
(c) Amount of interest accrued and unpaid as at year end	-	-
(d) The amount of further interest due and payable even in the succeeding year	-	-

**34.3 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013**

(₹ In Lakhs)

Name of the entity in the	March 31, 2018		March 31, 2017	
	Net assets, i.e., total assets minus total liabilities			
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent Company- Central Depository Services (India) Limited	68%	41,594.53	72%	39,517.26
CDSL Ventures Limited	18%	11,345.01	16%	8,924.89
CDSL Insurance Repository Limited	3%	1,913.95	3%	1,859.46
CDSL Commodity Repository Limited	8%	5,021.89	6%	3,030.50
Non-controlling Interest in subsidiary	3%	1,594.68	3%	1,548.68
<b>Total</b>	<b>100%</b>	<b>61,470.06</b>	<b>100%</b>	<b>54,880.79</b>

(₹ In Lakhs)

Name of the entity in the	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Share in profit or loss			
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent Company- Central Depository Services (India) Limited	74%	7,653.63	78%	6,709.60
CDSL Ventures Limited	24%	2,494.01	21%	1,801.60
CDSL Insurance Repository Limited	1%	78.57	1%	118.79
CDSL Commodity Repository Limited	1%	91.62	-1%	(51.73)
Non-controlling Interest in subsidiary	-	46.00	1%	80.42
<b>Total</b>	<b>100%</b>	<b>10,363.83</b>	<b>100%</b>	<b>8,658.68</b>

(₹ In Lakhs)

Name of the entity in the	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Share in Other Comprehensive Income			
	As % of consolidated net Other Comprehensive Income	Amount	As % of consolidated net Other Comprehensive Income	Amount
Parent Company- Central Depository Services (India) Limited	35%	(0.45)	94%	(31.34)
CDSL Ventures Limited	62%	(0.80)	6%	(2.05)
CDSL Insurance Repository Limited	3%	(0.05)	0%	0.04
CDSL Commodity Repository Limited	-	-	-	-
Non-controlling Interest in subsidiary	-	-	-	-
<b>Total</b>	<b>100%</b>	<b>(1.30)</b>	<b>100%</b>	<b>(33.35)</b>

(₹ In Lakhs)

Name of the entity in the	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Share in Total Comprehensive Income			
	As % of consolidated net Other Comprehensive Income	Amount	As % of consolidated net Other Comprehensive Income	Amount
Parent Company- Central Depository Services (India) Limited	74%	7,653.18	78%	6,678.25
CDSL Ventures Limited	24%	2,493.21	21%	1,799.55
CDSL Insurance Repository Limited	1%	78.52	1%	118.83
CDSL Commodity Repository Limited	1%	91.62	-1%	(51.73)
Non-controlling Interest in subsidiary	1%	46.00	1%	80.42
<b>Total</b>	<b>100%</b>	<b>10,362.53</b>	<b>100%</b>	<b>8,625.33</b>

### 35. Employee benefits

#### 35.1 Defined benefits plan – Gratuity

Gratuity is administered through Group Gratuity Scheme with Life Insurance Corporation of India (LIC). The LIC raises demand for annual contribution for gratuity amount based on its own computation without providing entire details as required by the Ind AS 19 “Employee Benefits”. Hence the Group obtains separate actuarial valuation report as required under Ind AS 19 “Employee Benefits” from an independent Actuary. The maximum amount as per these two valuation reports is recognised 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.

Such plan exposes the Group to actuarial risks such as: investment risk, interest rate risk, demographic risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan’s debt investments.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan’s liability.

The following table sets out the funded status of the Gratuity benefit scheme and the amount recognised in the Financial Statements as at March 31, 2018 and 2017.

	(₹ in Lakhs)	
Valuation Result as at	March 31, 2018	March 31, 2017
<b>Changes in present value of obligations (PVO)</b>		
PVO at beginning of year	230.89	167.67
Interest cost	15.11	12.20
Current Service Cost	22.78	16.86
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	33.03	-
Benefits Paid	(10.00)	(10.47)
Transfer in	-	-
Transfer out	-	-
Contributions by plan participants	-	-
Business Combinations	-	-
Curtailments	-	-
Settlements	-	-
Actuarial (Gain)/Loss on obligation	(14.76)	44.64
PVO at end of year	277.05	230.89
<b>Interest Expenses</b>		
Interest cost	15.11	12.20

(₹ in Lakhs)

<b>Valuation Result as at</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning	151.61	152.41
Interest Income	14.50	11.14
<b>Net Liability</b>		
PVO at beginning of year	230.89	167.67
Fair Value of the Assets at beginning report	151.61	152.41
Net Liability	79.27	15.27
<b>Net Interest</b>		
Interest Expenses	15.11	12.20
Interest Income	14.50	11.14
Net Interest	0.60	1.05
<b>Actual return on plan assets</b>	0.03	4.78
Less Interest income included above	14.50	11.14
Return on plan assets excluding interest income	(14.48)	(6.37)
<b>Actuarial (Gain)/loss on obligation</b>		
Due to Demographic Assumption	9.65	(4.12)
Due to Financial Assumption	(21.59)	0.19
Due to Experience	(2.83)	40.33
Total Actuarial (Gain)/Loss	(14.76)	44.64
<b>Fair Value of Plan Assets</b>		
Opening Fair Value of Plan Asset	151.61	152.41
Adjustment to Opening Fair Value of Plan Asset	70.18	2.53
Return on Plan Assets excl. interest income	(14.47)	(6.37)
Interest Income	14.50	11.14
Contributions by Employer	2.38	2.38
Contributions by Employee	-	-
Benefits Paid	(10.00)	(10.47)
Fair Value of Plan Assets at end	211.83	151.61
<b>Past Service Cost Recognised</b>		
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Average remaining future service till vesting of the benefit	33.03	-
Recognised Past service Cost- non vested benefits	-	-
Recognised Past service Cost- vested benefits	33.03	-
Unrecognised Past Service Cost- non vested benefits	-	-
<b>Amounts to be recognised in the Balance Sheet</b>		
PVO at end of year	277.05	230.89
Fair Value of Plan Assets at end of year	211.83	151.61
Funded Status	(65.22)	(79.27)
Net Asset/(Liability) recognised in the balance sheet	(65.22)	(79.27)

(₹ in Lakhs)

<b>Valuation Result as at</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Expense recognised in the profit or loss</b>		
Current Service Cost	22.78	23.79
Net Interest	0.60	1.05
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	33.03	-
Curtailment Effect	-	-
Settlement Effect	-	-
Expense recognised in the profit or loss	56.42	17.92
<b>Expense recognised in the Other Comprehensive Income (OCI)</b>		
Actuarial (Gain)/Loss recognised for the year	(14.76)	45.02
Asset limit effect	-	-
Return on Plan Assets excluding net interest	14.47	6.37
Unrecognised Actuarial (Gain)/Loss from previous year	-	-
Total Actuarial (Gain)/Loss recognised in (OCI)	(0.29)	51.00
<b>Movements in the Liability recognised in Balance Sheet</b>		
Opening Net Liability	79.27	15.27
Adjustment to opening balance	(70.18)	(2.53)
Expenses as above	56.42	17.92
Contribution paid	-	2.38
Other Comprehensive Income (OCI)	(0.29)	51.00
Closing Net Liability	65.22	79.77
Projected Service Cost March 31, 2018	22.79	22.79
<b>Asset Information</b>		
Cash and Cash Equivalents	-	-
Gratuity Fund (LIC)	100%	100%
Debt Security - Government Bond		
Equity Securities - Corporate debt securities	-	-
Other Insurance contracts	-	-
Property	-	-
<b>Total Itemised Assets</b>	<b>100%</b>	<b>100%</b>
<b>Assumptions as at</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Mortality		
Interest / Discount Rate	7.23 % to 7.63%	6.69%
Rate of increase in compensation	4.00%	4.00%
Annual increase in healthcare costs		
Future Changes in maximum state healthcare benefits		
Expected average remaining service (years)	13.36	19.53
Employee Attrition Rate (Past Service (PS))	PS: 0 to 42: 0% to 19.50%	PS: 0 to 42: 2.67% to 19.50%

### Sensitivity Analysis

(₹ in Lakhs)

	DR : Discount Rate		ER: Salary Escalation Rate	
	PVO DR+1%	PVO DR-1%	PVO ER+1%	PVO ER-1%
PVO	256.84	300.15	297.80	258.51

### Expected Payout

(₹ in Lakhs)

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten Years
PVO payouts	25.29	45.56	26.21	21.91	55.66	139.67

### Asset Liability Comparisons

(₹ in Lakhs)

Year	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
PVO at end of period	115.49	138.33	167.67	230.89	277.05
Plan assets	112.39	131.07	150.11	151.61	211.83
Surplus/ (Deficit)	(3.10)	(7.26)	15.83	(74.51)	(65.22)
Experience adjustments on plan assets	0.33	1.43	0.53	(6.36)	(14.47)

### 35.2 Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur. The Group recognises actuarial gains or losses immediately in the statement of profit and loss.

During the year ended March 31, 2018 an amount recognised as an expenses in respect of compensated leave absences is ₹ 24.17 Lakhs (Previous year ended March 31, 2017 is ₹ 56.32 Lakhs)

36. SEBI had issued Depositories and Participants (Amendment) Regulations, 2012 on September 11, 2012 (the "2012 Regulations"). According to the 2012 Regulations, depositories were required to establish and maintain an Investor Protection Fund (the "IPF") for the protection of interest of beneficial owners and every depository was required to credit 25% of its profits every year to the Investor Protection Fund. On January 21, 2016, SEBI has issued the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2016 (the "Amended Regulations"). According to these Amended Regulations, every depository shall credit 5% or such percentage as may be specified by the Board, of its profits from depository operations every year to the IPF. These Amended Regulations shall be deemed to have come into force from September 11, 2012.
37. From the year ended March 31, 2016 onwards, the Parent Company has determined the IPF contribution at 5% of profit from depository operation after making such contribution according to the Amended Regulations. The profit from depository operations has been determined by reducing the other income for the year from the Net profit before exceptional items and tax for the year after making such contribution. From FY 2012-13 to FY 2014-15 however, as per the 2012 Regulations, the Parent Company calculated

IPF contribution at 25% of the profits of the Parent Company before tax, available after making such contribution. The amount contributed to IPF determined over the reported period is as under:

**Table showing movement of IPF provision:**

(₹ in Lakhs)

Particular	For the year ended March 31, 2018	For the year ended March 31, 2017
Rate %	5	5
Opening provision	291.00	773.11
Add: Provision made during the year	408.39	459.75*
Less: Amount transferred to IPF Trust during the Year	291.00	941.86*
Closing Provision	408.39	291.00

\* During the year ended March 31, 2017, the Parent Company has also contributed a sum of ₹ 168.75 Lakhs being the interest income from investments to be contributed to the IPF pursuant to SEBI Circular SEBI/HO/MRD/DP/CIR/P/2016/58 dated June 07, 2016. Thus, the total contribution during the year ended March 31, 2017 amounts to ₹ 459.75 Lakhs.

38. SEBI vide its circular no. CIR/MRD/DP/18/2015 dated December 9, 2015 (the “Circular”) has revised the annual custody/issuer charges to be collected by the depositories from the issuers with effect from financial year 2015-16. With an objective of promoting financial inclusion and expanding the reach of depository services through depository participants (DPs) in tier II and tier III towns, the Circular recommends that the Depository Participants (DPs) be incentivised by way of two schemes. In the first scheme, the depositories shall pay the DPs an incentive of ₹ 100/- for every new Basic Services Demat Accounts (BSDA) opened by their participants in specified cities mentioned in the Circular. In the second scheme, the depositories may pay ₹ 2 per folio per ISIN to the respective depository participants (DPs), in respect of the ISIN positions held in BSDA across all BSDA accounts in the depository. In order to manage the aforementioned incentive schemes, the Circular has directed the Depositories to set aside 20% of the incremental revenue received from the issuers.

Pursuant to the Circular, the Company has set aside ₹ 307.03 Lakhs during the year ended March 31, 2018 (₹ 288.12 Lakhs during the year ended March 31, 2017) being 20% of the incremental revenue received from issuers during the respective years, towards the DP incentive scheme.

**Table showing movement of DP incentive provision:**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening provision	412.89	281.52
Provision for DP incentive made during the year	307.03	288.12
Amount paid	(188.41)	(156.75)
Closing provision	531.51	412.89

Signatures to Notes 1 to 38

**For and on behalf of the Board of Directors**

**T. S. Krishna Murthy**  
Chairman  
DIN: 00279767

**P. S. Reddy**  
Managing Director & CEO  
DIN: 01064530

**Amol Purandare**  
Company Secretary  
M No. A18078

**Bharat Sheth**  
Chief Financial Officer

Place : Mumbai  
Date : April 21, 2018



# NOTICE

CIN: L67120MH1997PLC112443

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

**NOTICE** is hereby given that the Twentieth Annual General Meeting of the Members of the **Central Depository Services (India) Limited** will be held on Monday, the 20<sup>th</sup> day of August, 2018 at 4.00 pm at Mini Theatre, 3rd Floor, P. L. Deshpande Maharashtra Kala Academy, Ravindra Natya Mandir, Near Shri Siddhivinayak Ganapati Mandir, Sayani Road, Prabhadevi, Mumbai – 400025 to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the year ended as on March 31, 2018 along with the reports of Board of Directors and Auditors thereon and in this connection to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2018 including the Audited Balance Sheet as at March 31, 2018 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon; and (b) the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2018 including the Audited consolidated Balance Sheet as at March 31, 2018 and consolidated Statement of Profit & Loss for the year ended on that date and the Report of the Auditors thereon along with all annexures as laid before this Annual General Meeting be and are hereby received, considered and adopted.”

2. To declare dividend on equity shares of the Company for FY 2017-18 and in this connection to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** a dividend at the rate of ₹ 3.50 per share on the equity capital of the company for the year ended March 31, 2018 be paid to those shareholders whose names appear on the register of members / register of beneficial owners, as the case may be, on the record date.”

3. To reappoint Shri C. Venkat Nageswar as Director liable to retire by rotation and in this connection to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to provisions of section 152 and other applicable provisions of the Companies Act, 2018, the approval of members of the Company be and is hereby accorded to the reappointment of Shri C. Venkat Nageswar (DIN 07234179) as a director.”

4. To appoint Statutory Auditors and fix their remuneration and in this connection, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** M/s. S. R. Batliboi & Co, LLP with Registration No. 301003E/E300005 who have offered themselves as eligible under section 139(1) and 141 of the Companies Act, 2013 for appointment as Statutory Auditors of the Company, be and are hereby appointed as statutory auditor, from the conclusion of the ensuing 20<sup>th</sup> Annual General Meeting till 24<sup>th</sup> Annual General Meeting, subject to ratification at every AGM, at remuneration of ₹ 16,00,000 as statutory audit fees and tax audit fees exclusive of applicable taxes and other out of pocket expenses, which shall be reimbursed at actuals with additional function of Reporting on Internal Financial Controls as required under section 143(3)(i) of the Companies Act, 2013.”

## SPECIAL BUSINESS:

5. **Appointment of Shareholder Director Shri K.V. Subramanian**

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

**“RESOLVED THAT** Shri K.V. Subramanian, who was appointed as an Additional Director on August 28, 2017 by the Board pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and whose appointment was approved by shareholders by way of Postal Ballot on December 21, 2017 and by SEBI on February

14, 2018 and whose term expires at the ensuing Annual General Meeting of the Company and for whose appointment the Company has received a notice under Section 160(1) of the said Act from a member proposing the candidature of Shri K.V. Subramanian for the office of a Director of the Company, be and is hereby appointed as a Director of the Company subject to retirement by rotation”.

**6. Approval for Re-appointment and remuneration of Shri P.S. Reddy as MD & CEO for 1 year w.e.f. April 1, 2018.**

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

**“RESOLVED THAT** upon recommendations of Nomination and Remuneration / Compensation Committee (“**NRCC**”) and approvals given by the Board of Directors of the Company and SEBI vide its letter dated March 28, 2018 for reappointment and remuneration of Shri P.S. Reddy as MD & CEO, the approval of the shareholders be and is hereby given, subject to the provisions of section 196, 197, 198 and 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, for the reappointment of Shri P. S. Reddy as the Managing Director and Chief Executive Officer of the Company for 1 year w.e.f. April 1, 2018.

**RESOLVED FURTHER THAT** his reappointment be approved on the following remuneration and will be subject to the following brief terms and conditions.

**Terms of Appointment:**

- i.** As the Managing Director & CEO, Shri P.S. Reddy shall, subject to the supervision, guidance and control of the Board of Directors, manage the business and affairs of the Company.
- ii. Salary:** His remuneration including Basic Salary, HRA, medical allowance, LTA,

employer’s PF contribution and gratuity to be fixed at ₹1,32,66,418/- as detailed below:

<b>Particulars</b>	<b>Amount (Rs.)</b>
Basic	6,02,555
HRA	3,01,278
MA	50,213
Gross	9,54,046
PF	72,307
Monthly total	10,26,353
Yearly total	1,23,16,235
LTA	6,02,555
Gratuity	3,47,628
CTC	1,32,66,418

**iii. Performance Linked Bonus (PLB) / variable pay:**

Performance Linked Bonus (PLB) / variable pay, if any, by whatever name called, as may be approved by the Board, be paid each year to Shri Reddy on the recommendation of Nomination and Remuneration/ Compensation Committee which shall be exclusive of the annual compensation as given above. Provided that the Board or the Committee, as the case may be, may fix the actual Variable Pay in each year depending upon his performance level at such amount and at such proportion as may be decided by the Board/ or NRC subject to condition that the final Variable Pay shall not exceed one-third of final Total Pay for the respective year as stipulated by SEBI. 50% of the amount so decided shall be payable on deferred basis after three years.

**iv. Perquisites:**

In addition to the above, MD & CEO shall be entitled to the following perquisites:

- a) Shri Reddy will also be eligible to get benefits like chauffer driven car maintained at the expenses of the Company.
- b) Company maintained landline at residence and mobile phone along with net connectivity as per the Company policy.

- c) Premium for mediclaim and PA policies at actuals as available to the employees, as per the Company's rules.

**v. Other terms and conditions:**

- a) Contribution to Provident and Pension Fund(s) as per the Employees Provident Funds & Miscellaneous Provision Act, 1952 and Company policy

Explanation: Contribution to Provident and Pension Fund(s) will not be included in the computation of the ceiling on remuneration payable to MD & CEO to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

- b) Gratuity at a rate not exceeding half month's Basic Salary for each completed year of service or part thereof in excess of six months with the Company. However, gratuity payable at a rate not exceeding half a month's Basic Salary for each completed year of service shall not be included in the computation of the ceiling on remuneration payable to MD & CEO.
- c) Leave with full pay and allowances as per the Company's Service Rules. Such leave will be permitted to be accumulated in accordance with the Company's Service Rules in force from time to time.
- d) Leave Encashment as per the Leave Rules of the Company. However, encashment of accumulated leave at the end of his tenure shall not be included in the computation of the ceiling on remuneration payable to MD & CEO.
- e) Leave travel Allowance at the rate of one month's Basic Salary.
- f) Any other payments which the Board or NRCC may decide to pay to the employees including working Directors in such manner and for such purpose as may be decided by the Board or the NRCC provided that such other payments payable to MD & CEO together with salary and other emoluments or its structure shall not exceed the limits prescribed under the Act/or any amendment thereto or re-enactment thereof or under SEBI Regulations.

- g) MD & CEO shall not be entitled to any sitting fees for attending meetings of the Board or any of its Committees.

- h) The total remuneration including performance linked bonus, if any, will be subject to the monetary ceiling prescribed under Companies Act, 2013.

- i) Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the appointee, the Company has no profit or its profits are inadequate, the Company may pay him, remuneration by way of salary, allowances and perquisites not exceeding the ceiling laid down in Schedule V and as may be decided by the Board of Directors of the Company.

- j) The appointment may be terminated at any time by either party giving to the other party three months' notice in writing of such termination or as may be decided by the Board.

**“RESOLVED FURTHER THAT** the amount and manner of payment of variable pay will be subject to guidelines issued by SEBI from time to time.”

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

**7. Approval for Investment in excess of limits stated in section 186 of the Companies Act, 2013.**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time (including any amendment thereto or re-enactment thereof for the time being in force), if any, the Memorandum of Association, Articles of Association, relevant provisions of such other Act as may be applicable, read with rules and regulations (to the extent applicable) the consent of the members of the Company be and is hereby accorded, to the Board of Directors

of the Company (hereinafter referred to as the "Board"), to invest surplus funds of the Company in the securities of the Body corporate in excess of 60% of aggregate paid up capital and free reserves or 100% of free reserves, whichever is higher or such other limits as may be prescribed under Section 186 of Companies Act, 2013 read with relevant rules from time to time subject to maximum investments in securities at any point of time not exceeding ₹1,200 crores.

**RESOLVED FURTHER THAT**, any Director of the Company or any person authorized by the

Board or any Committee formed by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution including filing of certified true copy of this resolution with the concerned Regulators and Authorities."

**By order of the Board of Directors  
For Central Depository Services (India) Ltd.**

**P.S. Reddy**

Managing Director & CEO  
DIN: 01064530

Place : Mumbai  
Date : July 18, 2018

**Registered Office**

Marathon Futurex, 25<sup>th</sup> Floor,  
A-Wing, Mafatlal Mills Compound,  
N.M Joshi Marg, Lower Parel, Mumbai.

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Explanatory Statement pursuant 102(1) of the Companies Act, 2013 in respect of Items No. 5 to 7 is annexed hereto.
3. All documents referred to in the Notice and Explanatory Statement are open for inspection at the registered office of the Company during business.
4. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
5. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. However a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
6. The Register of Members and Share Transfer Books of the Company will remain closed on August 13, 2018 in connection with the Annual General Meeting and for the purpose of payment of Dividend, if declared at the meeting.
7. The dividend, if declared, would be paid within thirty days from the date of declaration to Members whose names appear as beneficial owners with depositories or in the Register of Members as on August 13, 2018.
9. Subject to section 126 of the Companies Act, 2013 the dividend as recommended by the Board, if approved at the Annual General Meeting, will be paid to those members whose names appear on the Company's Register of Members/Register of Beneficial Owners, as the case may be, on the record date.
10. The register of directors, key managerial personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the register of contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be

available for inspection by the members at the meeting.

11. In order to provide protection against fraudulent encashment of dividend warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information which will be used by the Company for dividend payments:

- i. Name of Sole/First joint holder and folio no.
- ii. Particulars of Bank Account viz:
  - Name of the Bank, Name of Branch, Branch code
  - Complete address of the Bank with Pin Code Number
  - Account type, whether Saving Bank (SB) or Current Account (CA)
  - Bank Account number allotted by the Bank

12. In case of Shareholders holding shares in electronic form, Bank account details provided by the Depository Participants (DPs) will be used by the Company for printing dividend warrants. Shareholders who wish to change bank accounts may advise their DPs about such change with complete details of Bank Account including MICR Code.

13. Members are requested to intimate the Registrar and Transfer Agent, Link Intime India Private Limited, 247 Park, C-101, L.B.S. Marg, Vikhroli (West), Mumbai 400083, immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in dematerialised form.

14. Members holding share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant share certificates to the registrar and share Transfer Agent of the Company.

15. Section 20 of the Companies Act, 2013 permits service of documents on members by a Company through electronic mode. Accordingly, as a part of the green Initiative, electronic copy of the Annual Report for FY 2017-18 is being sent to

all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purpose unless any member has requested for a physical copy of the same. Further in terms of SEBI Circular No. CIR/CFD/DIL/7/2011 dated 05.10.2011 and Regulation 36 of the Securities and exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, the physical copies of Annual Report is being sent through permitted mode to all other members who have not registered their email address(es). Members may also note that the Annual Report for FY 2017-18 will also be available on the Company's website [www.cdslindia.com](http://www.cdslindia.com)

16. In compliance with the provision of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members have been provided with the facility to cast their vote electronically through the e-Voting services provided by Link Intime India Pvt. Ltd., on all resolutions set forth in this Notice. The facility for voting through electronic voting polling paper would also be made available at the meeting and the members attending the Meeting who have not cast their vote by e-Voting shall be able to vote at the Meeting.

17. The members who have cast their vote by e-Voting may also attend the Meeting but shall not be entitled to cast their vote again.

18. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to Link Intime India Private Limited a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.

19. Members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

20. Members / proxies / authorised representatives are requested to bring duly filled in attendance slip along with their copy of Annual Report to the Meeting.



### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:

#### **ITEM NO. 5: Appointment of Shareholder Director Shri K.V. Subramanian**

The Board of Directors had appointed Shri K.V. Subramanian as an Additional Director of the Company on February 14, 2018 under Section 161(1) of the Companies Act, 2013. As per resolution and Postal ballot his term of office as Director expires at the Twentieth Annual General Meeting of the Company. In the meantime, the Company has received a notice under Section 160 of the Companies Act, 2013 from a member of the Company proposing the candidature of Shri K.V. Subramanian for the office of Director. The Board recommends appointment of Shri K.V. Subramanian as a Director.

Except Shri K.V. Subramanian, none of the Directors of the Company is deemed to be concerned or interested in the above resolution.

The Board recommends that the proposed Ordinary Resolution be passed by the shareholders.

#### **ITEM NO. 6: Approval for Re-appointment and remuneration of Shri P.S. Reddy as MD & CEO for 1 year w.e.f. April 1, 2018.**

On the recommendation of the Nomination and Remuneration/Compensation Committee, the Board of directors of CDSL approved reappointment of Shri P.S. Reddy as MD & CEO for a period of five years w.e.f. April 1, 2018 subject to SEBI's approval. On an application made to SEBI on January 23, 2018, SEBI vide its letter dated March 28, 2018 gave its approval for reappointment of Shri P.S. Reddy as MD & CEO for 1 year w.e.f. April 1, 2018. In the said letter SEBI had advised the Company to devise a policy for appointment and reappointment of MD & CEO taking into consideration the specific recommendations in the Gandhi Committee report with regard to appointment and re-appointment of MD & CEO. Further, SEBI advised us to send the duly approved Nomination and Remuneration policy on or before May 30, 2018 for them to review and approve the policy. SEBI also informed in the said letter that the Gandhi Committee has recommended that MD & CEO may be re-appointment for a second term after doing a rigorous performance review and post the second

term, the selection process will have to be conducted afresh. Accordingly, a revised Nomination and Remuneration policy was drafted and placed before the Board for its review and approval taking into account recommendations of Gandhi Committee and was forwarded to SEBI. The Company has complied with the requirements of said letter.

Except Shri P.S. Reddy, none of the Directors of the Company is deemed to be concerned or interested in the above resolution.

The Board recommends that the proposed Ordinary Resolution be passed by the shareholders.

#### **ITEM NO. 7: Approval for Investment in excess of limits stated in section 186 of the Companies Act, 2013.**

The Company, with the approval of the Board, invests, in the ordinary course of business, surplus funds of the Company in securities such as units of mutual funds, bonds, Government securities and bank fixed deposits etc. within the framework of investment policy approved by the Board and reviewed by Finance and Investment Committee. Whilst investment in units of mutual funds managed by Trusts are exempted from the provisions of section 186 of the Companies Act, 2013, certain investments in units of mutual funds managed by body corporates fall within the purview of section 186 of the Companies Act, 2013. The powers of the Board to invest in securities is restricted upto 60% of aggregate paid up capital and free reserves or 100% of free reserves, whichever is higher. Any investment beyond the aforesaid limit would need prior approval of the shareholders of the Company by way of Special Resolution.

The value of investments in securities which the Company invests exceed the aforesaid limits prescribed under the Act/Rules and accordingly approval of the Members is being sought by way of Special Resolution subject to maximum investments in securities at any point of time of not exceeding ₹1200 crores.

The Board recommends that the proposed Special Resolution be passed by the shareholders.

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

**By order of the Board of Directors  
For Central Depository Services (India) Ltd.**

**P.S. Reddy**

Managing Director & CEO  
DIN: 01064530

Place : Mumbai  
Date : July 18, 2018

**Registered Office**

Marathon Futurex, 25<sup>th</sup> Floor,  
A-Wing, Mafatlal Mills Compound,  
N.M Joshi Marg, Lower Parel, Mumbai.

**Information to be provided to Shareholders under Reg. 36 of the Securities Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 in case of the directors who are appointed / re-appointed is as given below:**

**Shri Venkat Nageswar Chalasani**

Shri Venkat, currently Deputy Managing Director (Global Markets) of State Bank of India, has over 32 years' experience covering different aspects of banking and currently oversees the treasury portfolio of India's largest bank, with significant exposure to various market segments including FX, money markets, equities and investments.

He has worked in various positions both in India and abroad, including postings in Bahrain, Bangalore and most recently Hong Kong, where he held the role of Regional Head (East Asia).

Shri Venkat is a director on the boards of several companies and industry associations, has been a part of various RBI Committees, and appears in print.

He is on the Board of CDSL as a shareholder director since June 28, 2016. He is not related to any other director of the Company. He has expertise in banking, treasury and exposure in various market segments including FX, money markets, equities and investments. He doesn't hold any shares in the Company.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Name of Companies in which the person holds directorship</b>	<b>Membership of Committees</b>
	Shri C Venkat Nageswar	1. Infrastructure Leasing and Financial Services Ltd	NIL
		2. Fixed Income Money Market and Derivatives Association of India (FIMMDA)	NIL
		3. Oman India Joint Investment Fund- Management Company Private Limited	NIL
		4. The Clearing Corporation of India Limited	NIL
		5. Macquarie SBI Infrastructure Management Pte Limited	NIL
		6. SBI-SG Global Securities Services Pvt Ltd	NIL

**Shri K.V. Subramanian**

Shri K.V. Subramanian is Head – Strategy, Process & Governance for Standard Chartered Bank, India. He has over 28 years of banking experience having joined ANZ Grindlays Bank in 1989 as a Management Trainee in the Capital Markets division. In 1992 he moved to TAIB Bank, Bahrain to set up the India Investment desk for the Bank and was also responsible for their proprietary equity and debt business. In 1996 he moved back to ANZ Grindlays Bank, India to run the Debt Capital Markets Sales business. Post the merger of SCB and ANZ Grindlays, he ran the Institutional Sales business for South Asia and from 2006 to 2011 was MD & Regional Head Capital Markets for South Asia. He has been responsible for leading some of the large Capital Market transactions for SCB from India.

From 2011 to till recently he was Managing Director and Head Financial Markets and a Member of the Country Management Group at Standard Chartered Bank, Indonesia. Shri K.V. Subramanian has a Master's Degree in Management and a Bachelor's Degree in Mechanical Engineering.



He is having expertise in banking, equity and debt business. He is not related to any other director of the Company. He doesn't hold any shares in the Company.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Name of Companies in which the person holds directorship</b>	<b>Membership of Committees</b>
	Shri K.V. Subramanian	1. Standard Chartered Investments and Loans (India) Ltd.	NIL
		2. St. Helen's Nominees India Pvt. Ltd	NIL
		3. Standard Chartered (India) Modeling and Analytics Centre Pvt Ltd	NIL
		4. Standard Chartered Private Equity Advisory (India) Pvt. Ltd	NIL
		5. Standard Chartered Finance Private Limited	NIL
		6. Standard Chartered Securities (India) Limited	NIL

### Shri P.S. Reddy

Shri P. S. Reddy joined Central Depository Services (India) Limited (CDSL) in November, 2006 as Chief Operating Officer and had been elevated to the position of Executive Director (Whole-Time Director) in 2009 and further elevated to Managing Director & CEO in April, 2012. Prior to joining CDSL, Mr. Reddy worked in BSE Ltd. for about eighteen years looking after various functions such as Listing, Surveillance, Inspection, Investor Relations, General Administration, Security, HRD, etc. Prior to joining BSE, for about a year and a half, he worked as a Research Assistant in Gokhale Institute of Politics & Economics, Pune.

Shri Reddy is a Director of CDSL Ventures Ltd. (CVL) - A wholly owned subsidiary of CDSL, the first and largest KYC Registration Agency (KRA) with over 140 lakh KYC records fully digitized. Mr. Reddy is a Member on various Committees of Securities and Exchange Board of India (SEBI) (Indian Securities Market Regulator) from time to time such as Secondary Market Advisory Committee (SMAC), Corporate Bonds & Securitization Advisory Committee (CoBoSAC), etc. He is also a Member on the National Council for Capital Markets of Confederation of Indian Industry (CII), The Associated Chambers of Commerce and Industry of India (ASSOCHAM), etc.

Mr. Reddy obtained Post Graduate degree in Economics from Central University of Hyderabad. He has been awarded Junior Research Fellowship of the UGC (university Grants Commission). He has also successfully completed Depository Operations Certification Examination Conducted by NISM (National Institute of Securities Market).

Further, he has attended Continuing Studies Capital Markets Training Program organized by Bernard M. Baruch College of The City University of New York. He has also been awarded a certificate of successful participation after passing the examinations for the courses on i) Regulation of Environmental Law, ii) The Law and Economics of Property Law and iii) Competition and Regulation from Law and Economics Perspective conducted by Institute of Law and Economics, Hamburg / Germany and Centre for Advanced Studies in Law and Economics, Ghent / Belgium and co-organized by Indira Gandhi Institute of Development Research, Mumbai along with National Law School of India University, Bangalore and University of Hyderabad under Asia Link Project "Human Resource Development in Law and Economics for India and Europe"

He is having expertise in Business Administration and Management. He is not related to any other director of the Company. He doesn't hold any shares in the Company.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Name of Companies in which the person holds directorship</b>	<b>Membership of Committees</b>
	Shri P.S. Reddy	1. CDSL Ventures Ltd.	NIL
		2. CDSL Commodity Repository Limited	NIL

### Instructions for shareholders to vote electronically:

Remote e-Voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by Link Intime India Private Limited (LIPL) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-Voting).

The remote e-Voting period commences on August 17, 2018 (9.00 a.m IST) and ends on August 19, 2018 (5 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 13, 2018, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. August 13, 2018.

#### Members are requested to take following steps:

1. Visit the e-Voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on “Login” tab, available under ‘Shareholders’ section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on “SUBMIT”.
4. Your User ID details are given below:
  - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
  - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No. 180089 + Folio Number registered with the Company
5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

<b>For Shareholders voting for the 1<sup>st</sup> time (holding shares in Demat Form or Physical Form)</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</li> </ul>
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> <li>• Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction 4.</li> </ul>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholder is having valid email address, password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-Voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

6. After successful login, you will be able to see the notification for e-Voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
7. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting. Cast your vote by selecting appropriate option i.e. Favour/Against as desired.  
Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.
8. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
9. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

● **General Guidelines for shareholders:**

- In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-Voting i.e., August 13, 2018, he/she may vote in the manner as mentioned at Sr. no. 5.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’.  
They are also required to upload a scanned certified true copy of the board resolution / authority letter/ power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-Voting, please click here or you may refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in) or Call us :- Tel : 022 - 49186000.
- Voting at AGM: The Members, who have not cast their vote through Remote e-Voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system shall be made available at the Meeting. Members who have already cast their votes by Remote e-Voting are eligible to attend the Meeting, however these Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-Voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-Voting shall prevail and vote at the AGM shall be treated as invalid.

# ROUTE MAP OF AGM





**Central Depository Services (India) Limited**

Regd. Office: Marathon Futurex, 25<sup>th</sup> floor, A-Wing, Mafatlal Mills Compound,  
N.M Joshi Marg, Lower Parel, Mumbai 400013.  
CIN: L67120MH1997PLC112443  
Tel: 91-22-23023333 Website: www.cdslindia.com

**Proxy Form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) rules, 2014- Form No. MGT-11]

**20<sup>th</sup> ANNUAL GENERAL MEETING-20<sup>th</sup> AUGUST, 2018**

Name of the member(s)

Registered Address

Registered email address

Folio no./ Client ID

DP ID

I/ We, being the member(s) of .....shares of the above named company, hereby appoint

Name:.....Email:.....

Address:.....

.....Signature:..... Or failing him/ her

Name:.....Email:.....

Address:.....

.....Signature:..... Or failing him/ her

Name:.....Email:.....

Address:.....

.....Signature:.....

As my / our proxy to attend and vote (on a poll) for me / us and on my/ our behalf at the 20<sup>th</sup> Annual general Meeting of the Company, to be held on Monday, 20<sup>th</sup> August, 2018 at 4.00 p.m. at Mini Theatre, 3<sup>rd</sup> Floor, P. L. Deshpande Maharashtra Kala Academy, Ravindra Natya Mandir, Near Shri Siddhivinayak Ganapati Mandir, Sayani Road, Prabhadevi, Mumbai – 400025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolution	Vote (Optional, see Note 2) [Please put a (✓) mark or please mention no. of shares]		
		For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1	Adoption of Financial Statements and the Reports of the Board of Directors and Auditors for the year ended as on 31 <sup>st</sup> March, 2018			
2	To declare dividend on equity shares of the Company for FY 2017-18			
3	To reappoint Shri C. Venkat Nageswar as Director liable to retire by rotation			
4	To appoint Statutory Auditors and fix their remuneration			
<b>SPECIAL BUSINESS</b>				
1	Appointment of Shareholder Director Shri K.V. Subramanian			
2	Approval for Re-appointment and remuneration of Shri P.S. Reddy as MD & CEO for 1 year w.e.f. 1 <sup>st</sup> April, 2018			
3	Approval for Investment in excess of limits stated in section 186 of the Companies Act, 2013			

Signed this ..... day of ..... 2018

.....  
Signature of shareholder

.....  
Signature of Proxy holder(s)

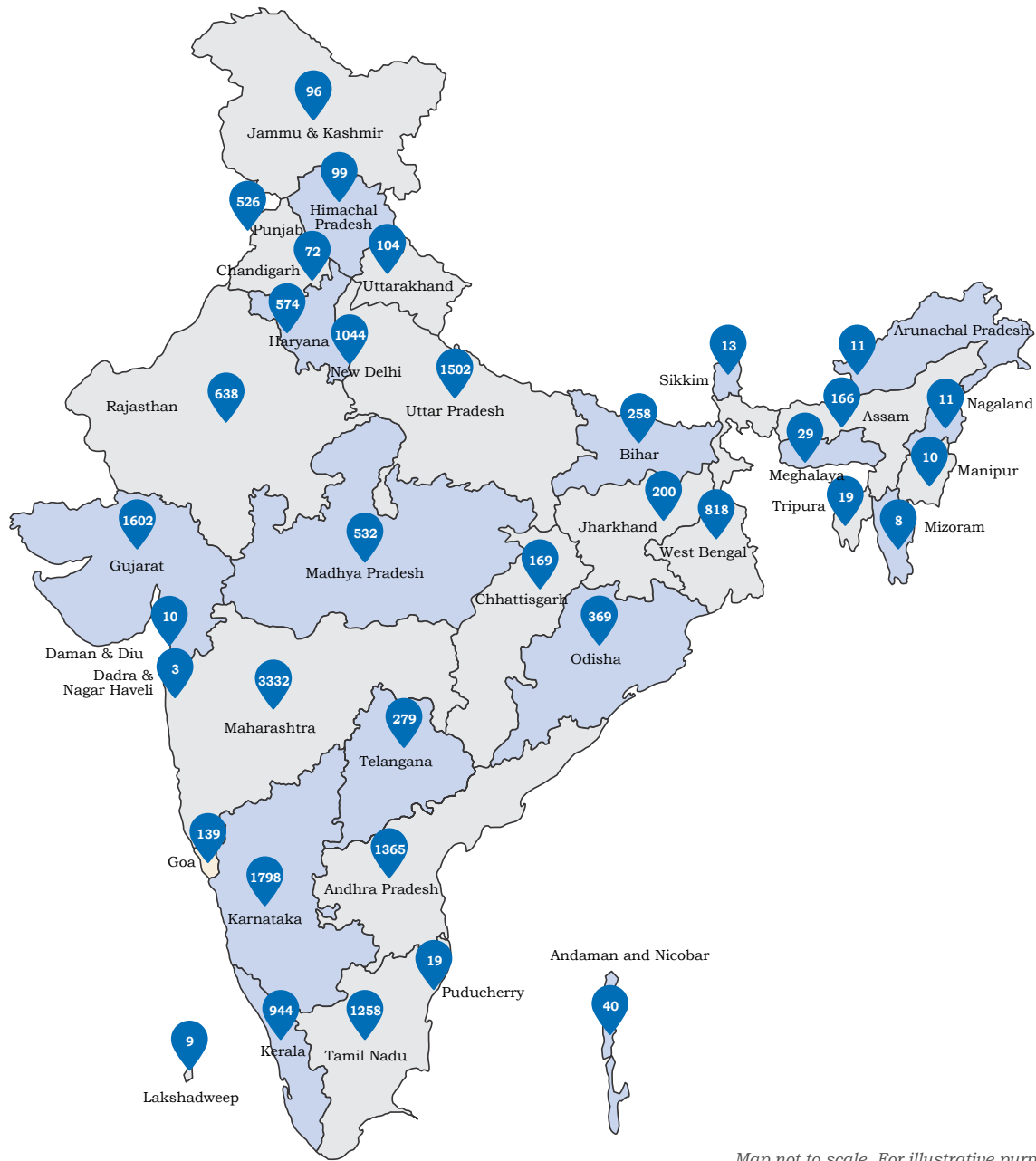
Affix a Revenue stamp of ₹.1/-
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**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the “for” or “against” column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/ she may deemed appropriate.



# NETWORK OF CDSL DPs & SERVICE CENTRES



Map not to scale. For illustrative purposes only.

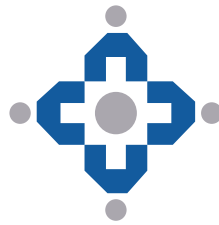
**TOTAL DPs: 594 | TOTAL SERVICE CENTRES: 17,473\***

State	Service Centres
Andaman And Nicobar	40
Andhra Pradesh	1363
Arunachal Pradesh	11
Assam	166
Bihar	258
Chandigarh	68
Chhattisgarh	167
Dadra and Nagar Haveli	3
Daman and Diu	9
Delhi	979
Goa	139

State	Service Centres
Gujarat	1542
Haryana	564
Himachal Pradesh	99
Jammu and Kashmir	96
Jharkhand	199
Karnataka	1785
Kerala	926
Lakshadweep	9
Madhya Pradesh	519
Maharashtra	3066
Manipur	10
Meghalaya	29

State	Service Centres
Mizoram	8
Nagaland	11
Odisha	369
Puducherry	19
Punjab	522
Rajasthan	621
Sikkim	13
Tamil Nadu	1233
Telangana	262
Tripura	19
Uttar Pradesh	1479
Uttarakhand	103
West Bengal	766

\*One service centre in Dubai



## Central Depository Services (India) Ltd.

A-Wing, Marathon Futurex, 25th Floor,  
Mafatlal Mills Compound, N.M. Joshi Marg,  
Lower Parel (E), Mumbai - 400 013  
Ph.: 022-2302 3333 Fax: 022-2300 2043

### CDSL Regional Offices

#### Ahmedabad

Mr. Utpal Shah  
203/204, Abhishree Avenue,  
2nd Floor, Near Nehru Nagar Circle,  
S. M. Road, Ambawadi,  
Ahmedabad - 380 015, Gujarat  
Phone: 079 - 32936232  
Mobile: (0) 9327691723  
Email : utpals@cdslindia.com

#### Bengaluru

Mr. C. S. Harisha  
No. 34 & 35, Annapurna Complex,  
South End Road, Basavanagudi,  
Bengaluru - 560 004  
Mobile: 09902103263  
Email: csharisha@cdslindia.com

#### Chennai

Mr. A. R. Vaasudevan  
BSE Investor Services Centre  
Imperial A-Towers,  
8th Floor, 610, Anna Salai, Teynampet,  
Near Teynampet Metro Station,  
Chennai - 600 018  
Mobile: (0) 9381995000  
Email: vasudevan@cdslindia.com

#### Hyderabad

Mr. Shiva Prasad Venishetty  
Flat No. 302, Mari Gold Pavani  
Estate, Dwarakapuri Colony,  
Punjagutta,  
Hyderabad - 500 082  
Andhra Pradesh  
Phone: 040-48510926  
Mobile: (0) 9347033350  
Email: shivap@cdslindia.com

#### Jaipur

Mr. Yashwant Gupta  
Jaipur Stock Exchange Building,  
Ground Floor,  
J. L. N. Marg, Malviya Nagar,  
Jaipur - 302 017 Rajasthan  
Mobile: (0) 9314647826  
Email: yashwantg@cdslindia.com

#### Kochi

Mr. Shibunath T.  
BSE Investor Service Centre,  
Sree Lakshmi Tower,  
2nd Floor, Ravipuram Road,  
Ravipuram, Ernakulam,  
Kerala - 680 016  
Mobile: (0) 9895449539  
Email: shibunath@cdslindia.com

#### Kolkata

Mr. Molyb Biswas  
Unit No. - A1 (II) & A1 (III),  
Block-A, 1st Floor,  
22 Camac Street,  
(Abanindranath Thakur Sarani),  
Kolkata - 700 016, West Bengal  
Phone: (0) 8820274880  
Email: molyb@cdslindia.com

#### Ludhiana

Mr. Inderjeet Singh Panchhi  
214, Ludhiana Stock Exchange  
Building, Feroze Gandhi Market,  
Ludhiana - 141 001, Punjab  
Mobile: (0) 9872603304  
Email: Inderjitp@cdslindia.com

#### New Delhi

Mr. Prateek Mohan  
101, 1st Floor,  
Aggarwal Corporate Tower,  
Plot No. 23, District Centre,  
Rajendra Place,  
New Delhi - 110 008  
Mobile: (0) 9811504775  
Email: prateekm@cdslindia.com

#### Pune

Ms. Ashwini Thorat  
Office No. 15, 1st floor, Global  
Trade Centre, 1/1, Rambaug  
Colony, (above HDFC Bank)  
L. B. S. Marg, Navi Peth,  
Pune - 411 030  
Phone: 020 - 24321762  
Mobile: (0) 8805775959  
Email: ashwinit@cdslindia.com

#### Kanpur

Mr. Devesh Dhar Dubey  
Pedam Towers - II, 14/113,  
Cabin No. 369, 3rd Floor,  
Civil Lines, Kanpur Nagar,  
Kanpur - 208 001,  
Uttar Pradesh  
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Email: deveshd@cdslindia.com

#### Indore

Mr. Krishna Gupta  
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7/1, New Palasia,  
Indore - 452 001,  
Madhya Pradesh  
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