Central Depository Services (India) Limited

August 21, 2019

The Manager,
Listing Compliance Department,
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051

Dear Sir / Madam,

Sub: (a) Notice of the 21st Annual General Meeting and Annual Report for the Financial Year 2018-19.
(b) Cut-off date for the purpose of determining the members eligible to vote
(c) Record date for determining the members eligible to receive dividend for the financial year 2018-19

Ref: Regulation 30, 34 and 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform that the 21st Annual General Meeting of the members of the Company will be held on Tuesday, September 17, 2019 at 03:30 p.m. IST at Walchand Hirachand Hall, IMC Chamber of Commerce and Industry, 4th Floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400020.

Pursuant to Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Notice of the 21st Annual General Meeting along with the Annual Report for the financial year 2018-19 of the Company.

The Annual Report including the Notice is being uploaded on the Company's website: www.cdslindia.com.

The Company has fixed Tuesday, 10th September, 2019 as the "Cut-Off Date" for determining the members eligible to vote on all resolutions set out in the Notice.

Central Depository Services (India) Ltd. MUMBAI

Regd. Office : Marathon Futurex, A Wing, 25th Floor,
Mafatlal Mills Compound, N M Joshi Marg, Lower Parel (E), Mumbai - 400 013.
Phone : 91-22-2302 3333 • Fax : 91-22-2300 2036 • CIN : L67120MH1997PLC112443
Website : www.cdslindia.com

The remote e-voting period shall commence on Saturday, 14th September, 2019 (09:00 A.M. IST) and end on Monday, 16th September, 2019 (05:00 P.M. IST)

Pursuant to Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has fixed Tuesday, 10th September, 2019 as the Record date for the purpose of determining the members eligible to receive dividend for the financial year 2018-19. The dividend, if approved by the Members, shall be paid within 30 days from the conclusion of the Annual General Meeting

This is for your information and record.

Thanking You

Yours Faithfully,
For **Central Depository Services (India) Limited**

Lalitmohan Sharma
Vice-President Legal & Company Secretary

Encl: as above

ANNUAL REPORT 2018-2019

Central Depository Services (India) Limited

WELCOME TO THE WORLD OF CDSL SERVICES!

Depository Services

e-Voting
Cast your votes online on company resolutions

e-Notices
e-mail of various communications to Shareholders

electronic warehouse receipts (eNWRs)

KYC Registration Agency (KRA)

e-Kyc
electronic KYC facility.

GSP
GST Suvidha Provider

NAD
National Academic Depository

e-Insurance Account
to hold insurance policies in electronic form

CDSL
www.cdslindia.com
www.evotingindia.com

CVL
www.cvlkra.com
www.cvl.nad.co.in

CIRL
www.cirl.co.in

CCRL
www.ccrl.co.in

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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.

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, 2019, we had 597 DPs servicing across 29 states and 7 union territories including one overseas centres
   - The number of service centres grew from 16,764 in FY 2015-16 to 19,460 in FY 2018-19
   - Our BO accounts grew at a CAGR of 19% from 1.08 crore in FY 2015-16 to 1.74 crore in FY 2018-19
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, 2019, we held over 1.88 crore capital market investor records under CVL, the first KYC Registration Agency (KRA)
   - As of March 31, 2019, we had opened approximately 5 lakhs active e-Insurance accounts, holding more than 2,36,000 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

- The Union Finance Minister of India, Mr. Yashwant Sinha flagged off the Company operations
- Commenced the settlement of trades in demat mode through BOI Shareholding Limited, the clearing house of BSE

2002

- Launched our internet facility "easi" (electronic access to securities information)
- Commenced online inter-depository transfer, enabling on-line transfer of securities between both the depositories any time during the specified business hours

2004

- Launched our internet facility "easiest" (electronic access to securities information and execution of secured transaction)

2005

- Number of active demat accounts crossed 1 million
- Number of companies admitted for demat crossed 5,000

2006

- Awarded the BS7799 certification from Det Norske Veritas (Rotterdam)
- CDSL Ventures, our wholly-owned subsidiary, was incorporated
- Awarded the ISO 27001 from Det Norske Veritas (Rotterdam)
- CDSL Ventures began "Customer profiling and Record Keeping" of the KYC of investors for mutual funds

2007

- Signed an MoU with the Depository Trust & Clearing Corporation of New York ("DTCC"), designed to build a closer working relationship and facilitate exchange of Information
- Signed an MoU with the Korea Securities Depository ("KSD"), aimed at promoting development of financial services industries in India and Korea
- Launched SMS Alert facility called "SMART" (SMS Alerts Related to Transactions)

2008

- Number of active demat accounts touched 4.5 million
- Signed an MoU with Japan Securities Depository Center, Inc. ("JASDEC") of Tokyo, designed to build a cooperative relationship
- 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
- Signed an MoU with Taiwan Depository & 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
- 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

2009

- Honourable Minister for Corporate Affairs of India, Mr. Salman Khurshid launched our e-voting platform
- 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

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)
- CDSL Ventures Ltd, started RTA services for Issuers

CORPORATE OVERVIEW-10 YEARS FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS - STANDALONE (AS ON MARCH 31, 2019)

(₹ in Lakhs)

	As per IGAAP						As per Ind AS			
P & L account	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Income from Operations	8121.17	8538.48	7825.91	7535.53	7543.93	8564.28	10173.65	12161.89	15083.17	15234.12
Other Income	2017.36	1670.62	2398.38	2912.97	3001.03	1955.36	3139.24	3360.52	2803.95	3612.88
Total Income	**10138.53**	**10209.10**	**10224.29**	**10448.50**	**10544.96**	**10519.64**	**13312.89**	**15522.41**	**17887.12**	**18847.00**
Total Expenditure	**3396.59**	**3354.73**	**3318.83**	**5069.74**	**5466.15**	**5749.87**	**5514.27**	**6338.76**	**7248.98**	**7881.05**
PBDIT	**7289.92**	**7396.38**	**7259.48**	**5563.60**	**5461.55**	**5260.14**	**8142.09**	**9532.92**	**11284.56**	**11791.46**
Exceptional / Extraordinary Items			(266.77)	(72.27)	85.16	168.81	3310.40			
Profit Before Tax	**6741.94**	**6854.37**	**6638.70**	**5306.49**	**5163.97**	**4938.58**	**11109.02**	**9183.65**	**10638.14**	**10965.95**
Total Tax expenses	1990.04	2050.54	1892.98	1196.52	1023.69	1464.88	3424.25	2398.59	2869.44	2528.22
Profit for the year	**4751.90**	**4803.83**	**4745.72**	**4109.97**	**4140.28**	**3473.70**	**7684.77**	**6785.06**	**7768.70**	**8437.73**
Other Comprehensive income	-	-	-	-	-	-	(5.13)	(31.34)	(0.45)	0.57
Total Comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**7679.64**	**6753.72**	**7768.25**	**8438.30**
Share Capital	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00
Reserves & Surplus	12638.76	15985.15	18909.09	20573.87	22268.95	22975.61	32170.12	35779.49	39774.53	43803.35
Net worth	**23088.76**	**26435.15**	**29359.09**	**31023.87**	**32718.95**	**33425.61**	**42620.12**	**46229.49**	**50224.53**	**54253.35**
Earning Per Share (₹)	4.55	4.60	4.54	3.93	3.96	3.32	7.35	6.49	7.43	8.07
Book Value Per Share (₹)	22.09	25.30	28.09	29.69	31.31	31.99	40.78	44.24	48.06	51.92
Return on Average Net Worth (%)	22%	19%	17%	14%	13%	11%	19%	15%	16%	16%

CORPORATE INFORMATION

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

(CIN:L67120MH1997PLC112443)

Board of Directors
Public Interest Directors

Shri Bontha Prasada Rao DIN: 01705080 (Former Chairman and Managing Director of Bharat Heavy Electricals Limited)	Public Interest Director
Shri Balkrishna Vinayak Chaubal DIN:06497832 (Former Deputy Managing Director-State Bank of India) *Appointed w.e.f. 30.07.2019*	Public Interest Director

Shareholder Directors

Shri Nehal Naleen Vora DIN:02769054 (Chief Regulatory Officer, BSE Ltd.)	Shareholder Nominee Director
Shri Nayan Chandrakant Mehta DIN:03320139 (Chief Financial Officer, BSE Ltd.)	Shareholder Nominee Director

Management Team

Shri Joydeep Dutta	Executive Director and Chief Technology Officer
Shri Bharat Sheth	Chief Financial Officer
Smt. Nayana Ovalekar	Chief Operating Officer - Operations & Admission Cell
Shri Sunil Alvares	Executive Vice President - New Projects & On deputation to subsidiary as COO
Shri Ramkumar Krishnan	Executive Vice President - On deputation to subsidiaries as COO
Shri Lalitmohan Sharma	Vice President-Legal & Company Secretary

Shri Gaurang Shah	Vice President - Finance & Accounts
Shri Farokh Patel	Vice President - Audit, Inspection & Compliance
Shri Prithwijit Dinda	Vice President - Information Technology
Shri Vishwas Nagle	Vice President - Information Technology
Shri S.V.A.N. Acharyulu	Vice President - Information Technology
Shri Jitendra Panchal	Vice President - Information Technology
Shri Bhupendra Patel	Vice President - Information Technology
Shri Nitin Ambure	Vice President - Operations
Shri Yogesh Kundnani	Vice President - Business Development
Smt. Sunanda Markande	Vice President - New Projects

Bankers

ICICI Bank
Free Press House,
215 Nariman Point,
Mumbai -400 021

Auditors

S. R. Batliboi & Co. LLP
Chartered Accountants
12th Floor, The Ruby,
29, Senapati Bapat Marg,
Dadar (West),
Mumbai - 400 028

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

Registered Office

Marathon Futurex, 25th 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

Central Depository Services (India) Limited:
www.cdslindia.com

CDSL Ventures Limited
www.cvlindia.com

CDSL Insurance Repository Limited
www.cirl.co.in

CDSL Commodity Repository Limited
www.ccrl.co.in

BOARD OF DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty-first Annual Report, along with Audited Statement of Accounts of your Company for the year ended 31st March, 2019. The operational income of the Company has marginally increased from ₹15,083.17 Lakhs to ₹ 15,234.12 Lakhs, resulting in an increase of total income from ₹ 17,887.12 Lakhs to ₹ 18,847.00 Lakhs.

Financial Highlights

Particulars	**Year ended 31st March, 2019 (₹ in Lakhs)**	**Year ended 31st March, 2018** (₹ in Lakhs)
Income from Operations	15,234.12	15,083.17
Other Income	3,612.88	2,803.95
Total Income	**18,847.00**	**17,887.12**
Expenditure	6,687.89	6,194.17
Profit before Depreciation and Taxation	**12159.11**	**11,692.95**
Depreciation	825.51	646.42
Profit before contribution to IPF & Tax	**11,333.60**	**11,046.53**
Contribution to IPF	367.65	408.39
Profit Before Tax	**10,965.95**	**10,638.14**
Provision for Taxation	2,510.00	2,962.40
Provision for Deferred Tax for the year	18.22	(92.96)
Profit after Tax	**8,437.73**	**7,768.70**
Other Comprehensive Income (Net of Tax)	0.57	(0.45)
Total Comprehensive Income	**8,438.30**	**7,768.25**
Balance brought forward	38,679.60	34,684.56
Profit available for appropriation	**47,117.90**	**42,452.81**
Dividend	3,657.50	3,135.00
Dividend Distribution Tax (including surcharge and education cess)	751.98	638.21
Surplus carried to Balance Sheet	**42,708.42**	**38,679.60**

The income from Operations comprising of Transaction charges, Annual Issuers Charges, Account Maintenance Charges, Settlement Charges, Corporate Action Charges, etc. during the year 2018-19 increased from ₹ 15,083.17 Lakhs to ₹ 15,234.12 Lakhs, recording an increase of 1% over the year 2017-18.Pursuant to regulation 73 of the SEBI (Depositories & Participants) Regulations, 2018, transfer of ₹ 367.65 Lakhs is made to Investor Protection Fund (IPF). After contribution to Investor Protection Fund, Profit before Tax (PBT) for the year ended 31st March, 2019 is ₹ 10,965.95 Lakhs as against ₹ 10,638.14 Lakhs of previous year. Similarly, Profit after Tax (PAT) is at ₹ 8,437.73 Lakhs as against ₹ 7,768.70 Lakhs. Thus, Profit before Tax & Profit after Tax for the year ended 31st March, 2019 has increased by 3% and 9% respectively over the previous year.

Highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company during the financial year 2018-19

Financial performance of CDSL subsidiaries for the year ended March 31, 2019

₹ in Lakhs

	CDSL Ventures Limited	CDSL Insurance Repository Limited	CDSL Commodity Repository Limited
Total Income	4,999.01	275.87	455.94
Total Expenses	1,426.92	88.42	360.73
PBT	3,572.09	187.45	95.21
PAT	2,733.29	199.31	112.30
Contribution to Overall CDSL PAT %	**24%**	**1%**	**1%**

Dividend

Considering the performance of the Company for the year under review, your Directors have recommended a dividend of ₹ 4/- (Rupees Four only) per share (40%) for the year ended 31st March, 2019.

Share Capital and Shareholding

As on 31st March, 2019 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 31st March, 2019, out of 10,45,00,000 shares, 10,44,99,590 shares are in demat mode and 410 shares are in physical mode.

The Capital Market Environment

During FY 2018-19, BSE-30 Sensex opened at 33,255 on 2nd April, 2018 and touched a high of 38,896 in August 2018 and thereafter closed at 38,672 on 29th March, 2019.

According to International Monetary Fund, India's growth forecast for FY 2019-20 is projected at 7.5% based on strengthening of investment and robust private consumption. India's economy is poised to pick up in 2019, benefiting from lower oil prices and a slower pace of monetary tightening than previously expected, as inflation pressures ease. India's GDP is expected to grow at 7.3 per cent in the fiscal year 2018-19, and 7.5 per cent in the following two years, the World Bank has forecast, attributing it to an upswing in consumption and investment. The bank said India will continue to be the fastest growing major economy in the world.

As per Prime Database, 42 public issues have raised ₹ 36,405 crores in FY 2018-19 as compared to 81 public issues mobilizing ₹ 98,984 crores in FY 2017-18. In contrast to the sluggish sentiment in the equity markets, public bonds saw renewed momentum, with 26 issues raising Rs 36,715 crore — marking a five year high. The amount mobilised in FY 2018-19 was seven times higher than the Rs 5,167 crore raised FY 2017-18.

Operational Highlights

The markets witnessed diverse magnitude of volatility and growth levels based on global and domestic scenario and investor participation. Despite several challenges including the liquidity crisis in the domestic non-banking financial companies (NBFCs), global trade tensions and high international crude oil prices, the Indian markets have performed reasonably well during the financial year 2018-19. The digitization of various processes has helped to have easier access to stock markets and depository services. This has resulted in record increase in opening of demat accounts. 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 dematerialization by the investors.

Details of the securities admitted with CDSL are given below:

Securities	Year ended 31st March 2019	Year ended 31st March 2018	(%) change over the previous year
Equity Shares	12049	9938	21.24
Debt Instruments	8207	8503	-3.48
Other Securities	23880	22257	7.29
Total	**44136**	**40698**	**8.45**

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 31st March 2019	Year ended 31st March, 2018	Increase over the previous year (%)
Value (in million ₹)	20,796,934	19,839,810	4.82
Volume (in million)	362,030	283,920	27.51

Depository Participants and Service Centers

As on 31st March, 2019, 597 depository participants held valid registration certificates of Securities and Exchange Board of India (SEBI) as compared to 594 valid SEBI registrations as on 31st March 2018. During the year, new registrations were received for 28 DPs and registrations of 25 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 19,359 DP service centers spread across India.

Beneficial Owner Accounts

During the year under review, 29.30 Lakh Beneficial Owner (BO) accounts were added, taking the total number of such accounts to 223.35 Lakhs with the net BO accounts at 173.86 Lakhs as on 31st March, 2019. The comparative figures of gross and net BO accounts as on 31st March, 2018 and 31st March, 2019 are given in the following table:

Year ended 31st March 2019	Year ended 31st March, 2018	Increase over the previous year's cumulative figure	
		Number	Percentage (%)
(Gross) 22,335,222	(Gross) 19,404,479	2,930,743	15.10
(Net) 17,386,276	(Net) 14,840,058	2,546,218	17.15

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 Investor Protection Fund (IPF) has conducted more than 450 Investor Awareness Programs (IAPs) in this year. Out of these more than 330 programs were 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 focussed 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 2018-2019, your Company has won the following awards:

Award	Category	Organizer
Innovative CIO Award	CIO	BitStreamMediaworks Pvt. Ltd. (BSM)
Express Security Strategist Award	Information Security	Indian Express
Infosec Maestros Award	Information Security	BitStreamMediaworksPvt Ltd.
Big CIO 100 award	IT Leadership	Trescon
Big 50 BFSI Innovator award	Technology innovation	Trescon
IDC Insight Award	Excellence in operations	IDC
BFSI Digital Innovation Award	Enterprise Application	Indian Express

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

a. 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. CDSL also released online facility to IEPF Authority to process requests received for Refund of shares to the Holder of the shares whose shares were earlier transferred to IEPF Authority Account. Various MIS reports are being provided to the IEPF Authority and the RTAs.

b. A system for monitoring of foreign investment limits in listed companies.

c. To bring more flexibility in the existing process, CDSL in coordination with NSCCL developed and released a functionality wherein NSE CMs can now create a pledge in favor of NSCCL for Collateral and / or Margin purpose from their designated 'Collateral Account(s)' maintained with any DP of CDSL to the designated account of NSCCL as a pledgee maintained with NSCCL. This facility is in addition to the existing mechanism to pledge the securities through demat account maintained with the approved custodians.

d. Development of CDSL Online Application System for admission of unlisted companies wherein Issuers and also Registrar and Transfer Agents (RTAs) can log in and facilitate the admission process of unlisted companies in CDSL. The Online Application System provides a convenient, dependable and secure mode of admission of unlisted companies in CDSL. Through this system, unlisted companies and RTAs who wish to admit securities for dematerialization in CDSL can electronically provide all the required information to CDSL and also upload digitally signed documents in the system. On submission of digitally signed documents, the Issuer / RTA need not submit physical documents to CDSL

Transaction Cum Holding Statements

As of 31st March, 2019 210 Depository Participants (DPs) have availed of the service of dispatch of transaction cum holding statements (DOTS and e-DOTS). In 2018-19, CDSL has processed 19.77 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 of over 23,888 bonds issued in demat form by over 2,806 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 has data of about 9,172 ISINs for primary market issuances and about 9,379 ISINs pertaining to secondary market being traded in the stock exchanges.

Technology Initiatives:

As a part of continual upgradation process, CDSL has migrated its interface provided to BO/CM(easi/Easiest) to latest .net technology and now is in the process of migration DP /RTA interface to .net platform. CDSL has also upgraded it database version to latest one. Further considering growth over next 5 years, CDSL has procured and deployed new reporting servers at Main and DR site. CDSL always benchmarks its practices against ISO standards and accordingly has undergone periodic audit for ISO 27001 conducted by DNV and is recommended for continuity of certificate. Further CDSL has also undergone recertification audit for ISO 22301:2012 (Business Continuity Management System) and has been recommended for Certification with validity of 3 years. CDSL's e-Voting services has also undergone re-certification audit for ISO 9001:2015 certification and has been recertified for period of 3 years.

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 47 programs for 778 participants during the year.

CVL's National Academic Depository(C-NAD)

National Academic Depository (NAD) is a Digital Depository of Academic Awards (X & XII Certificates, Diplomas, Degrees, Marksheets, Transcripts, etc.). The Government of India, Ministry of Human Resources Department (MHRD) has designated University Grants Commission (UGC) as the authorised body for implementation of NAD.

As on 31st March, 2019 NAD has over 521 Academic Institutions (Universities/Boards, etc.), 1,04,88,960 Academic Awards, 2,70,000 plus Students and 114 Verifying entities as compared to 277 Academic Institutions, 29,08,721 Academic Awards, 23,000 plus Students and 100 Verifying entities in last financial year.

e-Voting

As on 31st March, 2019, 5,441 companies have signed agreements with CDSL to conduct e-Voting. So far the e-Voting system recorded 21,380 instances of voting carried out by 4,757 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 31st March, 2019, a total of 349 companies have signed for availing this services.

Corporate Social Responsibility (CSR)

The Board has framed a CSR Policy in compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. In accordance with its CSR philosophy and the specified activities under the Act, the CSR activities of the Company has thrust areas including eradicating extreme hunger and poverty; promotion of education; promoting gender equality and empowering women; reducing child mortality and improving maternal health; combating human immuno deficiency virus, acquired immune deficiency syndrome, malaria and other diseases; ensuring environmental sustainability; employment enhancing vocational skills; social business projects; contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women. Your Company has constituted a robust and transparent governance structure to oversee the implementation of its CSR Policy.

The Corporate Social Responsibility Policy can be accessed on website of the Company www.cdslindia.com.

The Company has been actively associated with various NGOs in providing various facilities involving Capital expenditure for a sustainable impact of CSR activities.During the FY 2018-19, your Company has sponsored various projects and the report on CSR activities pursuant to section 135 and Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in (\ **(Annexure A)**

Risk Management Policy

The risk management policy identifying the various elements of risk is explained in detail in the Management Discussion and Analysis Report attached as **(Annexure G)**. The Risk Management Policy of your Company can be accessed on the website of the Company www.cdslindia.com.

Change in the Nature of Business

The Company has not undergone any changes in the nature of the business during the Financial Year 2018-19.

Material changes affecting the financial position which have occurred between the end of the financial year and the date of the report.

No material changes affecting the financial position have occurred between the end of the financial year and the date of the report.

Prevention of Money Laundering Act

The Prevention of Money Laundering Act, 2002 (PMLA) has been brought into force with effect from 1st July, 2005. Subsequent amendments were made to the PMLA Act 2002 and Prevention of Money-laundering (Maintenance of Records) Rules 2005 vide SEBI circular CIR/MIRSD/1/2014 dated 12th March, 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 conducted training programs across the country and updated depository participants and their internal auditors on compliance with PMLA provisions and filing of Suspicious Transaction Reports

Details of Subsidiary Companies

Your Company has following subsidiary Companies as on 31st March, 2019

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. C KYC Processing
3. eSign (electronic signature based on aadhaar number)
4. Claim registry for life insurance companies that offer Pradhan Mantri Jeevan JyotiBimaYojana (PMJJBY)
5. GST Suvidha Provider Services
6. RTA Activity
7. Certifying Authority
8. PACL Project

- **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 IRDAI has extended the scope of services to Health insurance policies and Motor insurance policies. As on 31st March, 2019 the repository has opened upwards of 5-Lakh e-Insurance Accounts (e-IA) in which it holds about 2.28 lakhs life insurance policies, about 7,798 Health insurance policies and 136 Motor insurance policies in electronic form. CDSL IR had tied up with twenty-two life insurance companies, four health insurance companies and eighteen general insurance companies for holding policies in electronic form.

- **CDSL Commodity Repository Limited (CCRL):**

  Your Company has floated a 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. Warehousing Development and Regulatory Authority (WRDA) is the regulator for CCRL. CCRL received the certificate of commencement of business / registration from WDRA on September 26, 2017 and commenced operations from September 30, 2017. Multi Commodity Exchange of India Ltd. (MCX) and BSE Investments Ltd. have each taken up 24% of the stake in CCRL in May 2018 and August, 2018 respectively.

  During the year, the Board of Directors of the Company reviewed the affairs of its subsidiaries. In accordance with section 129 (3) of the Companies Act, 2013, your Company has prepared the consolidated financial statements of the Company and of all its subsidiaries companies in the same form and manner as that of its own and in accordance with applicable accounting standards, which forms part of this annual report. Further a separate 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 all other related documents and information of the Company and separate audited accounts in respect of each of the subsidiary are available on our website 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.

Deposits

Your Company has not accepted any deposits within the meaning of Section 73 & 76 of the Companies Act, 2013 and the Rules made thereunder. There are no deposits remaining unpaid or unclaimed as at the end of the year and there has been no default in repayment of deposits or payment of interest thereon during the year.

Details of Deposits not in Compliance with the Requirements of the Act

Since the Company has not accepted any deposits during the Financial Year ended on March 31, 2019, there has been no non-compliance with the requirements of the Companies Act, 2013.

Directors and KMPs

The SEBI (Depositories and Participants) Regulations, 2018 were notified on 3rd October, 2018. As per regulation 25 of SEBI (Depositories and Participants) Regulations, 2018, the appointment and re-appointment of all Shareholder Directors on the board of depository shall be with the prior approval of SEBI. The Public Interest Directors on the board shall be nominated by SEBI. As per Regulation 24(9) of the SEBI (Depositories and Participants) Regulations, 2018 no depository participant or their associates and agents, irrespective of the depository of which they are members shall be on the governing board of the depository.

During the year under review, Shri Venkat Nageswar Chalasani, Shareholder Director nominated by State Bank of India,has vide his letter no. GM/ECM/2018-19 dated 10th January, 2019 tendered his resignation as a Director from the Governing Board of the Company w.e.f. 10.01.2019.

Shri Kumarapuram Venkateswaran Subramanian, a Shareholder Director nominated by Standard Chartered Bank has vide his letter dated 28th January, 2019 tendered his resignation as a Director from the Board of the Company.

The term of Shri Taruvai Subbayya Krishna Murthy, Chairman and Public Interest Director of the Company has expired with effect from close of business hours on March 29, 2019.

The term of Shri P. S. Reddy, Managing Director & Chief Executive Officer of CDSL expired with effect from close of business hours on March 31, 2019. Consequent to the completion of his term as Managing Director, Shri P. S. Reddy tendered his resignation as Director w.e.f. March 31, 2019.

The Board has placed on record its appreciation for the valuable services rendered by Shri Venkat Nageswar Chalasani, Shri Kumarapuram Venkateswaran Subramanian, Shri Taruvai Subbayya Krishna Murthy and Shri P.S. Reddy 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.The independent director have submitted declarations that they meet the criteria of independence as provided in clause (b) of sub-regulation (1) of regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge their duties with an objective independent judgment and without any external influence. The board of directors have taken on record the declaration and confirmation submitted by the independent director after undertaking due assessment of the veracity of the same.

As per the provisions of Section 152(6) (d) of the Companies Act, 2013, Shri Nayan Mehta, the Shareholder Director liable to retire by rotation and being eligible offered himself to be reappointed was considered for being re-appointed as Directors at the ensuing Annual General Meeting. A brief resume of Shri Nayan Mehta is enclosed as **(Annexure C)**

During the year under report Shri Amol Purandare, AVP-Legal and Company Secretary and Compliance Officer resigned w.e.f. 26th June, 2018 and Shri Lalit Sharma was appointed as VP-Legal and Company Secretary and Compliance Officer w.e.f. 27th October, 2018.

Nomination & Remuneration Policy for Directors

The Nomination & Remuneration Policy was approved by SEBI on December 6, 2018 and the same can be accessed on website of the Company www.cdslindia.com.

In compliance with the requirements set out under Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Depositories and Participants) Regulations, 2018, the Nomination and Remuneration Policy has been framed in

order to set our principles, parameters and governance framework of the appointment and remuneration for Shareholder Directors, Public Interest Directors, Managing Director & CEO and Key Managerial Personnel of the Company. The Policy encompasses the various factors laid down under Section 178(4) of the Companies Act, 2013 including the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to Directors and Key Managerial Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. The Policy also includes the criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178.

Statutory Auditors & Audit Report

M/s. S. R. Batliboi & Co. LLP (Firm Registration No. 301003E/E300005), Chartered Accountants, Mumbai were appointed as Statutory Auditors of the Company in the Twentieth Annual General Meeting held on August 20, 2018 to hold office from the conclusion of the 20th Annual General Meeting till the conclusion of the 25th Annual General Meeting. Accordingly, M/s. S. R. Batliboi & Co. LLP are the Statutory Auditors of the Company for the financial year 2018-19 and shall continue as Statutory Auditors of the Company till the conclusion of the 25th Annual General Meeting.

There are no qualifications, reservations or adverse remarks or disclaimer made by M/s. S. R. Batliboi& Co. LLP, Chartered Accountants, Mumbai, Statutory Auditors in their report. There are no frauds reported by auditors under sub-section (12) of section 143 of the Companies Act, 2013.

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. Ray & Ray, (Firm Registration No. 301072E), Chartered Accountants as Internal Auditors & Concurrent Auditors of the Company for the FY 2018-19.

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. Ragini Choksi & Company (C.P.No.1436/ Membership No. 2390), Practicing Company Secretaries,Mumbai we reappointed as Secretarial Auditor of the Company for the FY 2018-19.In accordance with Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018, a copy of the secretarial audit report issued in form MR-3 by M/s. Ragini Choksi & Company, Secretarial Auditors is enclosed as an **(Annexure D)** to this report. The secretarial audit report of CDSL Ventures Limited, a material unlisted subsidiary of the Company issued in form MR-3 by M/s. Ragini Choks i & Company, Secretarial Auditors also forms part of **(Annexure D)** to this report.

There are no qualifications, reservations or adverse remarks or disclaimer made by M/s. Ragini Choksi & Company, Practicing Company Secretaries, Mumbai, in their report.

Related party transactions:

All related party transactions entered during the financial year 2018-19 were in the ordinary course of business and on an arm's length basis.

Disclosure of related party transactions pursuant to section 134 (3) (h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in form AOC 2 are attached as **(Annexure E)**

The Disclosures of Related Party Disclosures for annual results pursuant to clause 2 of para A of Schedule 5 of the SEBI (LODR) Regulations, 2015 are stated below:

Sr.	Particulars					
1.	**In the Accounts of Central Depository Services (India) Limited (CDSL) (Holding Company)**					
	Loans and advances in the nature of loans to subsidiaries by name and amount.		Loans and advances in the nature of loans to associates by name and amount.		Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount.	
	Subsidiary Name	Amount (₹ Lakhs)	Associate Name	Amount (₹ Lakhs)	Companies where directors are interested	Amount (₹ Lakhs)
	CDSL Ventures Limited	NIL	Not applicable	NIL	Not applicable	NIL
	CDSL Insurance Repository Limited	NIL				
	CDSL Commodity Repository Limited	NIL				
2	In the Accounts of Central Depository Services (India) Limited (CDSL) (Subsidiary Company)					
	Loans and advances in the nature of loans to subsidiaries by name and amount.		Loans and advances in the nature of loans to associates by name and amount.		Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount.	
	Subsidiary Name	Amount (₹ Lakhs)	Associate Name	Amount (₹ Lakhs)	Companies where directors are interested	Amount (₹ Lakhs)
	Not applicable	NIL	Not applicable	NIL	Not applicable	NIL
3	In the Accounts of Central Depository Services (India) Limited (CDSL) (Holding Company)					
	Investments by the loanee in the shares of parent Company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.					NIL

The Disclosures of transactions of the Company with any person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results pursuant to clause 2A of para A of Schedule 5 of the SEBI (LODR) Regulations, 2015 are stated below:

Particulars	As at 31.03.2019 (₹ Lakhs)	As at 31.03.2018 (₹ Lakhs)
BSE Limited		
Rendering of services	107.12	384.69
Receiving of services	1.42	240.83
License agreements-Rent and Maintenance	67.47	173.63
Dividend Paid	877.80	1,568.94
Loans and advances – opening deposit received	72.77	-

Particulars	As at 31.03.2019 (₹ Lakhs)	As at 31.03.2018 (₹ Lakhs)
Balances outstanding at the end of the year		
Trade receivables	12.31	24.66
Loans and advances-Deposits given	-	72.77

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	As at 31.03.2019 (₹ Lakhs)	As at 31.03.2018 (₹ Lakhs)
Earnings	**Nil**	**Nil**
Travel expenses	**63.40**	**19.25**
Others	**12.15**	**8.18**
Total	**75.55**	**27.43**

Cost Records

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly such accounts and records are neither made nor maintained.

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.

Corporate Governance Report

As per Regulation 31(1) the SEBI (Depositories and Participants) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for the listed companies mutatis mutandis are applicable to the depository.

The Corporate Governance Report for the year ended 31st March, 2019 is enclosed as **(Annexure F)**

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year ended 31st March, 2019is enclosed as **(Annexure G)**

Board Evaluation

The Board of Directors of the Company carried out annual evaluation of its own performance, committees of the Board and individual Directors pursuant to various provisions under the Act, Regulation 17, 19 and Schedule II of the Listing Regulations and based on the SEBI circular dated January 5, 2017 which provides further clarity on the process of board evaluation ("SEBI Guidance Note").

The Company has implemented a policy of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects.

Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:

Observations of Board evaluation carried out for the year

No observations.

Previous year's observations and actions taken

Since no observations were received, no actions were taken.

Proposed actions based on current year observations

Since no observations were received, no actions were required.

The procedure followed for the performance evaluation of the Board, Committees and individual Directors is explained in the Corporate Governance Report enclosed as **(Annexure F)**

Disclosures under SEBI (Depository and Participants) Regulations, 2018

The relevant disclosures required to be made under the provisions of the SEBI (Depository and Participants) Regulations, 2018, circulars, notifications etc. applicable to a Depository have been made in the Corporate Governance Report enclosed as **(Annexure F)**

Report by Internal Complaints Committee

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The 'Internal Complaints Committee' 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 recognizes 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.

Annual Return

In accordance with provisions of section 134(3)(a) of the Companies Act, 2013, the Annual Return referred to in sub-section (3) of section 92 will be placed on the website of the Company www.cdslindia.com.

Extract of Annual Return

Pursuant to section 92 (3) of the Companies Act, 2013 the extract of the annual return to be in Form MGT-9 is enclosed to this report as **(Annexure I)**

Corporate Policies

The details of the policies approved and adopted by the Board are mentioned in the Corporate Governance Report enclosed as **(Annexure F)**

Adequacy of internal financial controls

The details in respect of adequacy of internal financial controls with reference to the Financial Statements forms part of the Management Discussion and Analysis Report enclosed as **(Annexure G)**

Audit Committee Recommendations

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

Secretarial Standards

The Company complies with the applicable Secretarial Standards issued by the 'Institute of Company Secretaries of India'.

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, 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

Bontha Prasada Rao
Director
(DIN:01705080)

Rajender Mohan Malla
Director
(DIN:00136657)

Place : Mumbai
Date :3rd May, 2019

ANNEXURE A

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. The CSR Committee decided to identify Trusts / NGOs which carry out CSR activities and which have experience and expertise in implementing CSR projects.
3. The average of the Net Profit of the Company for last three financial years: ₹10310.27 Lakhs
4. Prescribed CSR expenditure: ₹206.21 Lakhs (two per cent of the amount in item 3 above)
5. Details of CSR spent during the Financial Year
   a. Total amount to be spent for the financial year: ₹453.59 Lakhs (inclusive of amount unspent of previous year ₹247.38 Lakhs)
   b. Amount Unspent: ₹390.64 Lakhs
   c. The manner in which the amount spent during the financial year is detailed below:

Sr. No	CSR Project or activity identified	Sector in which the project is covered	State where projects or program was undertaken	Amount outlay in Lakhs	Amount (₹ in Lakhs) spent on the projects or programs	Cumulative Expenditure up to the reporting period ₹ in Lakhs	Amount Spent Direct or through implementing agency
1	Association of Parents of Mentally Retarded Children, Mumbai - ADHAR	Trust	Maharashtra		12.58	12.58	Direct
2	Sustainable Innovation Trust of India. Akash ganga Project.	Trust	Rajasthan		5.00	5.00	Direct
3	Ramakrishna Math, Belur Math, Howrah, West Bengal under their project "Gadadhar Sishu Vikas Kendra (non-formal School from KG (kindergarten) to IV (fourth) standard)	Trust	Howrah, West Bengal		35.37	35.37	Direct
4	Kerala Chief Minister Flood Relief Fund	Kerala Government.	Kerala		5.00	5.00	Direct
5	Tamil Nadu Chief Minister Public Relief Fund	Tamil Nadu Government.	Tamil Nadu		5.00	5.00	Direct
	Total				**62.95**	**62.95**	

6. Your Company has spent ₹12.58 Lakhs (Rupees Twelve Lakhs Fifty Eight Thousand Only) final funding of construction of one new dormitory for 50 male mentally retarded residents with G.I roof, new multipurpose hall as the existing multipurpose hall is very small and the existing multipurpose hall to Adhar, Belapur.

7. Your Company has spent ₹35.37 Lakhs (Rupees Thirty five Lakhs Thirty Seven Thousand only) funding of Ramakrishna Math, Bara Nagar, Kolkatta for their Belur Math, Howrah, West Bengal under their project "Gadadhar Sishu Vikas Kendra's (non-formal School from KG (kindergarten) to IV (fourth) standard) 262 students.

8. Your Company has spent ₹5.00 Lakhs (Rupees Five Lakhs only) for construing Grah Tankas in Sanwlod, Block Buhana, district Jhunhhunu, Rajasthan for rain water harvesting under Sustainable Innovation Trust's Akash Ganga project.'

9. Your Company has spent ₹5.00 Lakhs (Rupees Five Lakhs only) contributed to Kerala Chief Minister Flood Relief Fund, for floods in Kerala during August 2018.

10. Your Company has spent ₹5.00 Lakhs (Rupees Five Lakhs only) contributed to Tamil Nadu Chief Minister Public Relief Fund, for Cyclone Gaja during November 2018

11. Currently, the following project is identified for financial assistance.

    i) Bal Ashram Trust, Papdi Village, Virat Nagar, Jaipur (Dt.) Rajasthan, towards construction Boundary wall Construction for Shelter homes for trafficked children, Solar Bio Gas Plant & Rain Water Harvesting, Water Tank and Electric Auto Rickshaw.

12. During FY 2018-19, besides other CSR spends, your Company had approved a Capital expenditure of ₹ 406 Lakhs towards construction of Autism Centre consisting ground + 5 floors, Interior of the Building, Equipment for School and Vocational Centre (100 students), Equipment for Research and Resource Development Unit and Equipment for Respite Care Unit (15 people at any time) at New Panvel. At the time of entering MOU, the Donee informed CDSL that they have another corporate donor who is willing to provide funding for their Capital expenditure and their operating expenditure for at least one year. Hence, they will be accepting them as partners of the project. Due to unacceptability by the Done at the last moment, your Company was unable to spend the full CSR amounts available for FY 2018-19.

13. Your Company is in the process of identifying more projects.

    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.

For and on behalf of the Board

Bharat Sheth
EVP & CFO

Rajender Mohan Malla
Director

Bontha Prasada Rao
Chairman of the CSR Committee

Place : Mumbai
Date :3rd May, 2019

ANNEXURE B

FORM AOC-1

(Pursuant to first provison 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 ₹)

1	Sl.No.	1	2	3
2	Name of the subsidiary	**CDSL Ventures Limited**	**CDSL Insurance Repository Limited**	**CDSL Commodity Repository Limited**
3	The date since when subsidiary was acquired	25th September, 2006	12th July, 2011	7th March, 2017
4	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	1st April, 2018 to 31st March, 2019	1st April, 2018 to 31st March, 2019	1st April, 2018 to 31st March, 2019
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	5,00,00,000	30,00,00,000	50,00,00,000
7	Reserves and surplus	1,36,75,91,000	7,07,66,000	1,34,23,000
8	Total assets	1,46,50,54,000	37,74,92,000	51,93,70,000
9	Total Liabilities	4,74,63,000	67,26,000	59,47,000
10	Investments	1,15,91,27,000	23,86,77,000	34,31,98,000
11	Turnover	49,99,01,000	2,75,87,000	4,55,94,000
12	Profit before taxation	35,72,09,000	1,87,45,000	95,21,000
13	Provision for taxation	8,38,80,000	(11,86,000)	(17,09,000)
14	Profit after taxation	27,33,29,000	1,99,31,000	1,12,30,000
15	Proposed Dividend	NIL	NIL	NIL
16	Extent of shareholding (in percentage)	100%	51% (Direct holding) & 3.25% (through Subsidiaries)	52%

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

Part B Associates and JointVentures

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

Name of Associates or Joint Ventures		Name 1	Name 2	Name 3
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.	Net worth 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 Nayan Chandrakant Mehta

Director Identification Number	03320139
Date of Birth	31.03.1967

(a) Brief Resume of the director:

Shri Nayan Mehta is the Chief Financial Officer of BSE Ltd. He has extensive experience of over 27 years in financial and securities market, especially in Exchange and its ecosystem businesses. Prior to joining BSE, Shri Nayan Mehta has worked with National Stock Exchange of India Ltd. (NSE), Multi Commodity Exchange of India Ltd. (MCX) and Credit Analysis & Research Ltd. (CARE Ratings). He was instrumental in setting up accounting and investment processes and controls at NSE. As Chief Financial Officer of the MCX, in addition to overseeing finance, treasury and taxation, he handled various strategic issues relating to eco-system ventures of its group companies. Shri Nayan Mehta is a member of Executive Management Committee and other committees of BSE Ltd. He is also a Director and a member in various committee of BSE's subsidiaries and associate companies. He serves as the Senior Vice Chairman on the Executive Board of South Asian Federation of Exchanges (SAFE). He was also a Member of the Qualified Audit Review Committee of Securities & Exchange Board of India (SEBI) and Committee on Financial Markets and Investors' Protection of the Institute of Chartered Accountants of India (ICAI). Shri Nayan Mehta is a Chartered Accountant and a Cost & Management Accountant by qualification.

(b) Nature of his expertise in specific functional areas;

Finance, Taxation, Treasury, Operational Strategy and General Management.

(c) Disclosure of relationships between directors inter-se;

NIL

(d) Names of listed entities in which the director also holds the directorship and the membership of Committees of the board

NIL

(e) Shareholding of non-executive director.

NIL

ANNEXURE D
FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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, 2019, 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 returns filed and other records maintained by the Companies for the financial year ended on March 31, 2019 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; Not Applicable

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder; (Not Applicable)

(v) 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, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and as amended from time to time;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and as amended from time to time;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and as amended from time to time;

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable during Audit Period)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(No such event during Audit Period).**

(iii) We have relied on the representation made by the Company and its officer for systems and mechanisms formed by the Company for compliance the following specific applicable laws:

1) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars, guidance and notifications issued there under and applicable to Company.

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

(i) Secretarial Standards i.e. SS-1 and SS-2 issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited –

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 like Income Tax Act, 1961, Finance Act 1994 viz-a-viz Professional Tax, Goods and Service Tax etc.

We further report that during the reporting period;

- 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 and is 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.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- 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 reporting period, following changes were took place in the management of the Company.

- Mr. Subbi Reddy Venkatraman Padala was re-appointed as MD &CEO (KMP) of the Company with effect from 01/04/2018.
- Mr. Amol A. Purandare has resigned from the post of a Company Secretary (KMP) of the Company with effect from 26/06/2018.
- Mr. Lalitmohan Girdhar Sharma has been appointed as a Company Secretary (KMP) of the Company with effect from 27/10/2018.
- Mr. Venkat Nageswar Chalasani Shareholder Director nominated by State Bank of India has tendered his resignation as a director from the Governing Board of the Company w.e.f. 10/01/2019.
- Shri Kumarapuram Venkateswaran Subramanian, a Shareholder Director nominated by Standard Chartered Bank has tendered his resignation as a director from the Governing Board of the Company w.e.f. 28/01/2019 to comply with the provisions of SEBI (Depositories and Participants) Regulations, 2018.
- The term of Shri Taruvai Subbayya Krishna Murthy, Chairman and Public Interest Director of the Company has expired with effect from close of business hours on 29/03/2019.
- The term of Shri P.S. Reddy, Managing Director & Chief Executive Officer of CDSL expired with effect from close of business hours on 31/03/2019.
- Shri P.S.Reddy has tendered his resignation as a director from the Governing Board of the Company w.e.f. close of business hours on 31/03/2019.

For Ragini Chokshi & Co.

(Ragini Chokshi)
CP No: 1436
Mem. No: 2390
Partner

Place: Mumbai
Date: 27/04/2019

FORM NO MR-3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD 01.04.2018 TO 31.03.2019

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

To,

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CDSL VENTURES LIMITED (CIN: U93090MH2006PLC164885)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering **1st April, 2018 to 31st March, 2019,** 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 period **1st April, 2018 to 31st March, 2019** according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not Applicable During the Period of Audit)**

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable During the Period of Audit)**

(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): - **(Not Applicable During the Period of Audit)**

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (share based employees Benefits) Regulations, 2014;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009; and

h. The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998.

(v) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

1. Legal Metrology Act, 2009
2. Industrial Disputes Act, 1947
3. Employee Sate Insurance Act, 1948
4. Minimum Wages Act, 1948
5. Maharashtra shops and establishment Act, 2017

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

   a) Secretarial Standards issued by The Institute of Company Secretaries of India SS-1 & SS-2.

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

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.

We further report that during the reporting period, following changes took place in the Board: -

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 year 2018-19 following actions/events reported having major bearing on the Operation of the Company: -

1. The Company has allotted 5,00,000/- Equity Shares as Bonus issue dated 22/05/2018 to the Central Depository Services (India) limited.
2. Ms. Nayana Mandar Ovalekar (Nominee Director) has been resigned as a Director of the Company w.e.f. 21/04/2018.

For Ragini Chokshi & Co.

Mrs. Ragini Chokshi
(Partner)
C.P.NO. 1436
FCS NO. 2390

Date: 27/04/2019
Place: Mumbai

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**
NONE							

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 Entity having significant influence	Issuer fee, corporate action charges and E-IPO charges received	On actual basis	1,07,11,514		
BSE Limited Entity having significant influence	Rent/Office Maintenance expenses paid	01.10.15 to 30.09.20	1,41,600		
BSE Limited Entity having significant influence	Municipal tax/ electricity charges/leased line charges / VSAT charges/ director sitting fees of nominee directors etc. paid	On actual basis	67,47,333		

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/ arrangements/ transactions	(c) Duration of the contracts/ arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
BSE Limited Entity having significant influence	Loans and advances – opening deposit received	On actual basis	72,77,000		
CDSL Ventures Limited Subsidiary Company	Rent, administrative expenses and salary reimbursement of employees on deputation received	As per board approval	2,40,30,000	MOU dt.16.07.11 /15.02.12 /10.04.13/ Board approval dt. 28.10.17/ 20.08.18 for rent. Salary on actual basis	
CDSL Ventures Limited Subsidiary Company	Evoting and salary reimbursement of employees on deputation paid	As per board approval	9,22,000	Evoting fees as per Board approval 01.06.11 Salary on actual basis	
CDSL Insurance Repository Limited Subsidiary Company	Rent, administrative expenses and salary reimbursement of employees on deputation received	As per board approval	33,21,000	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	As per board approval	1,45,16,000	Board approval dt. 28.10.17/ 29.07.17 for rent. Salary on actual basis	
CDSL Commodity Repository Limited Subsidiary Company	Notice Deposit Paid	On actual basis	4,00,000		

(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:**
Marketplace Technologies Private Limited Subsidiary of entity having significant influence	Amount paid for software licenses	On actual basis	6,58,797		
Marketplace Technologies Private Limited Subsidiary of entity having significant influence	Issuer fee and corporate action charges received	On actual basis	10,620.00		
Indian Clearing Corporation Limited Subsidiary of entity having significant influence	Issuer and depository participant charges received	On actual basis	6,99,495.00		
Multi Commodity Exchange of India Limited	Issuer and depository participant charges received	On actual basis	8,19,219.00		
Multi Commodity Exchange of India Limited	Sale of equity in CDSL Commodity Repository Ltd	On actual basis	12,00,00,000.00		
BSE Investments Limited	Sale of equity in CDSL Commodity Repository Ltd	On actual basis	12,00,00,000.00		

ANNEXURE F

REPORT ON CORPORATE GOVERNANCE

I. 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.

The Company has disclosed the requirements stipulated under Regulations 17 to 27 read with para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015) as applicable, with regard to Corporate Governance. The Company endeavors to ensure that highest standards of ethical and responsible conduct are met throughout the organization.

II. Board of Directors

a) Composition and category of directors

The Company has an active, experienced and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy

The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (SEBI (D & P) Regulations 2018) stipulates that the governing board of the Company shall include Shareholder Directors, Public Interest Directors and managing director. The number of Public Interest Directors shall not be less than the number of Shareholder Directors on the governing board of the Company. A Public Interest Director is defined as an Independent Director representing the interest of investors in securities market and who is not having any association directly or indirectly, which in the opinion of SEBI, is in conflict with the role. Shareholder director means a director who represents the interest of shareholders, and elected or nominated by such shareholders who are not depository participants, or their associates and agents.

All Directors of the Company are "fit and proper person" in terms of regulation 23 SEBI (D & P) Regulations 2018.

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 Independent Woman Director and not less than fifty per cent of the board of directors comprised of non-executive directors in conformity with regulation 17 of the SEBI (LODR) Regulations, 2015.

As on 31st March, 2019, the governing Board of the Company comprised of seven Directors, out of which four were Public Interest Directors, two were Shareholder Directors and a managing director in compliance with Regulation 24 (1) of the SEBI (D & P) Regulations 2018.

Category	Name
Public Interest Director	Shri Rajender Mohan Malla
	Shri Aravamudan Krishnakumar
	Shri Bontha Prasada Rao
	Smt. Usha Narayanan
Shareholder Director	Shri Nehal Naleen Vora
	Shri Nayan Chandrakant Mehta
Managing Director	Shri P.S. Reddy

Change in composition during the year:

Shri Taruvai Subbayya Krishna Murthy ceased to be the Chairman and director w.e.f. 29th March, 2019.

Shri Venkat Nageswar ceased to be a director w.e.f. 10th January, 2019

Shri Kumarapuram Venkateswaran ceased to be a director w.e.f. 28th January, 2019.

Shri P.S. Reddy ceased to be Managing Director & Chief Executive Officer and director with effect from close of business hours on 31st March, 2019.

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

	Board Meetings					AGM
Meeting date and time	21st April, 2018	28th July, 2018	27th October, 2018	25th January, 2019	26th March, 2019	20th August, 2018
Name of the Director						
Shri Taruvai Subbayya Krishna Murthy	✓	✓	✓	✓	✓	✓
Shri Aravamudan Krishnakumar	✓	✓	✓	✓	✓	✓
Shri Rajender Mohan Malla	✓	✓	✓	✓	✓	X
Shri Bontha Prasada Rao	✓	✓	✓	✓	✓	X
Smt. Usha Narayanan	✓	✓	✓	✓	✓	✓
Shri Nehal Naleen Vora	X	✓	X	✓	X	✓
Shri Nayan Chandrakant Mehta	X	✓	✓	✓	✓	✓
Shri Venkat Nageswar Chalasani	✓	✓	X	NA	NA	X
Shri Kumarapuram Venkateswaran Subramanian#	✓	✓	X	✓	NA	✓
Shri P. S. Reddy	✓	✓	✓	✓	✓	X

Note:

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

The Board Meetings on 21.04.2018, 28.07.2018, 27.10.2018 and 25.01.2019 were held at the registered office of the Company at CDSL Board Room, Marathon Futurex, 25th floor, A-Wing, Mafatlal Mills Compound, N.M Joshi Marg, Lower Parel, Mumbai 400013.

The Board Meeting on 26.03.2019 was held at Board Room, The Leela Palace Chennai, Adyar Seaface, 175 Sathya Dev Avenue Ext, M.R.C. Nagar, Chennai- 600 028.

The Annual General Meeting on 20.08.2018 was held at Mini Theatre, 3rd Floor, P. L. Deshpande Maharashtra Kala Academy, Ravindra Natya Mandir, Near Shri Siddhivinayak Ganapati Mandir, Sayani Road, Prabhadevi, Mumbai 400025

c) Number of other Board of Directors or Committees in which the Directors are a member or chairperson as on 31st March, 2019 are as under:

Name of the Director	No. of Directorships in other Companies	No. of Board Committee memberships in other Companies	No. of Chairmanships in Board of other Companies	No. of Chairmanships in Committees of other Companies
Shri Aravamudan Krishnakumar	6	0	0	0
Shri Rajender Mohan Malla	9	4	0	1
Shri Bontha Prasada Rao	2	0	0	0
Smt. Usha Narayanan	1	1	0	0
Shri Nehal Naleen Vora	6	0	0	0
Shri Nayan Chandrakant Mehta	10	1	0	0
Shri P.S. Reddy	2	4	0	0

*Shri P.S. Reddy ceased to be Managing Director & Chief Executive Officer and director with effect from close of business hours on 31st March, 2019.

Names of other listed entities where the Director is a member and the category of directorship;

Name of the Director	Names of the Listed Companies	Category of Directorship
Shri Taruvai Subbayya Krishna Murthy	Repco Home Finance Limited	Independent Director
Shri Aravamudan Krishnakumar	Andhra Bank REC Limited	Shareholder Director Independent Director
Shri Rajender Mohan Malla	Vardhman Textiles Limited IOL Chemicals And Pharmaceuticals Limited Bharat Financial Inclusion Limited Waaree Technologies Limited	Independent Director Independent Director Independent Director Independent Director

d) Board Meetings

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 five times i.e. on 21st April, 2018, 28th July, 2018, 27th October, 2018, 25th January, 2019 and 26th March, 2019. The gap between any two meetings did not exceed one hundred and twenty days.

e) Disclosure of relationships between directors inter-se

None of the directors of the Company are related to each other falling within the definition of a relative as defined in section 2 (77) of the Companies Act, 2013.

f) Number of shares and convertible instruments held by non- executive directors as on 31st March, 2019

Name of the Director	No. of Shares/ Convertible Instruments* held in the Company
*Shri Taruvai Subbayya Krishna Murthy	NIL
Shri Aravamudan Krishnakumar	NIL
Shri Rajender Mohan Malla	NIL
Shri Bontha Prasada Rao	NIL
Smt. Usha Narayanan	NIL
Shri Nehal Naleen Vora	NIL
Shri Nayan Chandrakant Mehta	NIL
Shri P.S.Reddy	NIL

*The Company has not issued any convertible instruments.

g) Web link where details of familiarisation programmes imparted to independent directors is disclosed.

The details of the familiarisation programmes imparted to independent directors is available at the website of the Company www.cdslindia.com.

h) Skills/expertise/competence of the board of directors:

Core skills/expertise/competencies of the Board required for the Company's business to function effectively	**Core skills/expertise/competencies of the Board available with the Company**
Industry: Experience in and knowledge of the industry in which the Company operates.	**Industry knowledge** – experience in similar industries.
Technical: Technical/professional skills and specialist knowledge to assist with ongoing aspects of the board's role.	**Legal** – the board's responsibility involves overseeing compliance with numerous laws as well as understanding an individual director's legal duties and responsibilities
Governance: The essential governance knowledge and understanding all directors should possess or develop if they are to be effective board members, including some specific technical competencies as applied at board level.	**Strategic expertise** – the ability to understand and review the strategy **Risk management –** experience in managing areas of major risk to the Company
Behavioral: The attributes and competencies enabling individual board members to use their knowledge and skills to function well as team members and to interact with key stakeholders.	**Managing people and achieving change** – including experience as either a MD & CEO or senior member of a management team in a similar or larger sized Company

The Company currently has Public Interest Directors and Shareholder Directors on the governing Board who also possess the requisite qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company. Profile of the Directors is available on the Company's website www.cdslindia.com.

i) Confirmation that independent directors are independent of the management

In the opinion of the board, the independent directors fulfill the conditions specified in the SEBI (LODR) Regulations, 2015 and are independent of the management.

Board Procedures

The Board meetings are conducted by the predetermined agenda. The Agenda along with 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.

Statutory Committees mandated under Regulation 30 of the SEBI (Depository and Participants Regulations, 2018.

Pursuant to Regulation 30 of SEBI (D&P) Regulations, 2018 and SEBI Circular No. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, the Company has constituted the Functional Committees comprising of Member Selection Committee, Investor Grievance Redressal Committee and Nomination and Remuneration Committee; and Oversight Committees comprising of Standing Committee on Technology, Advisory Committee, Regulatory Oversight Committee and Risk Management Committee.

Committees of the Board

There are four Committees of the Board, viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Corporate Social Responsibility Committee.

III. Audit Committee

The constitution of Audit Committee is in compliance with the provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

a) Terms of Reference of Audit Committee:

(1) oversight of the listed entity'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) reviewing, with the management, the annual financial statements and auditor's 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) modified opinion(s) in the draft audit report;

(h) the going concern assumption.

(i) compliance with accounting standards

(j) compliance with stock exchange and legal requirements concerning financial statements, to the extent applicable.

(5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(6) 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 utilized 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;

(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) approval or any subsequent modification of transactions of the listed entity with related parties;

(9) scrutiny of inter-corporate loans and investments;

(10) valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) evaluation of internal financial controls and risk management systems;

(12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) 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;

(14) discussion with internal auditors of any significant findings and follow up there on;

(15) 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;

(16) 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;

(17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) to review the functioning of the whistle blower mechanism;

(19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) The audit committee shall mandatorily review the following information:

(1) management discussion and analysis of financial condition and results of operations;

(2) statement of significant related party transactions (as defined by the audit committee), submitted by management;

(3) management letters / letters of internal control weaknesses issued by the statutory auditors;

(4) internal audit reports relating to internal control weaknesses; and

(5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(6) statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

(21) Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large.

(22) Reviewing the Company's financial and risk management policies.

(23) To review the financial statements, in particular, the investments made by the unlisted subsidiary Company.

(24) To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor.

(25) Evaluation of internal financial controls and risk management systems.

(26) 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.

(27) 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.

(28) Reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

(29) To review the performance of the investments made on time to time basis in line with the investment policy for investment of surplus funds of the Company.

(30) To review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and verify that the systems for internal controls are adequate and are operating effectively.

* The Board revised the terms of reference of the Audit Committee w.e.f. 26.03.2019.

b) Composition of the Committee

The Audit Committee consists of 5 non-executive Directors, out of which two third (3 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 composition of Audit Committee as on 31st March, 2019 is as follow:

1. Shri Rajender Mohan Malla, Public Interest Director
2. Shri Aravamudan Krishnakumar, Public Interest Director
3. Shri Bontha Prasada Rao, Public Interest Director
4. Smt. Usha Narayanan, Public Interest Directors
5. Shri Nayan Chandrakant Mehta, Shareholder Director

Changes in the Audit Committee during the year:

- Shri Taruvai Subbayya Krishna Murthy ceased to be the Chairman and member of the Audit Committee w.e.f. 29.03.2019
- Shri Venkat Nageswar Chalasani ceased to be a member w.e.f. 10th January, 2019

b) Meetings and Attendance

The Committee met four times during the year 2018-19 i.e. on 21st April-2018, 28th July-2018, 27th October-2018 and 25th January-2019. The record of attendance of the members of the Committee at these meetings is given hereunder:

Sr. No.	Name of the member	No. of meetings held during the tenure	No. of meetings attended
1.	Shri 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	4	4
6.	Shri Venkat Nageswar Chalasani	3	2
7.	Shri Nayan Chandrakant Mehta	4	3

IV. Nomination and Remuneration Committee

The constitution of Nomination and Remuneration Committee is in compliance with the provisions of section 178 of the Companies Act, 2013 and regulation 19 of the SEBI (Depositories & Participants) Regulations, 2018.

a) Terms of reference for Nomination & Remuneration Committee

(i) Identifying a Key management personnel, other than personnel as specifically provided in its definition under SEBI (D&P) Regulations, 2018.

(ii) Lay down the policy for compensation of key management personnel in terms of the compensation norms prescribed by SEBI.

(iii) Determining the compensation of KMPs in terms of the compensation policy

(iv) Determining the tenure of a key management personnel, other than a director, to be posted in a regulatory department.

(v) Selecting the Managing Director

(vi) Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director (PID).

(vii) Recommending whether to extend the term of appointment of the PID.

(viii) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(ix) Formulation of criteria for evaluation of performance of independent directors and the board of directors;

(x) Devising a policy on diversity of board of directors;

(xi) 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.

(xii) Recommending whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(xiii) Recommend to the board, all remuneration, in whatever form, payable to senior management.

(xiv) To discharge the function as Nomination and Remuneration Committee under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

* The Board revised the terms of reference of the Nomination and Remuneration Committee w.e.f. 26.03.2019.

b) Composition of the Nomination and Remuneration Committee

The composition of Nomination and Remuneration Committee as on 31st March, 2019 is as follow:

1. Shri Aravamudan Krishnakumar Chairman, Public Interest Director
2. Shri Rajender Mohan Malla, Public Interest Director
3. Shri Bontha Prasada Rao, Public Interest Director
4. Smt. Usha Narayanan, Public Interest Director

Changes in the Committee during the year:

- Shri Taruvai Subbayya Krishna Murthy ceased to be the member of the Nominations and Remuneration Committee w.e.f. 29.03.2019.
- Shri Nayan Chandrakant Mehta ceased to be the member of the Nominations and Remuneration Committee w.e.f. 26.03.2019.
- Shri Kumarapuram Venkateswaran ceased to be a member w.e.f. 28th January, 2019

c) Meeting and Attendance

The Committee met five times during the year 2018-19 i.e. on 21st April-2018, 26th June- 2018, 27th October-2018, 11th January-2019 and 26th March- 2019.

The record of attendance of the members of the Nomination and Remuneration 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	5	5
2	Shri Taruvai Subbayya Krishna Murthy	5	5
3	Shri Rajender Mohan Malla	5	5
4	Shri Bontha Prasada Rao	5	5
5	Shri C. Venkat Nageswar	3	1
6	Smt. Usha Narayanan	5	5
7	Shri Nayan Chandrakant Mehta	4	3
8	Shri K.V. Subramanian	3	2

d) Performance evaluation criteria for independent directors

The Nomination and Remuneration Committee has devised a criteria for evaluation of the performance of the Directors including Independent Directors.

Performance evaluation criteria for independent directors has been described in the section Disclosures as per SEBI (Depository & Participants) Regulations, 2018 of this report.

V. Remuneration of Directors

Details of remuneration paid to the Directors

(a) Non-Executive Directors:

The non-executive Directors are paid remuneration by way of sitting fee. The Company pays sitting fee of ₹1,00,000/- for attending each Board meeting and ₹75,000/- for attending each Committee meetings to the non-executive Directors.

Details of the sitting fees/remuneration paid to the Non-Executive Directors during the financial year 2018-19 are as under:

Sitting Fee paid to Non-Executive Directors

Name	**Shri Taruvai Subbayya Krishna Murthy**	**Shri Aravamudan Krishnakumar**	**Shri Rajender Mohan Malla**
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 (₹)	22,25,000	24,50,000	16,25,000
Other compensation (₹)	-	-	-
Total (₹)	**22,25,000**	**24,50,000**	**16,25,000**

Name	**Shri Bontha Prasada Rao**	**Smt. Usha Narayanan**	**Shri Venkat Nageswar Chalasani**
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 (₹)	19,25,000	14,75,000	4,25,000
Other compensation (₹)			
Total (₹)	**19,25,000**	**14,75,000**	**4,25,000**

Name	Shri Nehal Naleen Vora	Shri Nayan Chandrakant Mehta	*Shri Kumarapuram Venkateswaran Subramanian
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 (₹)	2,75,000	13,75,000	-
Other compensation (₹)	-		
Total (₹)	**2,75,000**	**13,75,000**	**-**

Note:

- Sitting Fee is paid to the Public Interest Directors and Shareholder Directors for attending Board meetings and Committee meetings.
- Shri Kumarapuram Venkateswaran, a Shareholder Director nominated by Standard Chartered Bank has waived the sitting fee payable for attending each Board meeting and Committee meeting.
- Shri Venkat Nageswar Chalasani tendered his resignation as Shareholder Director w.e.f. 10th January, 2019
- Shri Kumarapuram Venkateswaran tendered his resignation as Shareholder Director w.e.f. 28th January, 2019
- Shri Taruvai Subbayya Krishna Murthy ceased to be the Chairman and Public Interest Director w.e.f. March 29, 2019.

All the above Non-Executive Directors did not have any other pecuniary relationship or transactions with the Company during FY 2018-19.

(b) Executive Director:

The remuneration paid to Shri P. S. Reddy, Managing Director and Chief Executive Officer has been approved by the Nomination and Remuneration Committee, the Board, the shareholders and SEBI. The remuneration paid to him was commensurate with the responsibility conferred upon him by the Board and scope of his responsibilities. The service contract for does not provide for severance pay and notice period. The remuneration paid to the Managing Director & CEO includes basic salary, performance linked incentive, other allowances, Company's contribution to provident fund and taxable value of perquisites as tabulated below.

Remuneration paid to Shri P. S. Reddy, MD & CEO	
Salary (₹)	17929368
Commission (₹)	-
Perquisites (₹)	39600
Sitting fee (₹)	-
Provident Fund	867680
Performance Linked Bonus (Other compensation (₹)	4505871
Severance Pay	-
Total (₹)	**23342519**

Note:

The term of Shri P.S. Reddy, Managing Director & Chief Executive Officer of CDSL expired with effect from close of business hours on March 31, 2019.

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

VI. Stakeholders Relationship Committee:

(a) name of non-executive director heading the committee:

Shri Aravamudan Krishnakumar, Public Interest Director is the Chairman of the Stakeholders' grievance committee:

(b) name and designation of compliance officer;

Shri Lalitmohan Sharma is designated as the Compliance Officer.

(c) number of shareholders' complaints received so far:

Nil

(d) number not solved to the satisfaction of shareholders:

Nil

(e) number of pending complaints:

Nil

(f) Number of Stakeholders Relationship Committee Meetings held

The Committee met three times during the year 2018-19 i.e. on 20th April-2018, 27th July-2018 and 26th October-2018. The record of attendance of the members of the Committee at these meetings is given hereunder:

(g) Composition of the Stakeholders Relationship Committee

The following Directors are members of the Committee as on 31st March, 2019:

1. Shri Aravamudan Krishnakumar (Chairman), Public Interest Director
2. Shri Bontha Prasada Rao, Public Interest Director
3. Shri Nayan Chandrakant Mehta, Shareholder Director
4. Shri P. S. Reddy, Managing Director & Chief Executive Officer

Changes in the Committee during the year:

The term of Shri P.S. Reddy, Managing Director & Chief Executive Officer of CDSL expired with effect from close of business hours on 31st March, 2019.

(h) Terms of reference of Stakeholders Relationship Committee:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.

* The Board revised the terms of reference of the Stakeholders Relationship Committee w.e.f. 26.03.2019.

(i) Attendance of Members in Stakeholders Relationship Committee meeting

The record of attendance of the members of the Stakeholders Relationship Committee meeting is given hereunder:

Sr.	Name of the member	No. of meetings held during the tenure	No. of meetings attended
1	Shri Aravamudan Krishnakumar	4	4
2	Shri Bontha Prasada Rao	4	4
3	Shri Nayan Chandrakant Mehta	4	4
4	Shri P.S. Reddy	4	4

VII. Corporate Social Responsibility Committee :

In view of the provisions of Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee.

The following Directors are members of the Committee as on 31st March, 2019:

1. Shri Aravamudan Krishnakumar
2. Shri Bontha Prasada Rao
3. Smt. Usha Narayanan
4. Shri Nehal Naleen Vora

Changes in the Corporate Social Responsibility Committee during the year:

Shri Taruvai Subbayya Krishna Murthy ceased to be the member of the Corporate Social Responsibility Committee w.e.f. 29.03.2019.

Brief Terms of Reference of Corporate Social Responsibility Committee

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.

Number of Corporate Social Responsibility Committee Meeting held

The Committee met three times in the year 2018-2019 on 20th April, 2018, 27th July, 2018 and 25th January, 2019.

VIII. Meeting of Independent Directors (Public Interest Directors) :

In compliance with regulation 27 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, during the financial year 2018-19, the Public Interest Directors met two times i.e. on 27th October, 2018 and 26th March, 2019 to review the performance of the Company and to exchange the views on critical issues. All the Independent Directors were present at the meeting at their meetings held on 27th October, 2018 and 26th March, 2019.

In conformity with Regulation 17 of the SEBI (LODR) Regulations, 2015 and Schedule IV of the Companies Act, 2013, the Independent Directors/Public Interest Directors at its meeting held on 26th March, 2019 carried out evaluation of the performance of non-independent Directors, Board as a whole and its Committee and the Chairperson of the Company.

IX. 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.

X. 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.

The evaluation of independent directors has been done by the entire board of directors including performance of the directors and fulfillment of the independence criteria as specified in SEBI (LODR) Regulations, 2015 and their independence from the management. The independent directors who were subject to evaluation shall not participate.

Disclosures on Board Evaluation:

1.	Observations of board evaluation carried out for the year.	No observations.
2.	Previous year's observations and actions taken.	Since no observations were received, no actions were taken.
3.	Proposed actions based on current year observations	Since no observations were received, no actions were required.

XI. Disclosures as per SEBI (Depository & Participants) Regulations, 2018

a) Your Company is committed towards strengthening regulatory functions and towards ensuring compliance with regulatory requirements applicable to the Company, backed by an activity based accounting pursuant to Regulation 31 (3) of the SEBI (Depositories & Participants) Regulations, 2018.

b) Disclosure of Compensation paid to Key Management Personnel pursuant to Regulation 28 (5) and 28(6) of the SEBI (Depositories & Participants) Regulations, 2018:

Sr. No.	Name	Designation	Compensation Paid	Ratio of Compensation paid vis-a-viz. median of compensation paid to other employees
1.	Joydeep Dutta	Executive Director	11915022	14.09
2.	Bharat Sheth	Executive Vice President / CFO	8109527	9.59
3.	Sunil Alvares	Executive Vice President	7239511	8.56
4.	Ramkumar K	Executive Vice President	7410960	8.76
5.	Nayana Ovalekar	Executive Vice President/ COO	7795010	9.22
6.	Farokh Patel	Vice President	2623579	3.10
7.	Yogesh Kundnani	Vice President	3739826	4.42
8.	* Lalitmohan Sharma	Vice President	1304776	1.54

*Shri Lalitmohan Sharma joined CDSL w.e.f 1st October, 2018

c) Disclosure of Performance evaluation criteria for Public Interest Directors pursuant to Regulation 25(3) and Clause 3 (d) of the SEBI Circular SEBI/HO/MRD/DOP2DSA2/ CIR/P/2019/26 dated February 5, 2019

Public Interest Directors (PIDs) shall be subjected to internal evaluation as well as external evaluation, carrying equal weightage. All the governing board members shall evaluate the performance of each PID, on an annual basis at the end of every financial year. PIDs shall also be subject to external evaluation during their last year of the term in the Company, by a management or a human resources consulting firm. The criteria for performance review of PIDs for both internal evaluation and external evaluation shall include quantitative assessment along with an option to provide qualitative annotations.

The Performance evaluation Policy for Public Interest Directors of the Company is also available on the web-site of the Company www.cdslindia.com.

XII. General Body Meetings:

Details of Last three AGM held:

Meeting number	18th Annual General Meeting	19th Annual General Meeting	20th Annual General Meeting
Day & Date	Wednesday, 1st June, 2016	Monday, 29th May, 2017	Monday, 20th August, 2018
Time	2.30 p.m.	2.30 p.m.	4.00 p.m
Venue	CDSL Board Room, 16th Floor, P.J. Towers, Dalal Street, Mumbai 400001.	CDSL Board Room, 16th Floor, P.J. Towers, Dalal Street, Mumbai 400001.	P. L. Deshpande Maharashtra Kala Academy, Ravindra Natya Mandir, near Shri Siddhivinayak Ganapati Mandir, Sayani Road, Prabhadevi, Mumbai–400025.
Book Closure	- Nil -	- Nil -	- Nil -
Payment of Dividend	₹ 2.50 per share i.e 25%	₹ 3.00 per share i.e 30%	₹ 3.50 per share i.e 35%
Dividend payment date	1st June, 2016	29th May, 2017	20th August, 2018
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 at the respective general meetings with requisite majority. No special resolution was passed during the financial year 2018-19 through postal ballot and no special resolution is proposed to be conducted through postal ballot.

XIII. Means of Communications:

Financial Results

In The quarterly, half yearly, nine monthly and annual financial results of the Company are intimated to the Stock Exchange immediately after they are approved by the Board and are published in the prescribed format 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

During the FY 2018-19, financial results were published in the following newspapers as detailed below:

Quarter ended	Date of Board Meeting	Date of Publication	Name of the Newspaper
30th June, 2018	28th July, 2018	30th July, 2018	Financial Express and Loksatta
30thSeptember, 2018	27th October, 2018	29th October, 2018	Financial Express and Loksatta
31st December, 2018	25th January, 2019	26th January, 2019	Financial Express and Loksatta
31st March, 2019	3rd May, 2019	4th May, 2019	Financial Express and Loksatta

Presentation to Analysts:

The Company arranged concalls with analysts on 4 occasions on 30th July, 2018 29th October, 2018, 8th January, 2019 and 23rd April, 2019. 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.

XIV Corporate Policies

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 mandate the formulation of certain policies for all the listed Companies. The corporate governance policies are available on Company's website at https://www.cdslindia.com. The policies are reviewed periodically by the Board and updated as needed. During the year, the Board revised and adopted some of its policies.

Key policies that have been adopted are as follows:

Name of the Policy	Brief description
Whistle Blower Policy	The Company has adopted a whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct and ethics.
Code of Conduct for Directors and Senior Management	The Company has adopted the code of conduct for Directors and Senior Management for the governance of good corporate practices. The policy was revised and adopted on March 26, 2019.
Dividend Distribution Policy	The Company has adopted the Dividend Distribution Policy defining the circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend and how the retained earnings shall be utilized.
Insider Trading policy	The Policy provides the framework in dealing with securities of the Company. The Policy was revised and adopted effective April 1, 2019.
Policy on Material Subsidiaries	The policy is used to determine the material subsidiaries and material unlisted Indian subsidiaries of the Company and to provide the governance framework for them. The Policy was revised and adopted on March 26, 2019.

Name of the Policy	Brief description
Policy on disclosure of material events	The Policy applies to disclosures of material events affecting CDSL and its subsidiaries. The Policy deals with the dissemination of unpublished price sensitive information.
Nomination and Remuneration Policy	The Policy formulates the criteria for appointment, reappointment, removal and remuneration of directors and Key Managerial Personnel. The Policy was revised and adopted effective December 6, 2018.
Corporate Social Responsibility Policy	The Policy outlines the Company's strategy to bring out a positive impact on society through programs relating to hunger, poverty, education, healthcare, environment, employment and social business projects.
Related party Transaction Policy	The Policy regulates all transactions between the Company and its related parties. The policy was revised and adopted on March 26, 2019
Policy on Evaluation of the Board	The Policy provides guidance on evaluation of the performance, on an annual basis of individual Directors including the Chairperson and independent directors of the Company, the Board as a whole and various committees of the Board The policy was revised and adopted on March 26, 2019
Policy on Preservation of Documents	The Policy deals with retention and archival of corporate records of CDSL.
Risk Management Policy	The risk management policy attempts to identify the key events / risks impacting the business objectives and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.

XV. General Shareholder Information:

a) Twenty-First Annual General Meeting:

Day & Date	17th September, 2019
Time	3.30 p.m
Venue	IMC Building, IMC Marg,, Churchgate, Mumbai - 400020
Cut-off date	10th September, 2019
Dividend payment date	On or before 16th October, 2019

b) Financial Year:

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

c) Listing on Stock Exchange:

The shares of the Company are listed on:

National Stock Exchange of India Ltd,

Exchange Plaza, Bandra Kurla Complex,

Bandra (East), Mumbai – 400051

The listing fees for the financial year 2019-20 has been paid to the stock exchange.

d) Stock code

CDSL

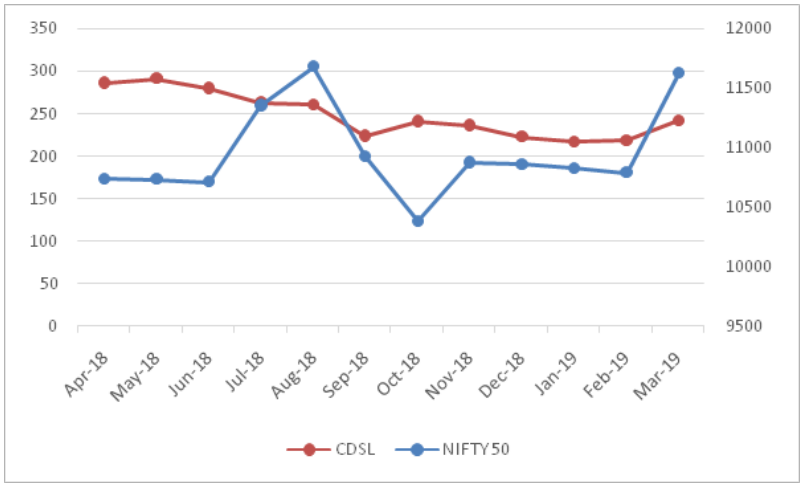
e) Market Price Data

The monthly high and low market price of the shares and the quantities traded during the year 2018-19 on NSE are as follows:

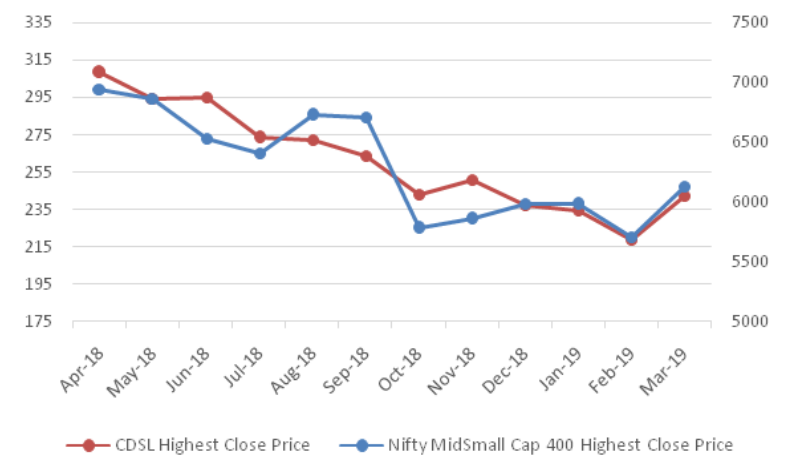
Month	Months High Price (in Rs Per Share)	Months Low Price (in Rs Per Share)	No. of Shares Traded
Apr-18	312.75	283.00	10,273,010.00
May-18	301.65	262.55	9,950,947.00
Jun-18	301.20	268.55	6,536,230.00
Jul-18	281.00	251.00	7,133,924.00
Aug-18	276.85	259.70	5,697,194.00
Sep-18	278.70	221.00	5,698,683.00
Oct-18	244.50	204.50	3,431,109.00
Nov-18	254.90	229.90	3,195,978.00
Dec-18	239.00	216.00	9,901,993.00
Jan-19	236.00	216.55	5,178,402.00
Feb-19	227.60	204.50	2,702,146.00
Mar-19	247.80	218.15	4,523,697.00

f) Performance in comparison to broad based indices

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

g) Registrar and Share 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

h) Share Transfer System:

Transfer of shares in physical form has been prohibited from April 1, 2019. SEBI has recently amended relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disallow listed Companies from accepting request for transfer of securities which are held in physical form, with effect from April 1, 2019. The shareholders who continue to hold shares and other types of securities of listed Companies in physical form even after this date, will not be able to lodge the shares with the Company / its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the Company / its RTA. All the investors who are holding shares etc. in physical form, should consider opening a demat account at the earliest and submit request for dematerialization of their shares in order to protect the liquidity of the shares.

The Company has Stakeholders Relationship Committee which look after Demat, Remat, Transfer/ Transmission/ Name Change/ Deletion/ Modification of any Securities and its review. It has authorized MD & CEO and one Director to authorize transfer for speedy processing.

i) Distribution of shareholding as on 31st March, 2019:

Central Depository Services (India) Limited					
Distribution Of Shareholding (Shares) Report Type : ALL (NSDL+CDSL+Physical)					
S/N	**Shareholding of Shares**	**Number of Shareholders**	**% of Total Shareholders**	**Shares**	**% of Total Share Capital**
1	1 to 500	135382	94.0342	13010458	12.4502
2	501 to 1000	4750	3.2993	3647998	3.4909

3	1001 to 2000	2119	1.4718	3140607	3.0054
4	2001 to 3000	659	0.4577	1684231	1.6117
5	3001 to 4000	269	0.1868	964740	0.9232
6	4001 to 5000	257	0.1785	1217067	1.1647
7	5001 to 10000	297	0.2063	2207003	2.112
8	10001 to 99999999999	238	0.1653	78627896	75.242
	TOTAL :	**143971**	**100**	**104500000**	**100**

j) Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form on NSE.

The Company's Equity Shares are liquid and actively traded shares on the National Stock Exchange.

Bifurcation of the category of shares in physical and electronic mode as on March 31, 2019 is given below:

Category	No. of shares	Percentage (%)
CDSL	70960635	67.90%
NSDL	33538955	32.10%
Physical	410	0.00%
Total	**104500000**	**100%**

k) Outstanding Global depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity:

Not applicable

l) Commodity price risk or foreign exchange risk and hedging activities

Not applicable

m) Plant locations

Not applicable

n) Address for Correspondence:

Any query on Annual Report may be addressed to Company Secretary at the following address:

Central Depository Services (India) Limited

Marathon Futurex, 25th floor, A-Wing,

Mafatlal Mills Compound,

N.M Joshi Marg, Lower Parel (E), Mumbai 400013

Email : secretarial@cdslindia.com

o) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

None

XV. Other Disclosures

a) Disclosures on materially significant related party transactions:

All related party transactions entered during the financial year 2018-19 were in ordinary course of business and at an arm's length basis. Disclosure of related party transactions have been made in the Board Report and in form AOC-2 enclosed as Annexure E to the Board Report.

The Company's Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is put up on the Company's website www.cdslindia.com

b) Details of non-compliance(s) by the Company:

Nil.

c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:

The Company has established a vigil mechanism by framing a Whistle Blower Policy in compliance with Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, for directors and employees to report genuine concerns or grievances. No personnel has been denied access to the audit committee.

The Whistle Blower Policy can be accessed on the website of the Company www.cdslindia.com

d) Compliance with mandatory requirements:

The Company has complied with all mandatory requirements of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adoption of Non-Mandatory Requirements

The Company has adopted following non-mandatory requirements of Regulation 27 and Regulation 34: as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(a) 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 separate posts. The Chairperson is an independent/Public Interest Director appointed by SEBI.

(b) Reporting of internal auditor

The internal auditor reports directly to the audit committee.

(c) 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.

d) Web link where policy for determining 'material' subsidiaries is disclosed

The Company has adopted Policy for Determining Material Subsidiaries which have been displayed on the website of the Company **https://www.cdslindia.com.**

e) Web link where policy on dealing with related party transactions

The Company has adopted Policy on determining criteria for Related Party Transactions which have been displayed on the website of the Company **https://www.cdslindia.com.**

f) Disclosure of commodity price risks and commodity hedging activities.

Not applicable

g) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (LODR) 2015

Not applicable

h) Certificate from PCS that none of the directors on the board of the Company have been debarred or disqualified

M/s Ragini Chokshi & Co., Practicing Company Secretaries, has furnished a certificate that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached to this report.

i) Disclosure of non-acceptance of any recommendation of any committee of the board which is mandatorily required,

There has been no instance where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the financial year 2018-19.

j) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part during the financial year 2018-19 amounts to Rs19,75,000/-

k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

(a) Number of complaints filed during the financial year : NIL

(b) Number of complaints disposed of during the financial year : NIL

(c) Number of complaints pending as on end of the financial year : NIL

XVI. Compliance with the conditions of Corporate Governance

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, to the extent as applicable, with regards to Corporate Governance.

XVII. Code of Conduct:

The Board has laid down a Code of Conduct for all Board members and Key Management Personnel of the Company which is available on the website of the Company www.cdslindia.com. All Board members and Key Management Personnel have affirmed compliance with the Code. The declaration to this effect signed by Shri Joydeep Dutta, ED & Group CTO is attached to this report.

XVIII. Compliance certificate from practicing Company secretaries regarding compliance of conditions of corporate

M/s Ragini Chokshi & Co., Practicing Company Secretaries, has furnished a certificate that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority which is attached to this report.

XIX. CEO / CFO Certificate:

As required under Schedule V, Regulation 34(3) of Securities Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulation, 2015 the CEO/ CFO Certificate for the FY 2018-19 signed by Shri Joydeep Dutta, ED & Group CTO and Shri Bharat Sheth, CFO form part of the Annual Report.

XX. Disclosures with respect to demat suspense account/ unclaimed suspense account

In terms of Regulation 39 of the Securities Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulation, 2015, the Company reports that there are no equity shares lying in the suspense account which were issued in demat form and physical form, respectively.

For and on behalf of the Board

Bontha Prasada Rao
Director
(DIN: 01705080)

Rajender Mohan Malla
Director
(DIN: 00136657)

Place : Mumbai
Date : 3rd May, 2019

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 31st March, 2019.

ED & Group CTO

Place : Mumbai
Date : 3rd May, 2019

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 31st March, 2019 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 Ragini Chokshi & Co.

(Ragini Chokshi)

CP No: 1436

Mem. No: 2390

Partner

Place: Mumbai
Date: 27/04/2019

CERTIFICATE ON NON DISQUALIFICATION OF DIRECTORS

Certificate on compliance under clause 10 (i) of para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Members of

Central Depository Services (India) Limited

In terms of clause 10 (i) of para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

For Ragini Chokshi & Co.

(Ragini Chokshi)
CP No: 1436
Mem. No: 2390
Partner

Place: Mumbai
Date: 27/04/2019

CEO AND CFO CERTIFICATE

To

The Board of Directors

Central Depository Services (India) Ltd.

We, Joydeep Dutta, ED & Group CTO and Bharat Sheth, Chief Financial Officer certify that:

(a) We have reviewed financial statements for the year ended March 31, 2019 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.

Joydeep Dutta — **ED & Group CTO**

Bharat Sheth — **CFO**

Place: Mumbai

Date: 27/04/2019

ANNEXURE G

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMY

Over the period FY 2014-15 to FY 2018-19, India has witnessed close to 7.3% GDP growth, which is the 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.

Various reforms undertaken by the Government of India have led to increase in India's ranking in the World Bank's Ease of Doing Business Index from 100 in 2017 to 77 in 2018. As a result of the continued efforts by the Government, India has improved its ranking by 53 positions in last two years and 65 positions in last four years.

According to the World Bank's report, India's GDP is forecast to grow by 7.3% in FY 2018-19 and 7.5% thereafter, in line with June forecasts. Private consumption is projected to remain robust and investment growth is expected to continue as the benefits of recent policy reforms begin to materialise and credit rebounds. Recent policy reforms have helped India improve the business environment, ease of inflow of foreign direct investment and improve credit behaviour.

(Source: IMF, CSO, World Bank.)

INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian Capital markets

In Capital market, business enterprises or government entities raise long term funds by issuing equity or debt securities. 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 firms issue new securities to raise funds for investment/expansion plans or to reduce any obligations. The types of issues 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).

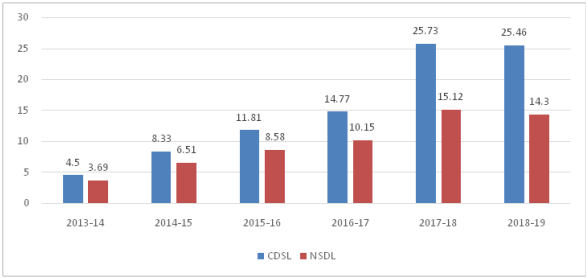
The secondary market is to facilitate dealing in existing securities. This market provides both liquidity and marketability to such securities. It implies that it is a market where a security can be bought or sold at small transaction cost. Spot market, futures market and options market are also a part of the secondary market. During FY 2018-19, the S&P BSE Sensex opened at 33,030 and hit a high of 38,989 on 29th August 2018 and thereafter closed at 38,672 on March 29, 2019. During same period Nifty opened at 10,151 and hit a high of 11,760 on 28th August 2018 and thereafter closed at 11,623 on March 29, 2019. As per Prime Database, 42 public issues have raised ₹ 36,405 crores in FY 2018-19 as compared to 81 public issues mobilizing ₹ 98,984 crores in FY 2017-18.

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. 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 48% in FY 2018-19.

Chart: Number of demat accounts opened in lakhs



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.

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 steadily due to the relatively low base; given the retail investor has traditionally been under-invested in equities.

Equity market: In the financial market segment, the BSE Sensex has increased from 22,386 in FY 2013-14 to 35,749 in FY2018-19. In the business segment, India's ranking in World Bank's EODB rankings has improved from 142nd in 2014 to 77th in 2019. Whereas, inflation has come down from 9.4% in FY 2013-14 to 4.8% in FY 2018-19. India's stock market is 7th biggest in the world with market-cap of $2.1 trillion. According to the IMF, India is a bright spot in the global ecosystem and India's growth is looking very lucrative in the coming years. India's growth has surpassed many emerging and developing economies. Recent IMF data suggests that India is the fastest growing economy in the world and this trend will continue in 2019 and 2020 also. Further, NITI Aayog expects India to grow at 9-10% by 2022-23 which would raise the size of the economy in real terms from USD2.7 trillion in 2017-18 to nearly USD4 trillion by 2022-23.

Initial Public Offerings: According to Prime Database, total equity Capital raised during FY 2018-19 was ₹ 36,405 crores as against ₹ 98,984 crores raised during FY 2017–18. After a slowdown in the FY 2018-19, analysts expect the tide to turn in the FY 2019-20, as the bulls have returned to Dalal Street on prospects of improvement in economic fundamentals. An increase in risk appetite among investors is now a big driving force for the companies looking to hit Dalal Street with initial public offerings (IPOs). The IPO pipeline has been very strong. Some 65 companies are said to be sitting with Sebi approvals and another 8 awaiting it.

Increase in trading volumes and retail participation: CDSL has experienced a substantial growth in the number of companies admitted in demat from 541 in FY 1999-00 to 13,104 in FY 2018-19, a growth of 21% 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 7.76 lakh crore in FY 2018-19, while trading on the NSE increased from 28.08 lakh crore in FY 2013-14, to 79.48 lakh crore in FY 2018-19.

BUSINESS OVERVIEW

CDSL was initially promoted by BSE Ltd, which had thereafter divested its stake to leading banks. CDSL received the certificate of commencement of business from SEBI in February, 1999. All leading stock exchanges like the BSE Ltd, National Stock Exchange (NSE) and Metropolitan Stock Exchange of India (MSEI) 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 SEBI and a KYC Registration Agency (KRA) for investors in the Capital markets including the mutual fund industry.

CDSL through its subsidiary, CDSL Insurance Repository Limited, has arrangements with several life insurance companies and eighteen general insurance companies for holding insurance policies in electronic form and seamlessly enables the policy holders to undertake changes, modifications and revisions to insurance policies.

CDSL's subsidiary, CDSL Commodity Repository Limited (CCRL), was setup 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 six 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 issuers 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, etc. are available for dematerialization 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: CVL is SEBI registered KRA which offers KYC services to 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.
- Through its subsidiary, CDSL Commodity Repository Limited, the Company offers facilities for holding and transacting of warehouse receipts in electronic form.
- Others: CDSL offers other online services such as e-voting, e-Locker, National Academic Depository (NAD), easi (Electronic Access to Security Information), easiest (Electronic Access to Securities Information and Execution of Secured Transaction) and mobile application (Myeasi, m-Voting).

MEDIUM-TERM AND LONG-TERM STRATEGY OF THE COMPANY:

Continue to focus on developing new DPs relationships and leveraging our existing DP network

We will continue to build on our existing DP relationships and leverage their extensive network all over India to take our offering to new investors. We will aim to strengthen our virtual DP network under which the broker only needs to submit his Power of Attorney ("PoA") and is no longer required to contact the DP and authorise each and every trade.

We also aim to strategically expanding our network of DPs and service centres to reach potential investors. We will evaluate each opportunity on the basis of several factors including expected investment and financial returns, catchment area served and current levels of depository services available in the area. We currently expect that a significant portion of our new DP relationships will include DPs present in tier II and tier III cities due to relatively lower scale of DP services currently available in these cities.

Continue to introduce new offerings and scale up recently started businesses

We endeavour to provide our investors with a comprehensive range of services at competitive prices and to maintain optimal service standards. In order to maintain and enhance our competitive position, we will continue to offer our services at low prices achieved through our low operational costs driven by operational efficiency, high economies of scale and innovative service implementation. We plan to further improve our operating efficiency through:

- Offering single demat account to our investors which will hold all financial assets including fixed deposits across regulators (SEBI, RBI, IRDAI, PFRDA, etc). subject to all regulatory approvals;
- Enhancement of a centralised billing system to increase automation and move towards migration of all payments receivables through electronic channel (Internet banking, NEFT, RTGS, etc);
- Enabling electronic submission and receipt of documents by DPs and other intermediaries;
- Focus on eliminating all paper based processes and workflows to become a fully digital organization;
- Improve customer experience by enhancing self-service channels for efficiently and effectively serving routine requirements; and
- Develop more and more API based services in collaboration with our Depository participants to facilitate seamless interoperability and straight through processing with their systems.

We will continue to diversify our product and service offerings depending on investors' needs. We believe a continuous review of our services according to our evolving understanding of investor preferences and market behaviour will

help us better cater to our investors' needs, enhance their user experience and maximise our account volumes and revenues.

Continue to invest and upgrade our IT infrastructure and systems leading to Enhancement of operational efficiency and service quality

We believe that maintaining and improving our technology is critical to our business. We intend to regularly allocate optimal resources towards upgrading our IT infrastructure and systems, with the goal of improving market efficiency and transparency, enhancing user access and providing flexibility for future business growth and market needs.

We prioritize the improvement in our cyber-security framework and information security management systems. We were identified as a National Critical Information Infrastructure by National Critical Information Infrastructure Protection Centre and we will prioritise further improvements in our cyber-security framework and ISMS in the future.

Our Standing Committee on Technology (formerly IT Strategy committee) consists of external IT experts and professionals advises our board in relation to improving and maintaining our IT infrastructure on an ongoing basis. We also plan to invest further in our IT and data management systems to improve productivity and time savings thereby increasing our operating efficiency.

Targeting and focusing on Unlisted and Private Limited Companies

In our country, there are a large number of unlisted public and private limited companies who have not dematerialized their securities as yet. Ministry of Corporate Affairs has issued Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 which inter alia mandates an unlisted public Company to issue securities only in dematerialised form. The said rules also mandates transfer of securities in dematerialised form. We intend to pursue with these companies and get their securities admitted in our Company. We will also explain benefits of demat to private limited companies and try to get their securities admitted in our Company. This has dual benefits of increase in Issuer Charges as well as opening of more number of Corporate Promoter Demat accounts.

Continue investor education initiatives to foster a rise in the number of potential new investors and deepening of the Indian securities market

We intend to continue to focus on financial inclusion through retail participation. We believe investor education is a significant key to achieving financial inclusion in the Indian securities market. We have conducted over 450 investor awareness programs in FY 2018-19, allowing investors across geographies, professions and age groups to come together and learn about the advantages of holding securities in dematerialised form and the investment opportunities available to them.

We plan to, and have initiated steps to, further these programs by targeting the general public in tier-2 and tier-3 cities in India to introduce and explain the benefits of investing in securities. We are and will continue to work with various regional newspapers to attract a large number of potential new investors to these events, where we intend to distribute informative booklets in English, Hindi and other regional languages.

Long-term metrics as per Company's long term strategy for measurement of progress:

Developing new DPs relationship & Leveraging our existing DP network.	We aim to strategically expand our network of DPs and service centres to reach potential investors. We will evaluate each opportunity on the basis of several factors including expected investment and financial returns, catchment area served and current levels of depository services available in the area.

Introduce new offerings and scale up recently started businesses.	We will continue to diversify our product and service offerings depending on investors' needs. We believe a continuous review of our services according to our evolving understanding of investor preferences and market behaviour will help us better cater to our investors' needs, enhance their user experience and maximise our account volumes and revenues.
Upgrade our IT infrastructure and systems.	We also plan to invest further in our IT and data management systems to improve productivity and time savings thereby increasing our operating efficiency.
Targeting Unlisted and Private Limited Companies.	We will explain benefits of demat to unlisted public and private limited companies and endeavour to get their securities admitted in our Company. This has dual benefits of increase in Issuer Charges as well as opening of more number of Corporate Promoter Demat accounts.
Investor Education Initiatives	We plan to, and have initiated steps to, further these programs by targeting the general public in tier-2 and tier-3 cities in India to introduce and explain the benefits of investing in securities. We plan to conduct approximately 450 programs in financial year 2019-20.

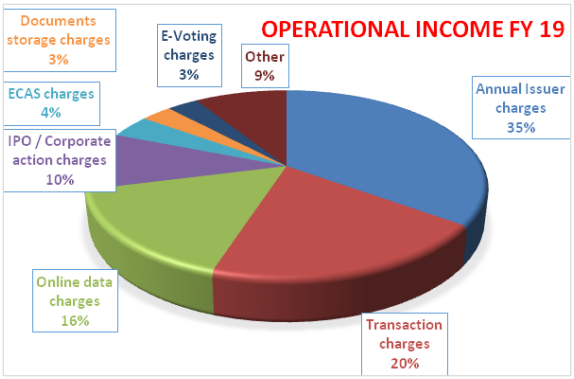
PRODUCT-WISE PERFORMANCE

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 Issuer companies and transaction-based fees collected from Depository Participants. 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-voting and e-notice 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.

Chart: Distribution of revenue sources:



Source: Company

Depository Participant Network:

The Company is the leading securities depository in India by incremental growth of Beneficial Owner (BO) accounts of over 77.76 lakhs from FY 2015-16 to FY 2018-19. Further, the total number of registered Depository Participants (DPs) is 597 at the end of FY 2018-19. As on March 31, 2019 CDSL had over 17.3 million investor accounts (excluding closed accounts).

The Company has a wide network of DPs, who act as points of service. CDSL had 597 registered

DPs with over 19,400 service centres across India. The DPs are spread across 29 states and 7 union territories.

As on March 31, 2019, CDSL had over 36,203 crores securities representing a total value of ₹ 20,79,693 crores.

OPPORTUNITIES

Growth Drivers

Buoyant markets

The evolution of Indian Capital markets has made it one of the most preferred investment destination for domestic as well as overseas investors. The steps taken by Central Government, confidence in growth potential and business environment, stable political climate are some of the favourable factors. As per latest World Bank report, India's GDP has grown at 7.3 per cent in 2018-19. This is expected to further climb up to 7.5 per cent in the next two financial years. In India, the growth has accelerated, driven by an upswing in consumption and investment growth. However, rising interest rates and currency volatility are weighing on activity. The World Bank said that in the financial year 2018-19, India's growth accelerated to an estimated 7.3 per cent from 6.7 per cent the previous year. This was because the economic activity continued to recover with strong domestic demand. "While investment continued to strengthen amid the GST harmonization and a rebound of credit growth, consumption remained the major contributor to growth." India's growth outlook is still robust. India is still the fastest growing major economy as compared to other developing countries.

Increase in Capital market participation by retail investors

After conceding its position as the fastest growing major economy to China for a year in 2018, India is likely to reclaim the position in 2019. 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 with higher rate of savings are expected to start investing in Capital markets which augurs well for depositories.

THREATS

Monsoon risk:

According to CRISIL India Outlook FY20 report, they expect fourth consecutive year of normal monsoon. In the past 15 years, they have seen two such periods of four consecutive normal rainfall years – 2005 to 2008 and 2010 to 2013 – that yielded healthy average agriculture growth of 3.6% and 5.5%, respectively. The National Oceanic Atmospheric Administration of United States (US) is, however, forecasting an El Nino event in 2019. The country has faced two consecutive El Nino events in 2014 and 2015 with agriculture GDP growth dropping to near zero. With farmer incomes dropping, a weak rainfall, if manifests, could add to the rural pain.

Political risk:

If the general elections this year were to yield a fractured mandate and derail/delay the process of reforms, the implications on sentiments, investments and growth could be adverse.

Oil prices:

According to CRISIL, in the base case, global crude oil prices are expected to soften to settle around $60-65 average per barrel in fiscal 2020 compared with $68-72 average per barrel in fiscal 2019 as overall global demand slows. However, some price pressure could be felt in response to the recently announced supply cuts by the Organisation of Petroleum Exporting Countries (OPEC). If oil prices were to spike and stay high through the fiscal, India's manufacturers could face input price pressures. And with consumption seeing only a gradual revival, pass-through of these higher costs on to prices would be difficult therefore squeezing margins.

Much weaker global outlook:

For now, the deceleration in global growth is gradual. However, if the slowdown is much faster and deeper than is being currently expected, global demand and trade growth could severely slow down, thereby creating adverse consequences for our exports.

OUTLOOK

Globally, financial markets continue to remain buoyant with expectations of tariff war resolution as well as end of tightening by US Fed. These two actions, remains a critical event for outlook on global economic growth. The crude oil prices on the other hand have resumed uptrend during theQ1CY19 and a decisive move would be known

once US announces the decision regarding whether it will extend the temporary waiver of embargo on Iranian oil. Crude oil prices remain a critical monitorable for India as oil above 65-70 range starts impacting both fiscal and current account deficits as well as currency.

The domestic equity markets joined the global rally with a good up move led by a sharp improvement in market sentiments. The change in the market sentiments is a combination of strong FPI inflows, comfort of attractive valuations post sharp correction in small and mid-cap stocks, as well as favourable election outcome expectation. RBI too is expected to remain on growth supportive mode partly by reducing rates and partly by removing some PSU banks from the PCA framework.

While the near-term volatility in Indian equity markets are driven by sentiments associated with elections and hence difficult to anticipate, the medium to long term, growth prospects for India remains strong and equity markets offer investors an opportunity to participate in the economic growth. Indian investors should remain focussed on this opportunity that is offered by India's growth story.

According to Prime Database, Over the past six to nine months, the IPO pipeline has been very strong. Some 65 companies are said to be sitting with Sebi approvals and another eight awaiting it, 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 are expected to increase revenues in a gradual manner. In addition, the Company is looking to add newer services to contribute to the future growth. Single demat account for all financial assets where an investor can access all the details of their investments on a common platform if implemented will result in improved prospects. This is envisaged as a one-stop account for all financial investments including pension funds, fixed deposits, life insurance policies, etc.

INFORMATION TECHNOLOGY

CDSL has deployed 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 though 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 ISO27001 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 (Standalone)

(The Company clocked Operational Revenue of ₹ 15234.12 lakhs in FY 2018-19 as against ₹ 15083.17 lakhs in FY 2017-18, up 1%. Other Income increased by 29% to ₹ 3612.88 lakhs in FY 2018-19 as against ₹ 2803.95 in FY 2017-18 due to appreciation in value of investments. CDSL's main costs are Employee Wages and Benefits, Computer Technology Related Expenses which are largely fixed in nature. Total expenditure in FY 2018-19 stood at ₹ 7881.05 lakhs against ₹ 7248.98 in FY 2017-18, up 9% as compared to the previous year. Other Expense declined marginally by 0.06% as compared to previous year. EBITDA improved to ₹ 11791.46 lakhs in FY 2018-19 as against ₹ 11284.56 lakhs in FY 2017-18. PAT improved to ₹ 8437.73 lakhs, up 9% over the previous year. The Net Worth of the Company stood at ₹ 54253 lakhs as on March 31, 2019 as compared to ₹ 50225 lakhs as on March 31, 2018. The Cash Generated from operations stood at ₹ 9823.42 lakhs during FY19. There is net cash generated from Operating Activities of ₹ 7308.54 lakhs as on March 31, 2019.)

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 Operational Revenue of ₹ 19465.19 lakhs in FY 2018-19 as against ₹ 18768.82 lakhs in FY 2017-18, up 4%. As compared to the previous year Annual Issuer Charges increased by 21%, Transaction Charges decreased by 11%, IPO Corporate Action Charges

decreased by 33% and Online Data Charges that is income from KYC increased by 9%. The modest increase in revenues is attributable to volatile financial market conditions with drop in stock prices of several mid- cap and small cap stocks negatively impacting investor sentiment and reduction in the number of companies coming out with IPOs/FPOs.

Other Income increased by 29% to ₹ 4919.38 lakhs in FY 2018-19 as against ₹ 3798.77 lakhs in FY 2017-18 due to appreciation in value of investments.

CDSL's main costs are Employee Wages and Benefits, Computer Technology Related Expenses which are largely fixed in nature. Total expenditure in FY 2018-19 stood at ₹ 9563.84 lakhs against ₹ 8425.81 in FY 2017-18, up 14% as compared to the previous year. Other Expense is up 10% as compared to previous year.

EBITDA improved to ₹ 15812.26 lakhs in FY 2018-19 as against ₹ 14836.34 lakhs in FY 2017-18. PAT improved to ₹ 11482.66 lakhs, up 11% over the previous year.

The Net Worth of the Company stood at ₹ 70943 lakhs as on March 31, 2019 as compared to ₹ 61470 lakhs as on March 31, 2018. The Cash Generated from operations stood at ₹ 11904.92 lakhs during FY19. There is net cash from Operating Activities of ₹ 8543.63 lakhs as on March 31, 2019.

Name of the entity in the Group	**For the year ended March 31, 2019**		**For the year ended March 31, 2018**	
	Share in profit or loss			
	As % of Consolidated net Profit and Loss	Amount (₹ Lakhs)	As % of Consolidated net Profit and Loss	Amount (₹ Lakhs)
Parent Company- Central Depository Services (India) Limited	73%	8,437.73	74%	7,653.63
CDSL Ventures Limited	24%	2,733.29	24%	2,494.01
CDSL Insurance Repository Limited	2%	199.31	1%	78.57
CDSL Commodity Repository Limited	1%	112.30	1%	91.62
Non-controlling Interest in subsidiary	1%	131.21	-	46.00
Total	**100%**	**11,613.84**	**100%**	**10,363.83**

RISKS AND CONCERNS

The Company's securities depository business competes closely with its competitor for DPs, investor accounts and number of instruments on its systems.

The Company's inability to effectively manage its growing DP network or any disruptions in its supply or distribution infrastructure may have an adverse effect on its business, results of operations and financial condition.

Bulk of the accounts are presently being opened by the online account opening mechanism, which primarily depends on the Aadhaar number and online feed from the UIDAI. Any changes to the mode of exchange of information from / to UIDAI enforced due to regulatory directions from UIDAI, could adversely impact account opening.

Any interruptions or malfunctions in the operation of the Company's IT systems could damage its reputation and cause loss for the business.

If there is a shift in consumer preferences away from investing and trading in securities to other products and services, it could significantly reduce demand for the Company's services and adversely affect its business, financial condition and results of operations.

Fraud due to unauthorized transfer of securities or service deficiency could result in losses. Further,

if account data disseminated by the Company contains undetected errors, this could have a material adverse effect on its business, financial condition or results of operations.

Broad market trends, economic and market conditions and other factors beyond the Company's control could significantly reduce demand for its services and harm its business, financial condition and results of operations.

Insufficient systems capacity and systems failures could materially and adversely affect the Company's business.

The Company must adapt to significant and rapid technological changes in the industry in order to compete successfully.

The Company works in a tightly regulated environment hence any changes brought about due to changes in the processes and procedure to be followed due to issuance of instructions by the regulator could slow down its growth trajectory.

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 controls 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 authorizations 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 Organizations (COSO) of the Treadway Commission, so as to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effects 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.

Material developments in Human Resources / Industrial Relations front, including number of people employed.

There were no material developments in Human Resources front during the financial year 2018-19. 22 employees were hired and

14 employees left the Company during the financial year 2018-19. There were 213 employees on the payrolls of the Company as on 31st March, 2019.

Change in key financial ratios

Sr.	Ratios	FY 2018-19	FY 2017-18	% Change
(i)	Debtors Turnover	10.17	9.95	2.21%
(ii)	Inventory Turnover	N.A.	N.A.	N.A.
(iii)	Interest Coverage Ratio	N.A.	N.A.	N.A.
(iv)	Current Ratio	2.86	3.05	(6.22%)
(v)	Debt Equity Ratio	N.A.	N.A.	N.A.
(vi)	Operating Profit Margin (%)	60.78%	62.66%	(3.00)
(vii)	Net Profit Margin (%)	46.55%	45.72%	1.81%
(viii)	Sector-specific equivalent ratios, as applicable.	-	-	-

There are no significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

Change in Return on Net-worth (RONW) as compared to the immediately previous financial year

Ratio	FY 2018-19	FY 2017-18
RONW	16.99%	17.23%

The RONW is marginally down due to lower incremental growth in the Profit as compared to the growth in the Net-Worth.

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.

Or

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.

For and on behalf of the Board

Bontha Prasada Rao
Directors
(DIN:01705080)

Rajender Mohan Malla
Directors
(DIN: 00136657)

Place : Mumbai
Date : 3rd May, 2019

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 2018-19 is 25.34 :1
2. The remuneration of MD & CEO and CFO was increased by 63.68% (Due to Full & Final settlement) and 14.94% respectively during the financial year. Shri Amol Purandare, AVP-Legal and Company Secretary resigned w.e.f. 26th June, 2018 and Shri Lalit Sharma, Vice-President- Legal and Company Secretary was appointed w.e.f 27th October, 2018. As such, increase in remuneration of these officials could not be provided. In the financial year, there was an increase of 5.39% in the median remuneration of employees.
3. There were 213 employees on the rolls of the Company as on 31st March, 2019.
4. There has been 8.35 percentile increase in the salaries of employees other than the managerial remuneration in the last financial year and there has been 39.31percentile 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.
5. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.
6. 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	56	M.A.	MD & CEO	₹2,33,42,519 As a part of full and final settlement	31	8th November, 2006	BSE Chief General Manager – Surveillance & Inspection
Shri. Joydeep Dutta	59	MS (Computer Science), B.E	Executive Director and Group CTO	₹1,19,15,022	37	7th July, 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.

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 / Non-government company
	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

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	83%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held held	Applicable Section
1	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

III	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -				
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	52	2(87) of the Companies Act, 2013

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

Sr No	Category of Shareholders	Shareholding at the beginning of the year 2018				Shareholding at the end of the year -2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
(1)	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Central Government / State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	25080000	0	25080000	'24.0000	25080000	0	25080000	'24.0000	'0.0000
	Sub Total (A)(1)	**25080000**	**0**	**25080000**	**'24.0000**	**25080000**	**0**	**25080000**	**'24.0000**	**'0.0000**
[1]	Institutions									
(f)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Sub Total (A)(1)	0	0	0	'0.0000	0	0	0	'0.0000	
[2]	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	**0**	**0**	**0**	**'0.0000**	**0**	**0**	**0**	**'0.0000**	**'0.0000**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**25080000**	**0**	**25080000**	**'24.0000**	**25080000**	**0**	**25080000**	**'24.0000**	**'0.0000**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	4876076	0	4876076	'4.6661	7778123	0	7778123	'7.4432	'2.7771
(b)	Venture Capital Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Alternate Investment Funds	675333	0	675333	'0.6463	776768	0	776768	'0.7433	'0.0970

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

Sr No	Category of Shareholders	Shareholding at the beginning of the year 2018				Shareholding at the end of the year -2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Foreign Portfolio Investor	2292865	0	2292865	'2.1941	3247211	0	3247211	'3.1074	'0.9133
(f)	Financial Institutions / Banks	37069625	0	37069625	'35.4733	28279298	0	28279298	'27.0615	'-8.4118
(g)	Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Foreign Bank	7500000	0	7500000	'7.1770	7500000	0	7500000	'7.1770	'0.0000
	Sub Total (B)(1)	**52413899**	**0**	**52413899**	**'50.1568**	**47581400**	**0**	**47581400**	**'45.5324**	**'-4.6244**
[2]	**Central Government/ State Government(s)/ President of India**									
	Sub Total (B)(2)	**0**	**0**	**0**	**'0.0000**	**0**	**0**	**0**	**'0.0000**	**'0.0000**
[3]	**Non-Institutions**									
(a)	**Individuals**									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	18265316	510	18265826	'17.4793	22041891	410	22042301	'21.0931	'3.6138
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1835637	0	1835637	'1.7566	2529154	0	2529154	'2.4202	'0.6636
(b)	NBFCs registered with RBI	0	0	0	'0.0000	68698	0	68698	'0.0657	'0.0657
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	**Any Other (Specify)**									
	Trusts	68633	0	68633	'0.0657	10922	0	10922	'0.0105	'-0.0552
	Foreign Nationals	41	0	41	'0.0000	41	0	41	'0.0000	'0.0000
	Hindu Undivided Family	957477	0	957477	'0.9162	1158255	0	1158255	'1.1084	'0.1922
	Non Resident Indians (Non Repat)	185205	0	185205	'0.1772	483584	0	483584	'0.4628	'0.2856
	Non Resident Indians (Repat)	474613	0	474613	'0.4542	933605	0	933605	'0.8934	'0.4392
	Foreign Portfolio Investor (Individual)	140	0	140	'0.0001	140	0	140	'0.0001	'0.0000

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

Sr No	Category of Shareholders	Shareholding at the beginning of the year 2018				Shareholding at the end of the year -2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Clearing Member	719646	0	719646	'0.6887	441677	0	441677	'0.4227	'-0.2660
	Bodies Corporate	4498883	0	4498883	'4.3052	4170223	0	4170223	'3.9906	'-0.3146
	Sub Total (B)(3)	27005591	510	27006101	'25.8432	31838190	410	31838600	'30.4676	'4.6244
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	79419490	510	79420000	'76.0000	79419590	410	79420000	'76.0000	'0.0000
	Total (A)+(B)	**104499490**	**510**	**104500000**	**'100.0000**	**104499590**	**410**	**104500000**	**'100.0000**	**'0.0000**
(C)	**Non Promoter - Non Public**									
[1]	Custodian/DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total (A)+(B)+(C)	**104499490**	**510**	**104500000**	**'100.0000**	**104499590**	**410**	**104500000**	**'100.0000**	

ii Shareholding of Promoters

Sr No	Shareholders Name	Shareholding at the beginning of the year 2018			Shareholding at the end of the year -2019			
		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	% change in share holding during the year
1	BSE Ltd.	25080000	24	0	25080000	24	0	0

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

Sr No		Shareholding at the beginning of the year		Shareholding at the end of the year		
		No. of shares held on 01.04.2018	% of total shares of the company	No of Shares	No. of shares held on 31.03.2019	% of total shares of the company
	At the beginning of the year	**25,080,000**	**24.00**	**25,080,000**	**24.00**	
	At the End of the year	**0**	**-**	**0**	**-**	

IV Shareholding Pattern of Top Ten Shareholders

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		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**	**7.177**			**7500000**	**7.177**
	Market Purchase			13 Apr 2018	56000	7556000	7.2306
	Market Sell			20 Apr 2018	-56000	7500000	7.177
	Market Purchase			08 Jun 2018	271	7500271	7.1773
	Market Sell			15 Jun 2018	-271	7500000	7.177
	Market Purchase			21 Sep 2018	63826	7563826	7.2381
	Market Sell			29 Sep 2018	-63826	7500000	7.177
	At The End Of The Year					**7500000**	**7.177**
2	HDFC Bank Ltd.	**7500000**	**7.177**			**7500000**	**7.177**
	Market Purchase			06 Jul 2018	17311	7517311	7.1936
	Market Sell			13 Jul 2018	-270	7517041	7.1933
	Market Sell			20 Jul 2018	-17041	7500000	7.177
	Market Purchase			27 Jul 2018	40000	7540000	7.2153
	Market Purchase			03 Aug 2018	10000	7550000	7.2249
	Market Sell			10 Aug 2018	-39842	7510158	7.1868
	Market Purchase			17 Aug 2018	9842	7520000	7.1962
	Market Sell			31 Aug 2018	-19425	7500575	7.1776
	Market Sell			07 Sep 2018	-575	7500000	7.177
	Market Purchase			26 Oct 2018	6968	7506968	7.1837

IV Shareholding Pattern of Top Ten Shareholders

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
	Market Purchase			02 Nov 2018	3032	7510000	7.1866
	Market Sell			09 Nov 2018	-4850	7505150	7.182
	Market Sell			16 Nov 2018	-5150	7500000	7.177
	Market Purchase			07 Dec 2018	50	7500050	7.1771
	Market Sell			14 Dec 2018	-50	7500000	7.177
	At The End Of The Year					**7500000**	**7.177**
3	**Canara Bank**	**6744600**	**6.4542**			**6744600**	**6.4542**
	At The End Of The Year					**6744600**	**6.4542**
4	**Life Insurance Corporation of India**	**4336750**	**4.15**			**4336750**	**4.15**
	At The End Of The Year					**4336750**	**4.15**
5	**State Bank Of India**	**5225000**	**5**			**5225000**	**5**
	Market Sell			09 Nov 2018	-1382	5223618	4.9987
	Market Sell			14 Dec 2018	-124844	5098774	4.8792
	Market Sell			21 Dec 2018	-569000	4529774	4.3347
	Market Sell			04 Jan 2019	-40000	4489774	4.2964
	Market Sell			11 Jan 2019	-50000	4439774	4.2486
	Market Sell			18 Jan 2019	-139300	4300474	4.1153
	Market Sell			25 Jan 2019	-242759	4057715	3.883
	Market Sell			01 Feb 2019	-488200	3569515	3.4158
	At The End Of The Year					**3569515**	**3.4158**
6	**Bank Of Baroda**	**3125642**	**2.991**			**3125642**	**2.991**
	Market Sell			06 Jul 2018	-70000	3055642	2.9241
	Market Sell			13 Jul 2018	-198302	2857340	2.7343
	Market Sell			20 Jul 2018	-64400	2792940	2.6727
	Market Sell			27 Jul 2018	-95000	2697940	2.5818
	Market Sell			03 Aug 2018	-16000	2681940	2.5664
	Market Sell			10 Aug 2018	-10000	2671940	2.5569
	Market Sell			17 Aug 2018	-7000	2664940	2.5502
	Market Sell			24 Aug 2018	-10000	2654940	2.5406
	Market Sell			21 Sep 2018	-10596	2644344	2.5305
	Market Sell			09 Nov 2018	-10000	2634344	2.5209
	Market Sell			16 Nov 2018	-10000	2624344	2.5113
	Market Sell			15 Mar 2019	-14797	2609547	2.4972
	At The End Of The Year					**2609547**	**2.4972**

IV Shareholding Pattern of Top Ten Shareholders

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
7	**L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund**	**2064604**	**1.9757**			**2064604**	**1.9757**
	At The End Of The Year					**2064604**	**1.9757**
8	**Union Bank Of India,Treasury Branch, Mumbai**	**2000000**	**1.9139**			**2000000**	**1.9139**
	At The End Of The Year					**2000000**	**1.9139**
9	**Reliance Capital Trustee Co. Ltd -A/C Reliance Small Cap Fund**	**1853598**	**1.77**			**0**	**0**
	Market Purchase			21 Dec 2018	926961	926961	0.887
	Market Purchase			04 Jan 2019	72383	999344	0.9563
	Market Purchase			11 Jan 2019	125094	1124438	1.076
	Market Purchase			18 Jan 2019	58193	1182631	1.1317
	Market Purchase			01 Feb 2019	429267	1611898	1.5425
	Market Purchase			15 Feb 2019	241700	1853598	1.7738
	At The End Of The Year					**1853598**	**1.7738**
10	**IDFC Focused Equity Fund**	**1312124**	**1.2556**			**1312124**	**1.2556**
	Market Purchase			06 Apr 2018	36000	1348124	1.2901
	Market Purchase			05 Oct 2018	29031	1377155	1.3179
	Market Purchase			02 Nov 2018	845	1378000	1.3187
	Market Purchase			30 Nov 2018	6000	1384000	1.3244
	Market Purchase			25 Jan 2019	12350	1396350	1.3362
	Market Purchase			01 Feb 2019	27650	1424000	1.3627

IV Shareholding Pattern of Top Ten Shareholders

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
	At The End Of The Year					**1424000**	**1.3627**
11	**Bank of India**	**5820000**	**5.5694**			**5820000**	**5.5694**
	Market Sell			06 Jul 2018	-77000	5743000	5.4957
	Market Sell			13 Jul 2018	-19185	5723815	5.4773
	Market Sell			03 Aug 2018	-35000	5688815	5.4438
	Market Sell			10 Aug 2018	-91947	5596868	5.3559
	Market Sell			17 Aug 2018	-5000	5591868	5.3511
	Market Sell			24 Aug 2018	-2208	5589660	5.349
	Market Sell			31 Aug 2018	-62896	5526764	5.2888
	Market Sell			07 Sep 2018	-104000	5422764	5.1892
	Market Sell			14 Sep 2018	-118382	5304382	5.076
	Market Sell			21 Sep 2018	-200000	5104382	4.8846
	Market Sell			29 Sep 2018	-149872	4954510	4.7412
	Market Sell			05 Oct 2018	-30695	4923815	4.7118
	Market Sell			16 Nov 2018	-90000	4833815	4.6257
	Market Sell			23 Nov 2018	-103060	4730755	4.527
	Market Sell			30 Nov 2018	-732266	3998489	3.8263
	Market Sell			07 Dec 2018	-840790	3157699	3.0217
	Market Sell			14 Dec 2018	-564350	2593349	2.4817
	Market Sell			21 Dec 2018	-1670388	922961	0.8832
	Market Sell			28 Dec 2018	-256315	666646	0.6379
	Market Sell			31 Dec 2018	-175000	491646	0.4705
	Market Sell			07 Jan 2019	-491646	0	0
	At The End Of The Year					**0**	**0**
12	**Bank of Maharashtra**	**2000000**	**1.9139**			**2000000**	**1.9139**
	Market Sell			06 Jul 2018	-400906	1599094	1.5302
	Market Sell			13 Jul 2018	-253448	1345646	1.2877
	Market Sell			27 Jul 2018	-76484	1269162	1.2145
	Market Sell			03 Aug 2018	-270000	999162	0.9561
	Market Sell			10 Aug 2018	-226366	772796	0.7395
	Market Sell			17 Aug 2018	-120000	652796	0.6247
	Market Sell			24 Aug 2018	-110000	542796	0.5194
	Market Sell			31 Aug 2018	-114325	428471	0.41
	Market Sell			07 Sep 2018	-30708	397763	0.3806
	Market Sell			14 Sep 2018	-120000	277763	0.2658
	Market Sell			21 Sep 2018	-15000	262763	0.2514
	Market Sell			29 Sep 2018	-25221	237542	0.2273
	Market Sell			26 Oct 2018	-132510	105032	0.1005

IV Shareholding Pattern of Top Ten Shareholders

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2018	Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
	Market Sell		02 Nov 2018	-70698	34334	0.0329
	Market Sell		09 Nov 2018	-25000	9334	0.0089
	Market Sell		28 Dec 2018	-9334	0	0
	At The End Of The Year				0	0

Note:

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 104500000 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(V) Shareholding of Directors and Key Managerial Personnel

Sr No		Shareholding at the beginning of the year - 01.04.2018		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	"% of total shares of the company "	No. of shares	"% of total shares of the company "
	Shri Joydeep Dutta	2690	Negligible	2690	Negligible
	Shri Bharat Sheth	2690	Negligible	2690	Negligible
	Smt Nayana Ovalekar	2204	Negligible	2204	Negligible
	Shri Ramkumar K	2890	Negligible	-	Negligible
	Add: Market Purchase on 18.02.2019	500	Negligible	-	-
	Add: Market Purchase on 07.03.2019	400	Negligible	3790	Negligible
	Shri Sunil Alvares	Nil	Nil	Nil	Nil
	Shri Lalitmohan Sharma	Nil	Nil	Nil	Nil
	Shri Yogesh Kundnani	2690	Negligible	2690	Negligible
	Shri Farokh Patel	2482	Negligible	2482	Negligible

V INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

V INDEBTEDNESS

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Change in Indebtedness during the financial year		NIL		
	Addition				
	Reduction				
	Net Change				
	"Indebtedness at the end of the financial year				
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	22,435,239	22,435,239
	(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		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify…		
5	Others, please specify	867,680	867,680
	Total (A)	**23342519**	**23342519**
	Ceiling as per the Act (Rs. In lacs)		443

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. no.	Particulars of Remuneration	Name of Directors					Total Amount
	Name of Independent Directors	**Shri T.S. Krishna Murthy**	**Shri A Krishnakumar**	**Shri R.M. Malla**	**Shri B.Prasada Rao**	**Smt. Usha Narayanan**	
	Fee for attending board / committee meetings	2225000	2450000	1625000	1925000	1475000	9700000
	Commission	Nil	Nil	Nil	Nil	Nil	
	Others, please specify	Nil	Nil	Nil	Nil	Nil	
	Total	**2225000**	**2450000**	**1625000**	**1925000**	**1475000**	**9700000**
	Name of Shareholder Directors	**Shri Nehal Vora**	**Shri Nayan Mehta**	**Shri C.Venkat Nageswar**	**Shri K.V. Sub-ramanian**		
	Fee for attending board / committee meetings	275000	1375000	425000	Nil		2075000
	Commission	Nil	Nil	Nil	Nil		
	Others, please specify	Nil	Nil	Nil	Nil		
	Total	**275000**	**1375000**	**425000**	**Nil**		**2075000**

Overall Ceiling as per the Companies Act, 2013 for sitting fees is Rs.1,00,000 (Rupees One lakh Only per Board/ Committee Meeting thereof.

C Remuneration To Key Managerial Personnel Other Then MD/ MANAGER/ WTD

Sr No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Shri Bharat Sheth	**Shri Amol Purandare**	**Shri Lalitmohan Sharma**	
1	Gross salary				
	(a) Salary as per proovisions contained in section 17(1) of the Income-tax Act, 1961	8077127	745648	1176876	9999651
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32400	0	127900	160300
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	

Sr No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Shri Bharat Sheth	Shri Amol Purandare	Shri Lalitmohan Sharma	
4	Commission - as % of Profit - others, specify…	-	-	-	
5	Others, please specify- Provident Fund	237881	23002	54732	260883
	Total	**8347408**	**768650**	**1359508**	**10475566**

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)
A	**COMPANY**					
	Penalty					
	Punishment					
	Compounding			NIL		
B	**DIRECTORS**					
	Penalty					
	Punishment					
	Compounding					
C	**OTHER OFFERS IN DEFAULT**					
	Penalty					
	Punishment					
	Compounding					

BUSINESS RESPONSIBILITY REPORT

FY 2018-19

INTRODUCTION

CDSL's Business Responsibility Report 2018-19 follows the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, as notified by the Ministry of Corporate Affairs (MCA), Government of India. Our Business Responsibility Report includes our responses to questions on our practices and performance on key principles defined by Regulation 34(2)(f) of SEBI Regulations 2015, covering topics across environment, governance, and stakeholder relationships.

SECTION A: GENERAL INFORMATON ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the company	L67120MH1997PLC112443
2.	Name of the Company	Central Depository Services (India) Limited
3.	Registered address	Marathon Futurex, 25th floor, A-Wing, Mafatlal Mills Compound, N.M Joshi Marg, Lower Parel, Mumbai 400013.
4.	Website	https://www.cdslindia.com/
5.	E-mail ID	brr@cdslindia.com
6.	Financial Year reported	2018-19
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Depository Services-64990
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	In regulation with SEBI, we provide only depository services.
9.	Total number of locations where business activity is undertaken by the Company	National: 12 regional offices
10.	Markets served by the Company	Markets served all across India and certain International locations.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	10,450 Lakh
2.	Total Turnover (INR)	18,847 Lakh
3.	Total profit after taxes (INR)	8,438 Lakh
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after taxes (%)	0.75%
5.	List of activities in which expenditure in 4 above has been incurred	Education, Infrastructure and transport, Rain water harvesting, Public relief funds

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, there are three subsidiary companies as listed below:

a) CDSL Insurance Repository Limited

b) CDSL Ventures Limited

c) CDSL CommodityRepository Limited

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Yes, all the subsidiaries participate in our BR initiatives

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]

Our system is based on centralised database architecture which completely relies on robust data canter. These data centers are provided by big IT players in India which have their own BR reports and initiatives.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/ Directors responsible for BR

a) Details of the Director/ Directors responsible for implementation of the BR policy/ policies

1. DIN Number 00136657
2. Name Shri R. M. Malla
3. Designation Public Interest Director

b) Details of the BR Head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	-
2.	Name	Shri Bharat Sheth
3.	Designation	Chief Financial Officer
4.	Telephone Number	+91 22 23058628
5.	E-mail ID	bharats@cdslindia.com

2. Principle-wise (as per NVGs) BR Policy/ policies

a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy been formulated in consultation with relevant stakeholders?	Yes, the policies are formulated in consultation with our senior managers.								
3	Does the policy conform to any national / international standards? If yes, specify.	Yes, it complies with National Voluntary Guidelines.								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD /owner/CEO/appropriate Board Director?	Yes								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes								
6	Indicate the link to view the policy online?	https://www.cdslindia.com/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								

8	Does the Company have in-house structure to implement its policy/policies?	Yes
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to policy/policies?	Yes
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	This is our first BR report for the FY 2018-19, we will arrange to get the same evaluated in the next year.

3. Governance related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

This is our first BR report for the FY 2018-19. The BR performance will be reviewed annually.

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

We are publishing our BR report along with our annual report which is published annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (P1): Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes. Our company's code of conduct and ethics complies with all the governed laws and regulations; including mechanisms to resolve ethical issues & unethical conduct, legitimate handling of conflicts of interest and fostering culture of transparency, honesty and accountability.

Our corporate governance practices and policies extends beyond our employees, to cover 595 Depository participants and 12110 issuer companies.

2. How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

For the reporting year, we have received 29 complaints, of which all the complaints were resolved.

Principle 2 (P2): Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

Our principle nature of service is to hold various securities like stocks, shares, money, etc. in an electronic form.The customers are provided with a DEMAT account where several certificates are accessed digitally. These varied certificates and documents can be shared via e-mail and are stored in an electronic locations called E-locker. Numerous data files are quantified in our data centers. Considering increasing concerns and risks for the environment; we replaced our existing high powered data center system with latest low powered data center system which reduced power consumption by 20KW. We also provide consolidated account statement in electronic form called E-CAS. This helps us save 85% paper utility and maintain all the physical records in a digital format.

India is a developing and diversified country for which we provide service information in multiple

regional languages; this led several customers to connect with us on a digital scale. Lately, digitization movement and a new set of regulations has also mandated unlisted companies to dematerialize which will allow easy accessibility and transformation of all their physical documents and storage of the same into digital format.

2. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   We being a service provider company, have no specific procedure for sustainable sourcing.

3. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   As our company's service is totally based on a digital platform, there is negligible need of other goods and services procurement in relation to our business.

4. **Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?**

   Our primary waste products are data storage devices which are digitally degaussed to destroy the data. Later these devices are disposed through a reputed and certified disposers.Secondary waste generated by us is handed over to premises manager, which in turn have processes to recycle, wherever possible like sewage treatment plant, organic waste converter, bottle crushers, etc.

Principle 3 (P3): Businesses should promote the wellbeing of all employees

1. **Please indicate the total number of employees.**

   213

2. **Please indicate the total number of employees hired on temporary/ contractual/casual basis.**

   Nil

3. **Please indicate the number of permanent women employees.**

   48

4. **Please indicate the number of permanent employees with disability.**

   2

5. **Do you have an employee association that is recognized by management?**

   No

6. **What percentage of your permanent employees are a member of this recognized employee association?**

   Not Applicable

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Category	No. of complaints during financial year	No. of complaints pending at the end of the financial year
Child Labour	-	-
Forced Labour/Involuntary Labour	-	-
Sexual Harassment	-	-

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Employee category	ISMS Training	
	Male	Female
Number of permanent employees	28	11
Number of employees with disabilities	1	-
Employees at Management level	6	1
Employees at Non-Management level	22	10

Principle 4 (P4): Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized.

1. Has the company mapped its internal and external stakeholders?

Yes we have identified our internal and external stakeholders which are listed below:

a. Internal:

   i. Employees

b. External:

   i. Depository participants
   ii. Issuers, Registrar and Transfer Agents (RTAs)
   iii. Shareholders
   iv. Advertising Agencies
   v. Beneficial Owners
   vi. Exchanges
   vii. NSDL
   viii. Data centres(contractors)
   ix. SEBI
   x. MCA
   xi. Practicing Company Secretary
   xii. Internal and Statutory Auditors
   xiii. Farmers
   xiv. Repository participants
   xv. Warehouses
   xvi. Local Communities
   xvii. NGOs

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, we have focused and identified our vulnerable, disadvantaged and marginalised stakeholders. We have identified them as

a. Physically challenged employees

b. Mentally retarded children

c. Underprivileged and destitute children & women

d. Senior citizens and rural population (Farmers)

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable, and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Yes. We put in an extra effort to engage with disadvantaged, vulnerable, and marginalized stakeholders. As part of our CSR policy we have identified the following focus areas:

- Eradicating extreme hunger and poverty
- Promotion of education
- Promoting gender equality and empowering women
- Reducing child mortality and improving maternal health
- combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases
- Ensuring environmental sustainability
- Employment enhancing vocational skills
- Social business projects
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

The above areas are reached through our CSR activities by donating to trusts, associations, NGOs likeADHAR (Association of Parents of Mentally Retarded Children), Varasidhi Visual Vidhyashram (VVV) Trust, The Nest India Foundation,etc.

Principle 5 (P5): Businesses should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

Yes, our company policies and practices related to protection of human rights i.e sexual harassment, child labor, etc. extends to all the stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

For the reporting year, no complaints were received.

Principle 6 (P6): Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/Suppliers/Contractors/ NGOs/others.

Yes, the policy related to principle 6 extends to all our stakeholders.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

Increasing energy demand and improper waste management have a major role and take part in climate change and global warming. Our services of demat securities enables the reduction in issuance of physical share certificates by companies as they are transformed to online shares. IPO and Corporate Action (CA) are being processed electronically which reduces the re-printing of share certificates. Various online initiatives have been facilitated through electronic means viz. online demat account opening, online account modification, online DIS (Online Delivery Instruction Slips), online pledge, online destatementization etc. This has largely reduced the cost of printing and storing the physical documents for the stakeholders associated with us. Also we have upgraded our data center system which consumes 11 KW (earlier 31 KW). Our head office has an efficient waste management system comprising sewage treatment plant and organic waste converter.

3. Does the company identify and assess potential environmental risks?

No, but we are prepared with a business continuity plan if any unfortunate climatic phenomena or a disaster takes place.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   No

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N.**

   Please refer to Principle 2.1 and Principle 6.2 for insights on the company initiatives.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Please refer to Principle 2.4 for our waste disposal.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   Nil

Principle 7 (P7): Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Yes, the major trade bodies and associations are listed below through which we actively participate in overall development of our company:

a. ACG-Asia Pacific Central Securities Depository Group

b. Groningen Declaration Network (GDN)

c. Association of Eurasian Central Securities Depositories (AECSD)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (dropbox: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Yes, we have received several suggestions from trade bodies and associations forour stakeholder's and company's growth. Some of them are listed below:

   a. eVoting

   b. National Academic depository

   c. Go green movements

   d. Single demat account for all financial assets

Principle 8 (P8): Businesses should support inclusive growth and equitable development

1. **Does the company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes, our corporate social responsibility supports inclusive growth of not only communities where we have our operations, but also encompasses the overall development of societies and human capabilities. We have taken 5 major initiatives in the areas of education and commutation.

2. **Are the programs/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?**

   The projects/programs are undertaken primarily through our CSR committee and associated organizations/trusts.

3. **Have you done any impact assessment of your initiative?**

   The CSR official periodically visits and checks the progress of the CSR initiatives and provides inputs to the CSR committee about its assessment.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   Our responsibility towards contributing into the sectors of economic, environmental and social development allows us to have a positive impact on the society.

   Project AADHAR Dormitory benefits around 50 differently abled individuals on a daily basis. Also the Multipurpose hall benefits 150-200 individuals. The project has enhanced the mode of accommodation of differently abled individuals and multipurpose hall is used for socialization of the residents and various activities like morning prayers, yoga classes,

parents meeting, health camps, etc.

We have also contributed towards the relief funds to Government for the devastation which flood had caused in Kerala and Tamil Nadu.

Multipurpose Hall

Male Dormitory

Chief Minister of Tamil Nadu, EdappadiPalaniswami felicitating CDSL for making contributions towards providing relief to victims of cyclone Gaja.

Initiatives/programmes/ projects undertaken by the Company for Supporting Inclusive Development	Inhouse team/ Own Foundation/ External NGO/ Government Structures/ Any other organization	Amount contributed directly in the initiative by the Company in INR
Final payment of Construction of New Male Dormitory and Multipurpose Hall.	Adhar, Badlapur, Thane (Dt.), Maharashtra.	Rs. 12,57,986
Project "Gadadhar Sishu Vikas Kendra's (non-formal School from KG (kindergarten) to IV (fourth) standard 262 students	Ramakrishna Math, Belur Math, Howrah, West Bengal.	Rs. 35,37,000
Rainwater Harvesting project under "Akash Ganga" at Sanwlod village Rajasthan	Sustainable Innovation Trust of India	Rs. 5,00,000
Flood caused by hurricane	Kerala Chief Minister Distress Relief Fund	Rs. 5,00,000
Flood caused by hurricane	Tamil Nadu Chief Minister's Public relief Fund	Rs. 5,00,000

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

As mentioned above and in the CSR policy, we ensure that the amount donated is as per the requirement of the NGO. After a thorough due diligence, the CSR committee and Board of Directors, gives a go ahead to the NGO to procure the required equipment/s or carry out construction of the required building or revenue expenditure. The amount so spent are thoroughly verified by the CSR officials and upon verification, the funds for the same handed over to the NGO.

Principle 9 (P9): Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

We have received zero complaints or cases for the reporting year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

The above question is not applicable to us, as we are not a manufacturing company. We are a service body and the service information is regulated by our governing body SEBI.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year.

There were no cases filed by any of our stakeholders.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

On a regular basis,we measure the satisfaction levels of customers using our services across various touch points. As part of this exercise, we also conduct programs referred as Investor Awareness Programs (IAPs) across the country. During the IAPs, we cover in detail various services provided by us and also collect feedback from investors. Statistically we found that most of the investors have expressed that they are satisfied with the IAPs conducted by us.

For and on behalf of the Board

	Bontha Prasada Rao	**Rajender Mohan Malla**
Place : Mumbai	**Director**	**Director**
Date : 3rd May, 2019	**(DIN: 01705080)**	**(DIN: 00136657)**

INDEPENDENT AUDITOR'S REPORT

To the Members of

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Central Depository Services (India) Limited ("the Company"), which comprise the Balance Sheet as at March31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
IT systems and controls	
As a Depository, the reliability of IT systems plays a key role in the business operations. Since large volume of transactions are processed, the IT controls are required to ensure that systems process data as expected and that changes are made in an appropriate manner.	Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting including: • Assessing the information systems used by the Company for IT General Controls (ITGC) and Application controls;

Key audit matters	How our audit addressed the key audit matter
The IT infrastructure is critical for smooth functioning of the Company's business operations as well as for timely and accurate financial accounting and reporting. Due to the pervasive nature and complexity of the IT environment and large volume of transactions we have considered IT systems and controls as a key audit matter. Our audit procedures focused on testing of IT systems, IT general controls and specific application controls.	• The aspects covered in the IT systems General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs; - to understand the design and test the operating effectiveness of such controls in the system; • Understanding of the changes that were made to the IT landscape during the audit period and assessing changes that have impact on financial reporting; Performing tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system. • Testing the design and operating effectiveness of compensating controls, in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures. In addition, we understood, where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.
Valuation of investments and its impairment (as described in note 28 of the Ind AS financial statements)	
Quoted investments, other equity and fund investments and unquoted equity investments, represents the most significant amount on the balance sheet. The total of these aggregating to ₹. 48,584 Lakhs represented 79% of total assets of the Company at March 31, 2019. There is a risk that the fair value of investments is not determined appropriately. Accordingly, the valuation of investments and its impairment is considered as a key audit matter.	Our audit procedures included the following: • We assessed the design and implementation of controls over valuation and existence of investments. • For the fair valuation models, we understood and assessed the methodology used. We tested the underlying data and assumptions used in the determination of the fair value. Performed sensitivity analysis wherever necessary. • We traced the quantity held from the confirmation provided by Custodian and Fund houses. • We tested the valuation of the quoted and unquoted investments to independent pricing sources or valuation models, as required. • Based on the fair value of investments, we assessed identification of impairment of investments made by the management.
Provisions for litigation and claims	
There are certain demands raised by regulatory authorities and others. The Company has disputed such demands by appealing them to relevant statutory forums or has denied the claims.	Our audit procedures included the following: • We obtained and evaluated the Company accounting policy in relation to accounting, assessing and disclosure of claims against the Company. • We understood the design and tested key controls related to identification and monitoring claims against the Company.

Key audit matters	How our audit addressed the key audit matter
For various pending litigations against the Company, management judgement is needed to determine whether an obligation exists and a provision should be recorded or disclosure if any, required in the financial statements in accordance with the criteria set under IND AS 37. The measurement of the provision is based on the best estimate of the expenditure required to settle the present obligation. Considering the judgment and estimate involved, matter is considered as a key audit matter.	• We understood the design and tested the operating effectiveness of the Company's key controls over the identification, estimation, monitoring and disclosure of provisions for litigations and claims. • We examined the relevant correspondence with regulators to assess developments in key cases and litigation reports to identify potentially material cases. • For key cases, we considered the regulatory developments and management's interaction with the Regulators and assessed the assumptions used by management in determining provision requirements. We also read historical data and to understand whether they supported current estimates. • We read the Board and other committee meeting minutes to conclude on the effectiveness of management's review controls and conclusions reached. • For the significant provisions made, we understood, and assessed the provisioning methodology. We tested the underlying data and assumptions used in the determination of the provisions recorded, including expected claim rates and the timing of settlement. • For cases where a provision was not recognised, we evaluated the disclosure made in the financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our

auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The comparative Ind AS financial information for the Ind AS financial statements of the Company for the year ended March 31, 2018, were audited by predecessor auditor who expressed an unmodified opinion on that financial information on April 21, 2018.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 on its financial position in its Ind AS financial statements – Refer Note 32 to the Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts during the year ended March 31, 2019;

      iii. During the year, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/
E300005

per **Jayesh Gandhi**
Partner
Membership Number: 037924

Place of Signature: Mumbai
Date: May 3, 2019

Re: CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

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

(b) Certain Fixed assets have been physically verified by the management during the year based on a phased programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 of the Companies Act 2013 are applicable. According to the information and explanations given to us, the Company has complied with the provisions of 186 of the Companies Act, 2013 in respect investments made by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services rendered by the Company.

(vii) (a) Undisputed statutory dues including provident fund, income-tax, service tax , goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to employees' state insurance, sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.

(c) According to the records of the Company, the dues of income-tax, service tax,value added tax and cess on account of any dispute, are as follows.

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakh)	Amount unpaid (Rs. in lakh)
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
Service Tax	Service Tax	Customs, Excise & Service Tax Appellate Tribunal , West Zonal Bench	FY 2009-10	512.02	512.02

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakh)	Amount unpaid (Rs. in lakh)
Service Tax	Service Tax	Customs, Excise & Service Tax Appellate Tribunal , West Zonal Bench	FY 2010-11	86.81	86.81
Service Tax	Service Tax	Customs, Excise & Service Tax Appellate Tribunal , West Zonal Bench	FY 2011-12	86.28	86.28
Income Tax	Income Tax	The Commissioner of Income Tax (Appeals), Mumbai	FY 2010-11	4.92	4.92

The provisions relating to employees' state insurance, sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company

(viii) The Company did not have any outstanding loans or borrowings from financial institution or bank or government or has any debentures outstanding during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer or further public offer or debt instruments or term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management,the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**
Partner
Membership Number: 037924

Place of Signature: Mumbai
Date: May 3, 2019

Re: CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

ANNEXURE 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

Report on the Internal Financial Controls 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, 2019 in conjunction with our audit of the 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 the 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 Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these Ind AS financial statements 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 with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 internal financial controls system over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements 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 with reference to these Ind AS financial statements 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 With Reference to these Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2019, 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.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**
Partner
Membership Number: 037924

Place of Signature: Mumbai
Date: May 3, 2019

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2019

(₹ in Lakh)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
ASSETS			
1 Non-current assets			
a. Property, plant and equipment	3	7,033.17	7,416.41
b. Intangible assets	4	188.76	62.43
c. Financial Assets			
i. Investments			
a. Investments in subsidiaries	5	6,230.00	8,630.00
b. Other investments	6	36,699.08	28,358.22
ii. Loans	7	7.39	9.98
iii. Other financial assets	8	745.15	137.45
d. Deferred tax assets (net)	9	345.08	321.89
e. Non current tax assets	10	1,167.36	1,139.98
f. Other assets	11	45.04	92.21
Total Non-Current Assets		**52,461.03**	**46,168.57**
2 Current assets			
a. Financial Assets			
i. Other investments	6	5,654.98	6,166.35
ii. Trade receivables	12	879.79	1,131.45
iii. Cash and cash equivalents	13	257.60	480.36
iv. Bank balances other than (iii) above	13	1,526.35	2,669.72
v. Loans	7	12.14	9.90
vi. Other financial assets	8	5.00	335.07
b. Other assets	11	463.31	381.72
Total Current Assets		**8,799.17**	**11,174.57**
Total Assets (1+2)		**61,260.20**	**57,343.14**
EQUITY AND LIABILITIES			
1 Equity			
a. Equity Share capital	14	10,450.00	10,450.00
b. Other Equity	15	43,803.35	39,774.53
Total Equity		**54,253.35**	**50,224.53**
LIABILITIES			
2 Non-current liabilities			
a. Financial Liabilities			
Other financial liabilities	16	81.29	75.93
b. Other liabilities	19	14.66	17.94
Total Non-current Liabilities		**95.95**	**93.87**
3 Current liabilities			
a. Financial Liabilities			
i. Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		7.54	7.67
Total outstanding dues of creditors other than micro enterprises and small enterprises		214.23	212.10
ii. Other financial liabilities	16	4,169.64	4,491.91
b. Provisions	18	963.75	874.09
c. Other liabilities	19	1,199.00	1,146.37
d. Current tax liabilities	10	356.74	292.60
Total Current Liabilities		**6,910.90**	**7,024.74**
Total Equity and Liabilities (1+2+3)		**61,260.20**	**57,343.14**
Significant accounting policies	**2**		
The accompanying notes form an integral part of the financial statements	**1-41**		

In terms of our report of even date attached

For and on behalf of the Board of Directors

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration No. 301003E/E300005

Per Jayesh Gandhi
Partner
Membership.no: 037924

R.M.Malla
Chairman
DIN: 00136657

Lalit Mohan Sharma
Company Secretary
Membership No. A20005

Bontha Prasada Rao
Director
DIN: 01705080

Bharat Sheth
Chief Financial Officer

Place : Mumbai
Date : May 3, 2019

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

Particulars		Note No.	As at 31.03.2019	As at 31.03.2018
1	Revenue From Operations	20	15,234.12	15,083.17
2	Other Income	21	3,612.88	2,803.95
3	**Total Income (1+2)**		**18,847.00**	**17,887.12**
4	**Expenses**			
	Employee benefits expense	22	2,983.47	2,670.25
	Depreciation and amortisation expense	3&4	825.51	646.42
	Impairment loss on financial assets	23	291.65	285.42
	Other expenses	24	3,780.42	3,646.89
	Total expenses		**7,881.05**	**7,248.98**
5	**Profit before tax (3 -4)**		**10,965.95**	**10,638.14**
6	**Tax expense:**			
	Current tax	25	2,510.00	2,962.40
	Deferred tax		18.22	(92.96)
	Total tax expense		**2,528.22**	**2,869.44**
7	**Profit for the year (5-6)**		**8,437.73**	**7,768.70**
8	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	i. Remeasurement of the defined benefit plans;		0.80	(0.69)
	ii. Income tax relating to items that will not be reclassified to profit or loss		(0.23)	0.24
	Total other comprehensive income / (loss) (net of tax) (i+ii)		**0.57**	**(0.45)**
9	**Total Comprehensive Income for the year (7+8)**		**8,438.30**	**7,768.25**
10	**Earnings per equity share (EPS) :**			
	Basic and Diluted EPS (₹)	26	8.07	7.43
	Face value of share (₹)		10.00	10.00
	Weighted average number of shares		104,500,000	104,500,000
	Significant accounting policies	**2**		
	The Accompanying notes form an integral part of the financial statements	**1-41**		

In terms of our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration No. 301003E/E300005

Per Jayesh Gandhi
Partner
Membership.no: 037924

Place : Mumbai
Date : May 3, 2019

For and on behalf of the Board of Directors

R.M.Malla
Chairman
DIN: 00136657

Bontha Prasada Rao
Director
DIN: 01705080

Lalit Mohan Sharma
Company Secretary
Membership No. A20005

Bharat Sheth
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

A	Equity Share Capital	Amount
	Balance as at April 1, 2017	**10,450.00**
	Changes in equity share capital during the year	-
	Balance as at March 31, 2018	**10,450.00**
	Changes in equity share capital during the year	-
	Balance as at March 31, 2019	**10,450.00**

B Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus		Other comprehensive income	Total
	General Reserve	Retained Earnings		
Balance as at April 1, 2017	**1,094.93**	**34,653.22**	**31.34**	**35,779.49**
Profit for the year	-	7,768.70	-	7,768.70
Other comprehensive income for the year (net of tax)	-	-	(0.45)	(0.45)
Payment of dividends (Including dividend distribution tax)	-	(3,773.21)	-	(3,773.21)
Balance at March 31, 2018	**1,094.93**	**38,648.71**	**30.89**	**39,774.53**
Profit for the year	-	8,437.73		8,437.73
Other comprehensive income for the year (net of tax)	-	-	0.57	0.57
Payment of dividends (Including dividend distribution tax)	-	(4,409.48)	-	(4,409.48)
Balance as at March 31, 2019	**1,094.93**	**42,676.96**	**31.46**	**43,803.35**
Significant accounting policies		**2**		
The Accompanying notes form an integral part of the financial statements		**1-41**		

In terms of our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration No. 301003E/E300005

Per Jayesh Gandhi
Partner
Membership.no: 037924
Place : Mumbai
Date : May 3, 2019

For and on behalf of the Board of Directors

R.M.Malla
Chairman
DIN: 00136657

Bontha Prasada Rao
Director
DIN: 01705080

Lalit Mohan Sharma
Company Secretary-
Membership No. A20005

Bharat Sheth
Chief Financial Officer

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

	PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the year	**8,437.73**	**7,768.70**
	Adjustments for		
	Income tax expenses recognised in profit or loss	2,528.22	2,869.44
	Depreciation and Amortisation expense	825.51	646.42
	Gain on sale / disposal of Property, plant and equipment and Intangible assets (Net)	(8.59)	(11.47)
	Provision for gratuity and compensated absences	117.29	11.58
	Interest income recognised in profit or loss	(877.33)	(820.87)
	Dividend income recognised in profit or loss	(89.90)	(296.55)
	Net gain arising on financial assets measured at FVTPL	(2,111.38)	(1,152.54)
	Impairment loss on Trade receivables	291.65	285.42
	Operating profit before working capital changes	**9,113.20**	**9,300.13**
	Movements in working capital		
	(Increase) / Decrease in trade receivables	(40.00)	(523.66)
	(Increase) / Decrease in loans and other assets	(26.20)	(323.70)
	(Increase) / Decrease in other financial assets	949.10	(425.96)
	Increase / (Decrease) in trade payables	2.00	271.03
	Increase / (Decrease) in provisions	(26.83)	119.31
	"Increase / (Decrease) in other financial liabilities and other current liabilities"	(147.85)	1,116.53
	Cash generated from operations	**9,823.42**	**9,533.68**
	Direct taxes paid (net of refunds)	(2,514.88)	(3,076.72)
	Net cash generated from operating activities	**7,308.54**	**6,456.96**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	"Purchase of property, plant and equipment, intangible assets and capital advances"	(700.55)	(7,481.34)
	Proceeds from sale of property, plant and equipment	12.96	32.20
	Purchase of investments	(29,029.68)	(32,912.22)
	Sale of investments	23,355.85	37,389.12

(₹ in Lakh)

	PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
	Investments in fixed deposits with banks	(2,062.16)	(1,528.87)
	Proceeds from maturity of fixed deposits with banks	1,955.36	1,040.00
	Interest received	856.50	841.54
	Dividend received	89.90	296.55
	Net cash (used in) / generated from investing activities	**(5,521.82)**	**(2,323.02)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Dividend and taxes paid thereon	(4,409.48)	(3,773.21)
	Sale of Equity shares in Subsidiary	2,400.00	
	Net cash used in financing activities	**(2,009.48)**	**(3,773.21)**
	Net (Decrease) / Increase in cash and cash equivalents (A+B+C)	**(222.76)**	**360.73**
	Cash and cash equivalents at the beginning of the year	480.36	119.63
	Cash and cash equivalents at the end of the period *	**257.60**	**480.36**
	* Cash and cash equivalents at the end of the year comprises		
	i) Cash on Hand	0.26	0.15
	ii) Cheques in hand	-	43.85
	iii) Balances with Banks		
	-In Current Accounts	257.34	436.36
	Significant accounting policies	**2**	
	The Accompanying notes form an integral part of the financial statements	**1-41**	

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statement".
2. Previous years' figures have been regrouped whereever necessary.

In terms of our report of even date attached

For and on behalf of the Board of Directors

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration No. 301003E/E300005

R.M.Malla
Chairman
DIN: 00136657

Bontha Prasada Rao
Director
DIN: 01705080

Per Jayesh Gandhi
Partner
Membership.no: 037924
Place : Mumbai
Date : May 3, 2019

Lalit Mohan Sharma
Company Secretary-
Membership No. A20005

Bharat Sheth
Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

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 are listed on the National Stock Exchange of India Limited.

The financial statements were authorized for issue by the Company's Board of Directors on May 3, 2019.

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, 2019 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 as amended time to time and the financials also complies with presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

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) Employee benefits (Gratuity and Compensated absences).

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 lakh 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 recognized 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 recognized 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, differed tax assets and liabilities 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 / amortization 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 analyzing 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.

(v). Fair value measurement of financial instruments: The Company estimates fair values of the unquoted equity shares using discounted cash flow model. The valuation requires 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 management's estimate of fair value for these unquoted equity investments (refer note 28).

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.

All financial instruments 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.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: financial assets (debt instrument) amortised cost, financial assets (debt instrument) at Fair Value Through Other Comprehensive Income ("FVTOCI"), (equity instruments) and FVTOCI at Fair value Through Profit and Loss account ("FVTPL") and financial liabilities at amortised cost or FVTPL.

The Company derecognizes 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 amortized 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 unquoted equity shares including investment 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 categorization 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.

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 / bank fixed deposits and the same are earmarked in the Balance Sheet. Investment income earned on financial instrument is credited to respective earmarked liabilities and not credited to the Statement of Profit or Loss. The Gain / (Loss) on changes in fair value of mutual fund units 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 recognized at fair value, and subsequently carried at amortized 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.

Fair value of Financial Instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

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 Company 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 1st 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 amortization 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 lifes 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.:

Description of asset	Useful life (in years)
Building (leasehold)	10
Building (Freehold)	60
Civil and Interior work	10
Computer Hardware/Software	2
Office Equipment	2-5
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 lifes 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 lifes, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized 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 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 capitalized 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 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 company 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 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 recognized 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: In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. Gratuity for employees is covered by Gratuity Scheme with Life Insurance Corporation of India and the contribution thereof is paid / provided for. Provision for gratuity is made on the basis of actuarial valuation on Projected Unit Credit Method as at the end of the year.

  Remeasurement gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through Other Comprehensive Income.

Remeasurements comprising gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

- Compensated absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as 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 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 assets and contingent liabilities are not recognised but disclosed in the Financial Statements when economic inflow is probable.

xi) Revenue

The Company has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). There was no impact on the adoption of the standard on the financial statements of the Company.

The Company derives revenue primarily from services to corporates and capital market intermediary services. The Company recognises revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

i) Time and service contracts

Revenues and costs relating to time and service contracts are recognised as the related services are rendered.

ii) Annual /monthly fee contracts

Revenue from annual fee contracts is recognised proportionately over the period of the contract. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognised on a straight line basis over the specified period or under some other method that better represents the stage of completion.

The Company accounts for volume discounts and pricing incentives to

customers by reducing the amount of revenue.

Interest is recognized 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 on bond is recognised as it accrues in the Profit or Loss, using the effective interest method and interest income on deposits with banks is recognised on a time proportion accrual basis taking into the account the amount outstanding and the rate applicable.

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 recognized in profit or loss except to the extent it relates to items directly recognized 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 realize the asset and liability simultaneously.

b) Deferred tax

Deferred tax is recognised using the balance sheet approach. Deferred 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 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 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 utilized. Deferred tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred 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 tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized 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.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

xiv) 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.

xv) 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

xvi) Operating Cycle

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

2.3 New and amended standards

Standard issued but not yet effective

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. As the company does not have any material leases, therefore the impact of adoption of this standard is yet to be identified by the company.

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Office	Civil and Interior Work	Freehold -Building	Leasehold-Building	Plant and equipments	Computers	Furniture and fixtures	Office equipments	Motor vehicles	Total
Gross carrying value										
Balance as at April 1, 2017	-	-	0.01	169.10	444.94	78.15	72.02	41.57	129.85	**935.64**
Additions during the year ended March 31, 2018	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**
Balance as at March 31, 2018	**6,325.27**	**250.22**	**0.01**	**169.10**	**862.25**	**96.66**	**319.23**	**270.78**	**152.67**	**8,446.19**
Balance as at April 1, 2018	6,325.27	250.22	0.01	169.10	862.25	96.66	319.23	270.78	152.67	**8,446.19**
Additions during the year ended March 31, 2019	-	-	-	-	160.33	8.80	0.93	11.52	39.15	**220.73**
Deductions / adjustments	-	-	-	-	-	0.40	-	0.29	30.40	**31.09**
Balance as at March 31, 2019	**6,325.27**	**250.22**	**0.01**	**169.10**	**1,022.58**	**105.06**	**320.16**	**282.01**	**161.42**	**8,635.83**
Accumulated depreciation and impairment	-	-	-	100.16	231.79	47.29	53.65	27.60	28.05	**488.54**
Depreciation for the year ended March 31, 2018	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**
Balance as at March 31, 2018	**74.96**	**10.35**	**-**	**150.24**	**504.61**	**75.23**	**102.85**	**51.70**	**59.84**	**1,029.78**
Balance as at April 1, 2018	74.96	10.35	-	150.24	504.61	75.23	102.85	51.70	59.84	**1,029.78**
Depreciation for the year ended March 31, 2019	105.63	25.02	-	11.35	305.16	19.54	47.58	50.66	34.66	**599.60**
Deductions / Adjustments	-	-	-	-	-	0.40	-	0.08	26.24	**26.72**
Balance as at March 31, 2019	**180.59**	**35.37**	**-**	**161.59**	**809.77**	**94.37**	**150.43**	**102.28**	**68.26**	**1,602.66**
Net carrying value										
As at March 31, 2019	**6,144.68**	**214.85**	**0.01**	**7.51**	**212.81**	**10.69**	**169.73**	**179.73**	**93.16**	**7,033.17**
As at March 31, 2018	**6,250.31**	**239.87**	**0.01**	**18.86**	**357.64**	**21.43**	**216.38**	**219.08**	**92.83**	**7,416.41**

4. INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Computer Softwares	Total
Gross carrying value		
Balance as at April 1, 2017	216.65	216.65
Additions during the year ended March 31, 2018	107.91	107.91
Deductions / adjustments	-	-
Balance as at March 31, 2018	**324.56**	**324.56**
Balance as at April 1, 2018	324.56	324.56
Additions during the year ended March 31, 2019	352.23	352.23
Deductions / adjustments	-	-
Balance as at March 31, 2019	**676.79**	**676.79**
Accumulated amortisation and impairment		
Balance as at April 1, 2017	181.68	181.68
Amortisation for the year ended March 31, 2018	80.45	80.45
Deductions / Adjustments	-	-
Balance as at March 31, 2018	**262.13**	**262.13**
Balance as at April 1, 2018	262.13	262.13
Amortisation for the year ended March 31, 2019	225.90	225.90
Deductions / Adjustments	-	-
Balance as at March 31, 2019	**488.03**	**488.03**
Net carrying value		
As at March 31, 2019	**188.76**	**188.76**
As at March 31, 2018	**62.43**	**62.43**

5. INVESTMENTS IN SUBSIDIARIES

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Un-quoted investments (measured at cost)		
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)	2,600.00	5,000.00
Total aggregate un-quoted investments	**6,230.00**	**8,630.00**
Aggregate carrying value of un-quoted investments	6,230.00	8,630.00
Aggregate amount of impairment in value of investments in subsidiaries	-	-

6. OTHER INVESTMENTS

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current investments		
Un-quoted investments (all fully paid)		
Investments in equity instruments measured at FVTPL		
- 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
Aggregate value of un-quoted Investments	**300.50**	**300.50**
Total investment in equity instruments at FVTPL	**300.50**	**300.50**
Quoted Investments		
Investments in tax free bonds measured at amortised cost		
Owned		
- Tax free bonds	9,024.87	9,040.46
	9,024.87	**9,040.46**
Investments in Non Convertible Debentures measured at amortised cost		
Owned		
- Non Convertible Debenture	1,000.00	-
	1,000.00	**-**
Investments in mutual funds measured at FVTPL		
Owned		
- Units of growth oriented debt schemes of mutual funds	26,347.97	18,994.42
Earmarked		
Units of growth oriented debt schemes of mutual funds	25.74	22.84
Total Non-current investments	**36,699.08**	**28,358.22**
Aggregate amount of quoted investments	**36,398.58**	**28,057.72**
Market value of quoted investments	**36,768.73**	**28,057.72**
Aggregate amount of unquoted investments	**300.50**	**300.50**

Particulars	As at 31.03.2019	As at 31.03.2018
Unquoted investments		
Investments in mutual funds measured at FVTPL		
Owned		
- Units of growth oriented debt schemes of mutual fund**s**	5,289.27	4,948.66
Accrued Interest on Quoted investments		
- Bonds / NCDs	341.12	296.85
	5,630.39	**5,245.51**
Current portion of long term investments		
Quoted investments		
Investments in mutual funds measured at FVTPL		
Owned		
- Units of growth oriented debt schemes of mutual funds	-	899.95
Earmarked		
- Units of growth oriented debt schemes of mutual funds	24.59	20.89
	24.59	**920.84**
Total current investments	**5,654.98**	**6,166.35**
Aggregate amount of quoted investments	**24.59**	**920.84**
Market value of quoted investments	**24.59**	**920.84**
Aggregate amount of unquoted investments	**5,289.27**	**4,948.66**

6 A - INVESTMENTS

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Details of Non current investments					
Invesment in subsidiaries					
a)	**Investment in equity shares**				
Unquoted	CDSL Ventures Limited (Fully paid up)	5,000,000	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)	26,000,000	50,000,000	2,600.00	5,000.00
				6,230.00	**8,630.00**
Invesment in others					
b)	**Investments in equity shares**				
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
c)	**Investment in Debentures**				
Quoted	8.70% TATA Capital NCD 3Yrs RD 27.09.2021	100,000	-	1,000.00	-
				1,000.00	**-**
d)	**Investment in tax free bonds**				
Quoted	7.21% REC Ltd Tax Free bonds 211122	50	50	500.02	500.03
Quoted	7.22% Power Finance Corporation Ltd Tax Free Bond Series 95 291122	50	50	500.02	500.03
Quoted	7.18% Indian Railway Finance Corp Ltd Tax Free Bonds 190223	130,000	130,000	1,303.62	1,304.38

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Quoted	7.19% Indian Railway Finance Corp Ltd Tax Free Bond 310725	50	50	500.41	500.46
Quoted	8.01% National Housing Bank Tax Free Bonds 300823	70	70	700.16	700.19
Quoted	7.17% National Housing Bank Tax Free Bonds 010123	50	50	501.73	502.12
Quoted	8.35% National Highways Auth of India Tax Free Bonds 221123	70	70	700.12	700.14
Quoted	8.20% National Highways Auth of India Tax Free Bonds 250122	72,500	72,500	738.54	742.70
Quoted	8.18% NHPC Limited Tax Free Bonds 021123	22,547	22,547	225.47	225.47
Quoted	8.19% NTPC Limited Tax Free Bonds 040324	50	50	500.03	500.03
Quoted	8.41% NTPC Limited Tax Free Bonds 161223	31,665	31,665	316.65	316.65
Quoted	8.20% Power Finance Corporation Ltd Tax Free Bonds 010222	100,000	100,000	1,022.25	1,029.56
Quoted	7.15% NTPC Limited Tax Free Bond 210825	50	50	500.22	500.26
Quoted	7.17% REC Ltd Tax Free Bond 230725	50	50	500.32	500.36
Quoted	8.18% REC Ltd Tax Free Bonds 111023	50	50	515.31	518.08
				9,024.87	**9,040.46**
e)	**Investment in Units of Mutual funds**				
Quoted	Axis Fixed Term Plan - Sr102 - Direct- Growth	4,000,000.00	-	404.88	-
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OM - Direct - Growth	5,000,000.00	5,000,000.00	574.53	533.43

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OD - Direct - Growth	9,260,869.00	9,260,869.00	1,071.31	994.76
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OH - Direct - Growth	7,180,656.00	7,180,656.00	832.64	773.30
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OI - Direct - Growth	10,901,955.00	10,901,955.00	1,261.56	1,171.48
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OK - Direct - Growth	10,000,000.00	10,000,000.00	1,153.17	1,071.24
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OY - Direct - Growth	3,000,000.00	3,000,000.00	328.14	305.43
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series SI - Direct - Growth	4,000,000.00	-	405.13	-
Quoted	DHFL Pramerica Fixed Duration Fund Sr AY-Direct-Growth	40,000.00	-	435.14	-
Quoted	DSP Fixed Maturity Plan - Sr 204 - 37M - Direct - Growth	10,000,000.00	10,000,000.00	1,153.40	1,072.81
Quoted	DSP Fixed Maturity Plan - Sr 205 - 37M - Direct - Growth	10,000,000.00	10,000,000.00	1,153.75	1,072.30
Quoted	DSP Fixed Maturity Plan - Sr 209 - 37M - Direct - Growth	4,300,000.00	4,300,000.00	493.99	459.17
Quoted	DSP Fixed Maturity Plan - Sr 219 - 40M - Direct - Growth	3,000,000.00	3,000,000.00	327.30	304.48
Quoted	DSP Fixed Maturity Plan - Sr 233 -36M -Direct-Growth	238,511.40	-	25.74	-
Quoted	DSP Fixed Maturity Plan - Sr 250 -39M -Direct-Growth	5,261,412.88	-	535.35	-

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Quoted	HDFC Fixed Maturity Plan- 1150D Mar 2018 (1) Sr 39 Direct -Growth	7,043,577.00	7,043,577.00	765.03	711.57
Quoted	HDFC MF Fixed Maturity Plan-1158D Feb2018 (1) Sr39-Direct-Growth	6,000,000.00	6,000,000.00	653.53	607.67
Quoted	HDFC Fixed Maturity Plan- 1274D Oct 2018 (1) Sr 43 Direct-Growth	5,000,000.00	-	532.06	-
Quoted	HSBC Fixed Term Series 131 - Direct -Growth	3,000,000.00	3,000,000.00	322.77	301.05
Quoted	HSBC Fixed Term Series 134 - Direct -Growth	4,000,000.00	-	428.40	-
Quoted	HSBC Fixed Term Series 139 - Direct -Growth	3,500,000.00	-	355.38	-
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 80-Plan J - 1253 Days Direct Cum	4,493,054.00	4,493,054.00	521.14	483.62
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 80-Plan L - 1245 Days Direct Cum	6,000,000.00	6,000,000.00	696.15	645.61
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 80-Plan O - 1233 Days Direct Cum	3,000,000.00	3,000,000.00	347.76	322.46
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 80-Plan T - 1225 Days Direct Cum	6,500,000.00	6,500,000.00	750.02	695.19
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 81 - Plan Q - 1163 Days Direct Cum	10,000,000.00	10,000,000.00	1,115.42	1,034.76
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 82 - Plan A - 1236 Days Direct Cum	5,000,000.00	5,000,000.00	547.77	509.04

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 84 - 1254 Days Plan U - Direct - Cum	4,000,000.00	-	412.10	-
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 84 - 1188 Days Plan Z - Direct - Cum	4,000,000.00	-	410.22	-
Quoted	IDFC Fixed Term Plan - Sr 129 - Direct-Growth 1147Days	10,000,000.00	10,000,000.00	1,156.41	1,076.53
Quoted	IDFC Fixed Term Plan - Sr 131 - Direct-Growth 1139Days	12,512,212.00	12,512,212.00	1,439.57	1,339.78
Quoted	Invesco India Fixed Maturity Plan - Sr 29 -Plan B - Direct -Growth	10,000,000.00	10,000,000.00	1,152.67	1,071.20
Quoted	Invesco India Fixed Maturity Plan - Sr 30 -Plan A - Direct -Growth	5,000,000.00	5,000,000.00	546.70	509.23
Quoted	Invesco India Fixed Maturity Plan - Sr 30 Plan C - Direct-Growth	6,000,000.00	6,000,000.00	654.04	609.22
Quoted	Kotak Fixed Maturity Plan - Series 250 – 1314 Days-Direct-Growth	4,250,000.00	-	450.17	-
Quoted	Kotak Fixed Maturity Plan - Series 255 – 1250 Days-Direct-Growth	4,000,000.00	-	412.46	-
Quoted	Reliance Fixed Horizon Fund - XXXV - SR 11-Direct-Growth	5,000,000.00	5,000,000.00	547.55	508.82
Quoted	Reliance Fixed Horizon Fund - XXXV - SR 12-Direct-Growth	4,000,000.00	4,000,000.00	438.06	407.30
Quoted	Reliance Fixed Horizon Fund XXXVI Series 7 - Direct - Growth	4,000,000.00	4,000,000.00	432.98	402.97
Quoted	Reliance Fixed Horizon Fund XXXX Series 6 - Direct - Growth	4,000,000.00	-	414.62	-

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Quoted	SBI Debt Fund Series C – 33 (1216 Days) – Direct- Growth	4,000,000.00	-	413.20	-
Quoted	Sundaram Fixed Term Plan - HM - 1100 Days-Direct-Growth	-	198,759.00	-	22.84
Quoted	Sundaram Fixed Term Plan - IS - Direct - Growth	3,000,000.00	-	301.50	-
				26,373.71	**19,017.26**
Total of Non current investments (a+b+c+d+e)				**42,929.08**	**36,988.22**
Details of Current portion of Long term investments					
Invesment in Others					
f)	**Investment in Units of Mutual funds**				
Quoted	DHFL Pramerica Fixed Maturity Plan Series 63 - Direct Plan - Growth	-	6,500,000.00	-	899.95
Quoted	Reliance Fixed Horizon Fund - XXVIII - SR 19-Direct - Growth	-	165,632.40	-	20.89
Quoted	Sundaram Fixed Term Plan - HM - 1100 Days - Direct - Growth	198,759.00	-	24.59	-
Total of Current portion of Long term investments				**24.59**	**920.84**
Details of Current Investments					
g)	**Investment in Units of Mutual funds**				
Unquoted	Axis Liquid Fund - Direct Plan - Daily Dividend Reinvestment	-	57,955.06	-	580.10
Unquoted	Axis Liquid Fund - Direct Plan - Growth	38,257.36	-	793.28	-
Unquoted	Axis Ultra Short Term Fund- Direct-Growth	973,998.66	-	102.31	-
Unquoted	HDFC Liquid Fund - Direct - Daily Dividend Reinvestment	-	0.01	-	-

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Unquoted	Invesco India Corporate Bond Fund (Active India Fund)- Direct -Growth	24,820.44	24,820.44	543.42	505.05
Unquoted	LIC MF Savings Plus - Direct - Daily Dividend Reinvestment	-	626,023.03	-	63.27
Unquoted	Reliance Short Term Fund - Direct - Monthly Dividend Reinvestment	-	8,318,202.89	-	941.63
Unquoted	Reliance Short Term Fund - Direct - Growth	2,772,314.76	-	1,000.08	-
Unquoted	Reliance Floating Rate Fund_Short Term Plan Direct Gr	3,885,879.04	3,885,879.04	1,170.28	1,092.20
Unquoted	Reliance Nivesh Lakshya Fund - Direct - Growth	905,920.19	-	100.54	-
Unquoted	Sundaram Money Market Fund-Direct-Growth	15,133,453.67	-	1,579.36	-
Unquoted	Sundaram Select Debt Asset Plan -Direct - Monthly Dividend Reinvestment	-	13,809,283.24	-	1,766.41
Total of Current Investments				**5,289.27**	**4,948.66**
Total Investment				**48,242.94**	**42,857.72**

7. LOANS

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current		
Unsecured, considered good		
Loans to staff	7.39	9.98
Total	**7.39**	**9.98**
Current		
Unsecured, considered good		
Loans to staff	12.14	9.90
Total	**12.14**	**9.90**

8. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current		
(a) Sundry deposits - Unsecured considered good		
Others	60.93	60.54
(b) Bank balance in deposit accounts (with remaining maturity of more than 12 months, Earmarked ₹ 23.85 Lakh)	673.85	73.85
(c) Accrued interest - bank deposits	10.37	3.06
Total	**745.15**	**137.45**
Current		
(a) Sundry deposits - Unsecured considered good		
Deposits with Related Party - BSE Limited	-	72.77
Deposits with - NSE for IPO	-	262.00
Others	5.00	-
(b) Others	-	0.30
Total	**5.00**	**335.07**

9. DEFERRED TAX

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred tax assets after adjustment	788.96	672.42
Deferred tax liabilities	443.88	350.53
Total	**345.08**	**321.89**

DEFERRED TAX ASSETS / (LIABILITIES) IN RELATION TO:

(₹ in Lakh)

Particulars	Opening balance as at 01.04.2017	Recognised in Profit or loss for year ended 31.03.2018	Recognised in Other Comprehensive Income	Closing balance as at 31.3.2018	Recognised in Profit or loss for year ended 31.03.2019	Recognised in Other Comprehensive Income	Closing balance as at 31.03.2019
1. Deferred tax assets							
Provision for compensated absences, gratuity and other employee benefits	372.01	(4.94)	-	367.07	51.08		418.15
Provision for incentive scheme for DPs	142.89	11.89	-	154.78	10.95		165.73
Allowance for doubtful debts (expected credit loss allowance)	185.68	(54.64)	-	131.04	13.10		144.14
On defined benefit obligation	19.29		0.24	19.53		(0.23)	19.30
Total	**719.87**	**(47.69)**	**0.24**	**672.42**	**75.13**	**(0.23)**	**747.32**
2. Deferred tax liabilities							
On changes in fair value of investments	653.44	(327.29)	-	326.15	11.25		337.40
Impact on account of amortised cost accounting of financial assets (Investments in bonds)	1.60	0.09	-	1.69	0.13		1.82
On defined benefit obligation	19.29	0.24	-	19.53	(0.23)		19.30
On difference between book balance and tax balance of PPE	(183.15)	186.31	-	3.16	82.20	-	85.36
Total liabilities	**491.18**	**(140.65)**	**-**	**350.53**	**93.35**	**-**	**443.88**
Net asset / (liabilities)	228.69	92.96	0.24	321.89	(18.22)	(0.23)	303.44
Adjusted from current tax provision of earlier years	-	-	-	-	41.64	-	41.64
Net asset / (liabilities)	**228.69**	**92.96**	**0.24**	**321.89**	**23.42**	**(0.23)**	**345.08**

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

Particulars	As at 31.03.2019	As at 31.03.2018
Tax losses (capital in nature)	804.14	1,533.21
Total	**804.14**	**1,533.21**

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

Particulars	As at 31.03.2019	As at 31.03.2018
A.Y. 2019-20 - Capital in Nature	-	285.64
A.Y. 2020-21 - Capital in Nature	-	221.42
A.Y. 2021-22 - Capital in Nature	-	124.23
A.Y. 2022-23 - Capital in Nature	495.74	593.52
A.Y. 2023-24 - Capital in Nature	308.40	308.40

10. Income tax asset and liabilities

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current		
Advance income tax	1,167.36	1,139.98
Total	**1167.36**	**1139.98**
Current tax liabilities		
Income tax payable	356.74	292.60
Total	**356.74**	**292.60**

11. Other assets

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current		
Prepaid expenses	45.04	92.21
Total	**45.04**	**92.21**
Current tax liabilities		
Capital advances	7.88	-
Prepaid expenses	270.79	210.65
CENVAT / GST credit receivable	182.50	167.23
Advances to creditors	2.14	3.83
Total	**463.31**	**381.72**

12. Trade receivables

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
-Secured, considered good	-	-
-Unsecured, considered good	879.79	1,131.45
-Unsecured, considered doubtful	-	-
- Trade Receivable which have Significant in credit risk	-	-
- Trade Receivable - credit impaired	495.00	450.00
Less: Allowance for doubtful debts (expected credit loss allowance)	(495.00)	(450.00)
Total	**879.79**	**1,131.45**

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. Thereafter, interest is charged at 12% - 13% per annum on the outstanding balance.
3. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables by individual departments.

4. There are no dues by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Movement in the expected credit loss allowance		(₹ in Lakh)
Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Balance at beginning of the year	450.00	536.52
Movement in expected credit loss allowance / written back on trade receivables calculated at lifetime expected credit losses	45.00	(86.52)
Balance at end of the year	**495.00**	**450.00**

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 Lakh)

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
Current		
(a) Cash on hand	0.26	0.15
(b) Cheques, drafts on hand	-	43.85
Balance with Banks		
Owned fund		
- In current accounts	257.34	436.36
(Earmarked ₹ 63.30 Lakh)		
Cash and cash equivalents	**257.60**	**480.36**
Bank Balances other than above		
Balances with Banks		
Owned fund		
- In deposit accounts	1,461.82	1,955.02
Accrued interest - bank deposits	38.25	69.00
Earmarked fund		
- In current account (IPO Escrow A/c)	-	584.59
- In current accounts (G Sec)	26.28	61.11
Total	**1,526.35**	**2,669.72**

14. Equity Share capital **(₹ in Lakh)**

Particulars	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2018
	Number	(₹ in Lakh)	Number	(₹ in Lakh)
Equity Share capital				
Authorised share capital:				
Equity Shares of ₹ 10/- each with voting rights	150,000,000	15,000.00	150,000,000	15,000.00
Issued share capital:				
Equity Shares of ₹ 10/- each with voting rights	104,500,000	10,450.00	104,500,000	10,450.00
Subscribed and Paid-up share capital				
Equity Shares of ₹ 10/- each with voting rights	104,500,000	10,450.00	104,500,000	10,450.00
Total	**104,500,000**	**10,450.00**	**104,500,000**	**10,450.00**

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

(₹ in Lakh)

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
As at March 31, 2018			
- Number of shares	104,500,000	-	104,500,000
- Amount (₹) in Lakh	10,450.00	-	10,450.00
As at March 31, 2019			
- Number of shares	104,500,000	-	104,500,000
- Amount (₹) In Lakh	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 31.03.2019		As at 31.03.2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
BSE Limited (Entity having significant influence)	25,080,000	24.00	25,080,000	24.00
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
State Bank of India	-	-	5,225,000	5.00
Bank of India	-	-	5,820,000	5.57

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 Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
General reserve	1,094.93	1,094.93
Retained earnings	42,708.42	38,679.60
Total	**43,803.35**	**39,774.53**

15.1 General reserve

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Balance at beginning of year	1,094.93	1,094.93
Movement during the year	-	-
Balance at end of year	**1,094.93**	**1,094.93**

The general reserve is created 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 Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Balance at beginning of year	38,679.60	34,684.56
Profit for the year	8,437.73	7,768.70
Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of income tax)	0.57	(0.45)
Payment of dividends (including tax on dividend)	(4,409.48)	(3,773.21)
Balance at end of year	**42,708.42**	**38,679.60**

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 August 20, 2018, a dividend of ₹ 3.50 per share (total dividend including dividend distribution tax of ₹ 4,409.48 lakh) was paid to the holders of equity shares. On May 29, 2017 the dividend paid was ₹ 3.00 per share (total dividend including dividend distribution tax of ₹ 3,773.21 lakh).

The Board of Directors, at its meeting on May 3, 2019, have proposed a final dividend of ₹ 4/- per equity share of face value ₹ 10/- per share for the financial year ended March 31, 2019. 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 ₹ 5,039.22 lakh , including dividend distribution tax.

16. Other financial liabilities

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current		
Accrued employee benefits expense*	81.29	75.93
Total	**81.29**	**75.93**
Current		
Security deposits	2,751.92	2,265.74
Payable for purchase of Property, plant and equipment	61.09	180.80
Payables on expenses towards IPO (recovered from selling shareholders)	-	708.14
Accrued employee benefits expense	959.48	843.26
Unpaid Dividend	6.06	-
Contribution to Investor Protection Fund	367.65	408.39
Others (Includes G Sec, SEBI Registration fees & DP penalties)	23.44	85.58
Total	**4,169.64**	**4,491.91**

* Investments have been earmarked against this liability

17. Trade Payables

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
a. Total outstanding dues of micro enterprises and small enterprises (refer note no. 34.2)	7.54	7.67
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Other trade payables	214.23	212.10
Total (a+b)	**221.77**	**219.77**

18. Provisions

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Provision for employee benefits		
Compensated absences (refer note no. 35.2)	329.87	278.12
Provision for gratuity (net) (refer note no. 35.1)	64.74	64.46
(a) Other provision		
Provision for Incentive Scheme for DP (refer note no. 38)	569.14	531.51
Total (a+b)	**963.75**	**874.09**

19. Other liabilities

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current		
Income received in advance	14.66	17.94
Total	**14.66**	**17.94**
Current		
Income received in advance	32.87	40.57
Advances from customers	841.82	784.54
Statutory remittances	324.31	321.26
Total	**1,199.00**	**1,146.37**

20. Revenue from operations

(₹ in Lakh)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Sale of services comprise :		
Annual issuer charges	6,716.54	5,562.42
Transaction charges	3,927.78	4,402.59
Users facility charges	335.02	341.14
Settlement charges	160.91	162.71
Account maintenance charges	306.36	287.66
E-Voting charges	506.23	409.47
ECAS charges	796.21	642.99
IPO/Corporate action charges	1,987.91	2,948.67
Foreign Investment Limit Monitoring	215.40	-
Others	281.76	325.52
Total - Sale of services	**15,234.12**	**15,083.17**

21. Other income

(₹ in Lakh)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
a. Interest income earned on financial assets that are measured at amortised cost		
Bank deposits	151.65	142.27
Investments in debt instruments	723.85	676.94
Interest on staff loan	1.83	1.66

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
b) Dividend from investments in mutual funds (measured at FVTPL)		
Dividend income from others	89.90	296.55
c) Other gains or losses:		
Net gain arising on financial assets measured at FVTPL	2,111.38	1,152.54
Gain on sale / disposal of property, plant and equipments and intangible assets (Net)	8.59	11.47
d) Other non-operating income		
Interest from debtors	26.80	35.78
Advances written back	-	169.55
Bad debts recovered / provision written back	230.99	128.29
Miscellaneous income	267.89	188.90
Total	**3,612.88**	**2,803.95**

22. Employee benefits expense

(₹ in Lakh)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Salaries, allowances and bonus	2,686.84	2,432.20
Contribution to provident and other funds	180.23	135.67
Staff welfare expenses	116.40	102.38
Total	**2,983.47**	**2,670.25**

23. Impairment loss on financial assets

(₹ in Lakh)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Impairment loss allowance on trade receivables	291.65	285.42
Total	**291.65**	**285.42**

24. Other expenses

(₹ in Lakh)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Annual SEBI fees	173.26	154.75
Contribution to investor protection fund (refer note no.37)	367.65	408.39
Business promotion expenses	183.47	68.40

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Incentive scheme for DPs (refer note no.38)	337.00	307.03
Directors' sitting fees	117.75	63.90
Auditors' remuneration		
Audit fees	18.25	15.00
Tax audit fees	1.50	1.00
Reimbursement of expenses	0.73	0.57
Insurance	50.38	57.90
Legal, professional and consultancy fees	112.10	138.33
Postage, telephone and communication charges	625.56	606.54
Power and fuel	52.29	64.97
Printing and stationery	32.74	23.63
Rates and taxes	44.77	50.23
Rent	178.30	259.54
Office Maintenance	105.70	159.24
Computer technology related expenses	1,051.94	910.35
Travelling and conveyance	112.70	116.96
Contribution to Corporate social responsibility	62.95	107.22
AADHAR authentication expenses	57.35	64.96
Recruitment Charges	21.00	0.52
Miscellaneous expenses	73.03	67.46
Total	**3,780.42**	**3,646.89**

24.1 CSR Expenditure

(₹ in Lakh)

Particulars		For the year ended 31.03.2019	For the year ended 31.03.2018
a)	The gross amount required to be spent by the Company during the year	206.21	168.21
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.	62.95	107.22

25 Taxes

25.1.Income tax expense

The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are as under:

25.1.1 Profit or loss section

(₹ in Lakh)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Current tax expense	2,510.00	2,962.40
Deferred tax	18.22	(92.96)
Total income tax expense recognised in profit or loss	**2,528.22**	**2,869.44**

25.1.2 Other comprehensive section

(₹ in Lakh)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Total income tax expense recognised in other comprehensive income	(0.23)	0.24

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

(₹ in Lakh)

	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
(A)	Profit before tax	10,965.95	10,638.14
(B)	Enacted tax rate in India	29.120%	34.608%
(C)	Expected tax expenses (A*B)	3,193.28	3,681.65
(D)	Other than temporary differences		
	Effect of change in tax rate	(98.06)	123.28
	Effect of fair value of investments	(543.21)	(709.93)
	Effect of income that is exempt from taxation	(227.63)	(336.91)
	Expenses disallowed / (allowed) net	162.68	111.35
	Other opening adjustment	41.16	-
	Total adjustments	(665.06)	(812.21)
(E)	Tax expenses after adjustments (C+D)	2,528.22	2,869.44
(F)	Tax expenses recognised in Profit or Loss	2,528.22	2,869.44

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, 2019	March 31, 2018
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 lakh)	8,437.73	7,768.70
Basic and Diluted EPS (₹ per share)	8.07	7.43

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 ended March 31, 2019 is ₹ 167.13 lakh (year ended March 31, 2018 ₹ 180.70 lakh). 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:

Particulars	Carrying Value		Fair Value	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
i) Financial assets				
a) Amortised Cost				
Investment in debt instruments	10,024.87	9,040.46	10,395.02	9,040.46
Trade receivables	879.79	1,131.45	879.79	1,131.45
Cash and cash equivalents	257.60	480.36	257.60	480.36
Bank balances other than cash and cash equivalents	1,526.35	2,669.72	1,526.35	2,669.72
Loans	19.53	19.88	19.53	19.88
Other financial assets	1,091.27	769.37	1,091.27	769.37
Total (a)	**13,799.41**	**14,111.24**	**14,169.56**	**14,111.24**

Particulars	Carrying Value		Fair Value	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
b) FVTPL				
Quoted mutual funds	26,398.30	19,938.10	26,398.30	19,938.10
Unquoted mutual funds	5,289.27	4,948.66	5,289.27	4,948.66
Total (b)	**31,687.57**	**24,886.76**	**31,687.57**	**24,886.76**
c) Others				
Investment in subsidiaries	6,230.00	8,630.00	6,230.00	8,630.00
Investment in equity instruments	300.50	300.50	300.50	300.50
Total (c)	**6,530.50**	**8,930.50**	**6,530.50**	**8,930.50**
Total (a+b+c)	**52,017.48**	**47,928.50**	**52,387.63**	**47,928.50**
ii) Financial liabilities				
Amortised Cost				
Trade payables	221.77	219.77	221.77	219.77
Other financial liabilities	4,250.93	4,567.84	4,250.93	4,567.84
Total	4,472.70	4,787.61	4,472.70	4,787.61

Fair value hierarchy

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

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

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

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

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31.03.2019	31.03.2018		
mutual funds (Quoted)	26,398.30	19,938.10	Level 1	NAV declared by respective mutual funds
mutual funds (Unquoted)	5,289.27	4,948.66	Level 2	NAV declared by respective mutual funds
NCD	997.67	-	Level 1	Quoted price
Tax free Bond	9,397.35	9,040.46	Level 1	Quoted price
Equity	300.50	300.50	Level 3	Net asset method

There were no transfers between Level 1, 2 and 3 during the years.

The management assessed that fair value of cash and bank balances, fixed deposits, trade receivables, and 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.

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 minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Credit risk

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

- Trade and other receivables

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

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

None of the customers accounted for more than 10% of the receivables for the year ended March 31, 2019 and March 31, 2018 and revenue for the year ended March 31, 2019 and March 31, 2018.

- 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, 2019 and March 31, 2018.

(₹ in Lakh)

Particulars	**As at**	
	31.03.2019	**31.03.2018**
Trade payables		
< 1 year	221.77	219.77
1-5 years	-	-
> 5 years	-	-
Other financial liabilities		
< 1 year	4,169.64	4,491.91
1-5 years	81.29	75.93
> 5 years	-	-
Total	**4,472.70**	**4,787.61**

The table below provides details regarding the contractual maturities of significant financial assets as at March 31, 2019 and March 31, 2018.

(₹ in Lakh)

Particulars	**As at**	
	31.03.2019	**31.03.2018**
Investments*		
< 1 year	5,654.98	6,166.35
1 - 5 years	34,897.63	23,596.08
> 5 years	1,801.45	4,762.14
Total	**42,354.06**	**34,524.57**
Loan		
< 1 year	12.14	9.90
1 - 5 years	7.39	9.98
> 5 years	-	-
Total	**19.53**	**19.88**
Other financial assets		
< 1 year	5.00	335.07
1 - 5 years	745.15	137.45
> 5 years	-	-
Total	**750.15**	**472.52**
Trade receivables		
< 1 year	879.79	1,131.45
1 - 5 years	-	-
> 5 years	-	-
Total	**879.79**	**1,131.45**

Particulars	As at	
	31.03.2019	31.03.2018
Cash and cash equivalents		
< 1 year	257.60	480.36
1 - 5 years	-	-
> 5 years	-	-
Total	**257.60**	**480.36**
Bank balances other than cash and cash equivalents		
< 1 year	1,526.35	2,669.72
1 - 5 years	-	-
> 5 years	-	-
Total	**1,526.35**	**2,669.72**

* 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.

In addition to the above risk, market risk also include following:

- **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 maximize shareholder value.

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

31. Information on related party transactions as required by Ind AS 24 – 'Related party disclosures' for the year ended 31st March, 2019.

Description of relationship	Name of the related party
Subsidiaries	CDSL Ventures Limited CDSL Insurance Repository Limited CDSL Commodity Repository Limited
Entity having significant influence	BSE Limited
Subsidiaries of the entity having significant influence	Marketplace Technologies Private Limited Indian Clearing Corporation Limited BSE Investments Limited
Entities having significant influence in subsidiary - CCRL	Multi Commodity Exchange of India Limited BSE Investments Limited
Key Management Personnel (KMP)	P. S. Reddy - MD & CEO
	T S Krishna Murthy (Chairman and Public Interest Director)
	R. M. Malla (Public Interest Director)
	B. Prasada Rao (Public Interest Director)
	A. Krishna Kumar (Public Interest Director)
	Usha Narayanan (Public Interest Director)
	C. Venkat Nageswar (Shareholder Director)
	Nehal Vora (Shareholder Director)
	Nayan Mehta (Shareholder Director)
	K.V. Subramanian (Shareholder Director)

Details of related party transactions **(₹) In Lakh**

Particulars	As at 31.03.2019	As at 31.03.2018
BSE Limited		
Rendering of services	107.12	384.69
Receiving of services	1.42	240.83
License agreements-Rent and Maintenance	67.47	173.63
Dividend Paid	877.80	1,568.94
Loans and advances – opening deposit received	72.77	-
Balances outstanding at the end of the year		
Trade receivables	12.31	24.66
Loans and advances - Deposits given	-	72.77

Particulars	As at 31.03.2019	As at 31.03.2018
CDSL Ventures Limited		
Rendering of services	240.30	289.57
Receiving of services	9.22	8.27
Sale of Property, plant and equipment	-	15.31
Balances outstanding at the end of the year		
Deposit	1.50	-
CDSL Insurance Repository Limited		
Rendering of services	33.21	30.24
Receiving of services	-	-
Balances outstanding at the end of the year	-	-
CDSL Commodity Repository Limited		
Expenses incurred	145.16	234.10
Notice Deposit paid to CCRL	4.00	-
Equity shares subscribed		
Balances outstanding at the end of the year	-	1,995.00
Notice Deposit paid to CCRL	4.00	-
RTA Deposit received from CCRL	1.50	-
Marketplace Technologies Private Limited		
Rendering of services	0.11	0.11
Receiving of services	6.59	15.72
Balances outstanding at the end of the year	-	-
Indian Clearing Corporation Limited		
Rendering of services	6.99	6.61
Balances outstanding at the end of the year		
Trade receivables	0.06	0.07
BSE Investments Limited		
Sale of equity in CDSL Commodity Repository Ltd	1,200.00	-
Balances outstanding at the end of the year	-	-
Multi Commodity Exchange Of India Limited		
Rendering of services	8.19	-
Sale of equity in CDSL Commodity Repository Ltd	1,200.00	
Balances outstanding at the end of the year	-	-
KMP		
Shri. P.S. Reddy		
Short term employee benefits		
Salaries , Allowances and Bonus	192.72*	144.54
Long term employee benefits		
Leave encashment	40.71	–

* Includes the variable pay of the prior years and variable pay charged in the statement of profit and loss to the extent of payment made

32. Contingent liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
	(₹) In Lakh	(₹) In Lakh
Claims against the Company not acknowledged as debt in respect of :		
a) Service tax matters	3,978.81 (refer note (i),(ii))	3,978.81 (refer note (i),(ii))
b) Income tax matters	4.92 (refer note (iii))	4.92 (refer note (iii))

(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) 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 21st October 2009 to CDSL demanding service tax amount of ₹1,791 lakh 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 Order on 19th August 2016 demanding ₹1646.80 lakh from the said SCN.

The Commissioner of Service Tax, Mumbai has issued Show cause cum Demand Notice (SCN) on 4th October 2010 to CDSL demanding service tax amount of ₹ 465.38 lakh on the charges recovered by CDSL for providing "Depository services" to DPs and RTAs for the period 2009-10.

The Commissioner of Service Tax, Mumbai has issued Order on 19th August 2016 to CDSL demanding service tax amount and penalty amount of ₹3978.81 Lakh (Service tax ₹2,112.18 lakh and Penalty of ₹ 1,866.63 lakh) for above two SCNs.

(iii) 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 lakh.

33. Commitments

Particulars	As at 31.03.2019	As at 31.03.2018
	(₹) In Lakh	**(₹) In Lakh**
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	122.50	3.33
Intangible assets	8.00	355.00
(b) Other commitments	84.37	31.63

34. Additional information to the financial statements

34.1 Expenditure in foreign currency:

Particulars	As at 31.03.2019	As at 31.03.2018
	(₹) In Lakh	(₹) In Lakh
Travelling Expenses	63.08	19.25
Others (Seminar and software license)	12.15	8.18

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

Particulars	As at 31.03.2019	As at 31.03.2018
	(₹) In Lakh	(₹) In Lakh
(a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day	7.54	7.67
(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 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 Company 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 Lakh)

Valuation Result as at	March 31, 2019	March 31, 2018
Changes in present value of obligations (PVO)		
PVO at beginning of year	267.25	221.96
Interest cost	19.84	14.44
Current Service Cost	24.96	20.96
Past Service Cost -(vested benefits)	-	33.03
Benefits Paid	(14.36)	(12.29)
Remeasurement (Gain)/Loss on obligation	1.50	(10.85)
PVO at end of year	299.20	267.25
Interest Expenses		
Interest cost	19.84	14.44
Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning	204.12	143.02
Interest Income	17.72	11.51
Net Liability		
PVO at beginning of year	267.25	221.96
Fair Value of the Assets at beginning report	204.12	143.02
Net Liability	63.13	78.94
Net Interest		
Interest Expenses	19.84	14.44
Interest Income	17.72	11.51
Net Interest	2.13	2.93
Actual return on plan assets	20.02	14.43
Less Interest income included above	17.72	11.51
Return on plan assets excluding interest income	2.30	2.92
Remeasurement (Gain)/loss on obligation		
Due to Demographic Assumption	17.77	9.65
Due to Financial Assumption	2.62	(21.43)
Due to Experience	(18.89)	0.93
Total Remeasurement (Gain)/Loss	1.50	(10.85)
Fair Value of Plan Assets		
Opening Fair Value of Plan Asset	204.12	143.02
Adjustment to Opening Fair Value of Plan Asset	(0.56)	11.44
Return on Plan Assets excl. interest income	2.30	2.92

Valuation Result as at	March 31, 2019	March 31, 2018
Interest Income	17.72	11.51
Contributions by Employer	71.66	47.52
Benefits Paid	(14.36)	(12.29)
Fair Value of Plan Assets at end	280.88	204.12
Past Service Cost Recognised		
Past Service Cost -(vested benefits)	-	33.03
Recognised Past service Cost- vested benefits	-	33.03
Amounts to be recognized in the Balance Sheet		
PVO at end of year	299.20	267.25
Fair Value of Plan Assets at end of year	280.88	204.12
Funded Status	(18.32)	(63.13)
Actual liability	(46.42)	-
Net Asset/(Liability) recognized in the balance sheet	(64.74)	(63.13)
Expense recognized in the profit or loss		
Current Service Cost	24.96	20.96
Net Interest	2.13	2.93
Past Service Cost -(vested benefits)	-	33.03
Expense recognized in the profit or loss	27.09	56.92
Expense recognized in the Other Comprehensive Income (OCI)		
Remeasurement (Gain)/Loss recognized for the year	1.50	(10.85)
Return on Plan Assets excluding net interest	(2.30)	(2.92)
Total remeasurement (Gain)/Loss recognized in (OCI)	(0.80)	(13.77)
Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	63.13	78.94
Adjustment to opening balance	0.56	(11.44)
Expenses as above	27.09	56.92
Contribution paid	(71.66)	(47.52)
Other Comprehensive Income(OCI)	(0.80)	(13.77)
Actual liability	46.42	-
Closing Net Liability	64.74	63.13
Projected Service Cost March 31, 2020	**28.13**	**-**
Asset Information		
	Target Allocation	Target Allocation
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.		

Assumptions as at	March 31, 2019	March 31, 2018
Interest / Discount Rate	7.49%	7.63%
Rate of increase in compensation	4.00%	4.00%
Expected average remaining service (years)	9.72	13.36
Employee Attrition Rate(Past Service (PS))	PS: 0 to 42: 6.7%	PS: 0 to 42: 3.54%

Sensitivity Analysis **(₹ in Lakh)**

	DR : Discount Rate		ER: Salary Escalation Rate	
	PVO DR+1%	PVO DR-1%	PVO ER+1%	PVO ER-1%
PVO	281.36	319.26	316.81	283.00

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 recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes remeasurement gains or losses immediately in the statement of profit and loss.

During the year ended March 31, 2019 an amount recognized as an expenses in respect of compensated leave absences is ₹ 51.75 lakh, (Previous year ended March 31, 2018 is ₹ 26.75 lakh).

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. The amount contributed to IPF determined over the reported period is as under:

Table showing movement of IPF provision:

(₹ in lakh)

Particular	For the year ended 31.03.2019	For the year ended 31.03.2018
Rate %	5%	5%
Opening provision	408.39	291.00
Add: Provision made during the year	367.65	408.39
Less: Amount transferred to IPF Trust during the Year	408.39	291.00
Closing Provision	367.65	408.39

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 ₹ 337.00 lakh during the year ended March 31, 2019 (₹ 307.03 lakh during the year ended March 31, 2018) 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 lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Opening provision	531.51	412.89
Provision for DP incentive made during the year	337.00	307.03
Amount paid	(299.37)	(188.41)
Closing provision	569.14	531.51

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".

40. The financial statements for the year ended March 31, 2019 has been audited by S. R. Batliboi & Co. LLP, Chartered Accountants. The financial statements for the year ended March 31, 2018 has been audited by Deloitte Haskins & Sells, Chartered Accountants.

41. Previous year figures have been regrouped/ reclassified and rearranged wherever necessary to correspond with the current year classification/ disclosure.

Signatures to Notes 1 to 41

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration No. 301003E/E30000

Per Jayesh Gandhi
Partner
Membership.no: 037924

R.M.Malla
Chairman
DIN: 00136657

Lalit Mohan Sharma
Company Secretary
Membership No. A20005

Bontha Prasada Rao
Director
DIN: 01705080

Bharat Sheth
Chief Financial Officer

Place : Mumbai
Date : May 3, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Central Depository Services (India) Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Central Depository Services (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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 other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
IT systems and controls	
As Holding Company is a Depository, the reliability of IT systems plays a key role in the business operations. Since large volume of transactions are processed, the IT controls are required to ensure that systems process data as expected and that changes are made in an appropriate manner. The IT infrastructure is critical for smooth functioning of the Holding Company's business operations as well as for timely and accurate financial accounting and reporting. Due to the pervasive nature and complexity of the IT environment and large volume of transactions we have considered IT systems and controls as a key audit matter. Our audit procedures focused on testing of IT systems, IT general controls and specific application controls.	Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting including: • Assessing the information systems used by the Company for IT General Controls (ITGC) and Application controls; • The aspects covered in the IT systems General Control audit were (i) User Access Management (ii) Program Change Management (iii) Other related ITGCs; - to understand the design and test the operating effectiveness of such controls in the system; • Understanding of the changes that were made to the IT landscape during the audit period and assessing changes that have impact on financial reporting; Performing tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system. • Testing the design and operating effectiveness of compensating controls, in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures. In addition, we understood, where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.
Valuation of investments and its impairment *(as described in note 26 of the Ind AS financial statements)*	
Quoted investments, other equity and fund investments and unquoted equity investments, represents the most significant amount on the balance sheet. The total of these ₹ 59,747 Lakhs represented 76% of total assets of the Company at March 31, 2019. There is a risk that the fair value of investment not determined appropriately. Accordingly, the valuation of investments and its impairment is considered as a key audit matter.	Our audit procedures included the following: • We assessed the design and implementation of controls over valuation and existence of investments. • For the fair valuation models, we understood and assessed the methodology used. We tested the underlying data and assumptions used in the determination of the fair value. Performed sensitivity analysis wherever necessary. • We traced the quantity held from the confirmation provided by Custodian and Fund houses. • We tested the valuation of the quoted and unquoted investments to independent pricing sources or valuation models, as required. • Based on the fair value of investments, we assessed identification of impairment of investments made by the management.

Key audit matters	How our audit addressed the key audit matter
Provisions for litigation and claims	
There are certain demands raised by regulatory authorities, employees and others. The Group has disputed such demands by appealing them to relevant statutory forums or has denied the claims. For various pending litigations against the Group, management judgement is needed to determine whether an obligation exists and a provision should be recorded or disclosure if any, required in the financial statements in accordance with the criteria set under IND AS 37. The measurement of the provision is based on the best estimate of the expenditure required to settle the present obligation. Considering the judgment and estimate involved, matter is considered as a key audit matter.	Our audit procedures included the following: • We obtained and evaluated the Group accounting policy in relation to accounting, assessing and disclosure of claims against the Group. • We understood the design and tested key controls related to identification and monitoring claims against the Group. • We understood the design and tested the operating effectiveness of the Group's key controls over the identification, estimation, monitoring and disclosure of provisions for litigations and claims. • We examined the relevant correspondence with regulators to assess developments in key cases and litigation reports to identify potentially material cases. • For key cases, we considered the regulatory developments and management's interaction with the Regulators and assessed the assumptions used by management in determining provision requirements. We also read historical data and to understand whether they supported current estimates. • We read the Board and other committee meeting minutes to conclude on the effectiveness of management's review controls and conclusions reached. • For the significant provisions made, we understood, and assessed the provisioning methodology. We tested the underlying data and assumptions used in the determination of the provisions recorded, including expected claim rates and the timing of settlement. For cases where a provision was not recognised, we evaluated the disclosure made in the Ind AS standalone financial statements.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 of the assets of the Group 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 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 Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial

statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose Ind AS financial statements include total assets of ₹ 23,619 lakhs as at March 31, 2019, total revenue of ₹ 5,731 lakhs and net cash inflow of ₹ 78.96 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. 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-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

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

The Comparative Ind AS financial Information of the Group for the year ended March 31, 2018, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those information on April 21, 2018.

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 report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of 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 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations

received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in Annexure 1 to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 30 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts, including derivative contracts, during the year ended March 31, 2019;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries incorporated in India during the year ended March 31, 2019.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/
E300005

per Jayesh Gandhi
Partner
Membership Number: 37924

Place: Mumbai
Date: May 3, 2019

Re: Central Depository Services (India) Limited

ANNEXURE 1 TO The Independent Auditor's Report Of even date on the Consolidated Financial Statements of Central Depository Services (India) Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Central Depository Services (India) Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Central Depository Services (India) Limited (hereinafter referred to as the "Holding Company") 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 Holding Company and 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 Holding 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, 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 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.

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, the Holding Company and its subsidiary companies, which are companies incorporated in India, have maintained, 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, 2019, based on the internal control over financial reporting criteria established by the Group 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company insofar as it relates to all the three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/
E300005

per Jayesh Gandhi
Partner
Membership Number: 037924

Place: Mumbai

Date: May 3, 2019

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2019

(₹ in Lakh)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
ASSETS			
1 Non-current assets			
a. Property, plant and equipment	3	7,261.41	7,463.79
b. Intangible assets	4	262.53	145.35
c. Financial Assets			
i. Investments	5	47,121.41	36,277.77
ii. Loans	6	7.39	9.98
iii. Other financial assets	7	1,201.09	850.18
d. Deferred tax assets (net)	8	345.08	321.89
e. Income Tax Assets	9	1,174.45	1,208.90
f. Other assets	10	45.04	103.70
Total Non-Current Assets		**57,418.40**	**46,381.56**
2 Current assets			
a. Financial Assets			
i. Investments	5	12,625.80	15,826.13
ii. Trade receivables	11	1,913.64	1,885.49
iii. Cash and cash equivalents	12	447.66	591.43
iv. Bank balances other than (iii) above	12	5,102.19	3,603.74
v. Loans	6	12.18	9.93
vi. Other financial assets	7	5.00	320.23
b. Other assets	10	868.12	544.24
Total Current Assets		**20,974.59**	**22,781.19**
Total Assets (1+2)		**78,392.99**	**69,162.75**
EQUITY AND LIABILITIES			
1 Equity			
a. Equity Share capital	13	10,450.00	10,450.00
b. Other Equity	14	56,364.31	49,425.38
Equity attributable to owners of the Company		66,814.31	59,875.38
Non-controlling Interests		4,129.13	1,594.68
Total Equity		**70,943.44**	**61,470.06**
LIABILITIES			
2 Non-current Liabilities			
a. Financial liabilities			
Other financial liabilities	15	81.29	75.93
b. Deferred tax liabilities (Net)	8	13.59	128.04
c. Other liabilities	18	14.66	17.94
Total Non-current Liabilities		**109.54**	**221.91**
3 Current Liabilities			
a. Financial Liabilities			
i. Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises		7.82	8.57
Total outstanding dues of creditors other than micro enterprises and small enterprises		356.88	393.63
ii. Other financial liabilities	15	4,236.22	4,540.30
b. Provisions	17	980.79	883.19
c. Current tax liabilities	9	372.70	292.60
d. Other liabilities	18	1,385.60	1,352.49
Total Current Liabilities		**7,340.01**	**7,470.78**
Total Equity and Liabilities (1+2+3)		**78,392.99**	**69,162.75**
Significant accounting policies	**2**		
The accompanying notes form an integral part of the financial statements	**1-39**		

In terms of our report of even date attached

For and on behalf of the Board of Directors

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration No. 301003E/E300005

R.M.Malla
Chairman
DIN: 00136657

Bontha Prasada Rao
Director
DIN: 01705080

Per Jayesh Gandhi
Partner
Membership.no: 037924

Lalit Mohan Sharma
Company Secretary
Membership No. A20005

Bharat Sheth
Chief Financial Officer

Place : Mumbai
Date : May 3, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

	Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
1	Revenue From Operations	19	19,465.19	18,768.82
2	Other Income	20	4,919.38	3,798.77
3	**Total Income (1+2)**		**24,384.57**	**22,567.59**
4	**Expenses**			
	Employee benefits expense	21	3,418.83	3,033.51
	Depreciation and amortisation expense	3&4	991.53	694.56
	Impairment loss on financial assets	22.1	293.60	288.56
	Other expenses	22.2	4,859.88	4,409.18
	Total expenses		**9,563.84**	**8,425.81**
5	**Profit before exceptional items and tax (3 -4)**		**14,820.73**	**14,141.78**
6	**Tax expense:**			
	Current tax	23	3,434.20	3,818.96
	Prior period tax adjustment		-	(1.94)
	Deferred tax		(96.13)	(39.07)
	Tax expense		**3,338.07**	**3,777.95**
7	**Profit for the year (5-6)**		**11,482.66**	**10,363.83**
	Attributable to			
	Owners of the Company		11,351.45	10,317.78
	Non-controlling Interests		131.21	46.05
8	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	i. Remeasurement of the defined benefit plans;		0.50	(1.91)
	ii. Income tax relating to items that will not be reclassified to profit or loss		(0.14)	0.61
	Total other comprehensive income / (loss) (net of tax) (i+ii)		**0.36**	**(1.30)**
9	**Total Comprehensive Income for the year (7+8)**		**11,483.02**	**10,362.53**
	Attributable to			
	Owners of the Company		11,351.97	10,316.53
	Non-controlling Interests		131.05	46.00
10	**Earnings per equity share (EPS) :**			
	Basic and Diluted EPS (₹)	24	10.86	9.87
	Face value of share (₹)		10.00	10.00
	Weighted average number of shares		104,500,000	104,500,000
	Significant accounting policies	**2**		
	The Accompanying notes form an integral part of the financial statements	**1-39**		

In terms of our report of even date attached

For and on behalf of the Board of Directors

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration No. 301003E/E300005

Per Jayesh Gandhi
Partner
Membership.no: 037924

Place : Mumbai
Date : May 3, 2019

R.M.Malla
Chairman
DIN: 00136657

Lalit Mohan Sharma
Company Secretary
Membership No. A20005

Bontha Prasada Rao
Director
DIN: 01705080

Bharat Sheth
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

A	Equity Share Capital	Amount
	Balance as at April 1, 2017	**10,450.00**
	Changes in equity share capital during the year	-
	Balance as at March 31, 2018	**10,450.00**
	Changes in equity share capital during the year	-
	Balance as at March 31, 2019	**10,450.00**

B Other Equity

(₹ in Lakh)

Particulars	Other Equity		Equity attributable to shareholders of the group	Non Controlling Interest	Other Comprehensive Income	Total
	General Reserve	Retained Earnings				
Balance as at April 1, 2017	**1,094.93**	**41,753.83**	**42,848.76**	**1,548.68**	**33.35**	**44,430.79**
Profit for the year	-	10,317.78	10,317.78	46.00		10,363.78
Other comprehensive income for the year (net of tax)	-		-	-	(1.30)	(1.30)
Payment of dividends (Including dividend distribution tax)	-	(3,773.21)	(3,773.21)	-		(3,773.21)
Balance at March 31, 2018	**1,094.93**	**48,298.40**	**49,393.33**	**1,594.68**	**32.05**	**51,020.06**
Profit for the year	-	11,351.45	11,351.45	131.05		11,482.50
Other comprehensive income for the year (net of tax)	-		-	-	0.36	0.36
Disposal of partial interest in subsidiary without loss of control		(3.40)	(3.40)	2,403.40		2,400.00
Payment of dividends (Including dividend distribution tax)	-	(4,409.48)	(4,409.48)	-		(4,409.48)
Balance as at March 31, 2019	**1,094.93**	**55,236.97**	**56,331.90**	**4,129.13**	**32.41**	**60,493.44**
Significant accounting policies					**2**	
The Accompanying notes form an integral part of the financial statements					**1-39**	

In terms of our report of even date attached

For and on behalf of the Board of Directors

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration No. 301003E/E300005

R.M.Malla
Chairman
DIN: 00136657

Bontha Prasada Rao
Director
DIN: 01705080

Per Jayesh Gandhi
Partner
Membership.no: 037924
Place : Mumbai
Date : May 3, 2019

Lalit Mohan Sharma
Company Secretar
Membership No. A20005

Bharat Sheth
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

	PARTICULARS	For the year ended 31.03.2019	For the year ended 31.03.2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit for the year	**11,482.66**	**10,363.83**
	Adjustments for		
	Income tax expenses recognised in profit or loss	3,338.07	3,777.95
	Depreciation and Amortisation expense	991.53	694.56
	Gain on sale / disposal of Property, plant and equipment and Intangible assets (Net)	(8.59)	(11.47)
	Provision for gratuity and compensated absences	125.69	9.79
	Interest income recognised in profit or loss	(1,151.74)	(1,131.59)
	Dividend income recognised in profit or loss	(141.54)	(386.24)
	Net gain arising on financial assets measured at FVTPL	(3,269.78)	(1,860.04)
	Impairment loss on Trade receivables	293.60	288.56
	Operating profit before working capital changes	**11,659.90**	**11,745.35**
	Movements in working capital		
	(Increase) / Decrease in trade receivables	(321.75)	(846.71)
	(Increase) / Decrease in loans and other assets	(161.00)	(407.08)
	(Increase) / Decrease in other financial assets	938.76	(503.00)
	Increase / (Decrease) in trade payables	(37.50)	406.56
	Increase / (Decrease) in provisions	(27.59)	127.41
	"Increase / (Decrease) in other financial liabilities and other current liabilities"	(145.90)	1,310.28
	Cash generated from operations	**11,904.92**	**11,832.81**
	Direct taxes paid (net of refunds)	(3,361.29)	(3,902.95)
	Net cash generated from operating activities	**8,543.63**	**7,929.86**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment, intangible assets and capital advances	(1,134.29)	(7,644.92)
	Proceeds from sale of property, plant and equipment	12.96	32.10
	Purchase of investments	(37,082.91)	(41,140.75)
	Sale of investments	32,772.37	41,542.88
	Investments in fixed deposits with banks	(5,279.69)	(27,392.40)

(₹ in Lakh)

PARTICULARS		For the year ended 31.03.2019	For the year ended 31.03.2018
	Proceeds from maturity of fixed deposits with banks	2,843.25	26,349.85
	Interest received	1,048.85	1,158.29
	Dividend received	141.54	386.24
	Net cash generated from investing activities	**(6,677.92)**	**(6,708.71)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Dividend and taxes paid thereon	(4,409.48)	(3,773.21)
	Sale of Equity shares in Subsidiary	2,400.00	-
	Net cash used in financing activities	**(2,009.48)**	**(3,773.21)**
	Net Increase in cash and cash equivalents (A+B+C)	**(143.77)**	**(2,552.06)**
	Cash and cash equivalents at the beginning of the year	591.43	3,143.49
	Cash and cash equivalents at the end of the year	**447.66**	**591.43**
	Cash and cash equivalents at the end of the year comprises		
	i) Cash on Hand	0.59	0.59
	ii) Cheques in hand	-	43.93
	iii) Balances with Banks		
	-In Current Accounts	447.07	546.91
Significant accounting policies		**2**	
The accompanying notes form an intergal 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".
2. Previous years' figures have been regrouped whereever necessary.

In terms of our report of even date attached

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration No. 301003E/E300005

Per Jayesh Gandhi
Partner
Membership.no: 037924
Place : Mumbai
Date : May 3, 2019

For and on behalf of the Board of Directors

R.M.Malla
Chairman
DIN: 00136657

Bontha Prasada Rao
Director
DIN: 01705080

Lalit Mohan Sharma
Company Secretary-
Membership No. A20005

Bharat Sheth
Chief Financial Officer

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

FOR THE YEAR ENDED MARCH 31, 2019

1. Company Overview

Central Depository Services (India) Limited ("CDSL") herein after referred to as the "Parent Company" or "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 are listed on the National Stock Exchange of India Limited.

The consolidated financial statements were authorized for issue by the Parent Company's Board of Directors on May 3, 2019.

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, 2019 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 as amended time to time and the financials also complies with presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

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) Employee benefits (Gratuity and Compensated absences).

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 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.

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

Name of Subsidiary	Country of Incorporation	Principal Actiity	Proportion of Ownership Interest as on March 31, 2019	Proportion of Ownership Interest as on March 31, 2018
CDSL Ventures Limited	India	KYC Registration	100.00 %	100.00 %
CDSL Insurance Repository Limited	India	Holding insurance policies in eletronic 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	India	Commodity Repository	52%	100%

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- ► Derecognises the assets (including goodwill) and liabilities of the subsidiary
- ► Derecognises the carrying amount of any non-controlling interests
- ► Derecognises the cumulative translation differences recorded in equity
- ► Recognises the fair value of the consideration received
- ► Recognises the fair value of any investment retained
- ► Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Non-Controlling 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 Non-Controlling 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.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group 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 intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 lakh except share and per share data in terms of Schedule III unless otherwise stated.

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 recognized 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 recognized 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, differed tax assets and liabilities 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 recongnised.

(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 / amortization 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 analyzing 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

(vi). Fair value measurement of financial instruments: The Group estimates fair values of the unquoted equity shares using discounted cash flow model. The valuation requires 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 management's estimate of fair value for these unquoted equity investments (refer note 28).

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.

All Financial instruments 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.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories: financial assets (debt instrument) at amortised cost, financial assets (debt instrument) at 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 Group 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 amortized 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 Group'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 categorization as at amortised cost or as FVTOCI, is classified as

FVTPL. In addition the Group 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.

Earmarked Funds

Earmarked Funds represent bonus payable to Managing Director of the Parent 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 / bank fixed deposits and the same are earmarked in the Balance Sheet. Investment income earned on financial instrument is credited to respective earmarked liabilities and not credited to the Statement of Profit or Loss. The Gain / (Loss) on changes in fair value of mutual fund units 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 recognized at fair value, and subsequently carried at amortized 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.

Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

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).

iii) 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 Rules, 2014 and used the same as deemed cost in opening Ind AS Balance sheet prepared on 1st 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.

iv) Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition less accumulated amortization 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 lifes 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.

v) 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/Soft-ware	2
Office Equipment	2-5
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 lifes 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 lifes, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized 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.

vi) 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 capitalized 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.

vii) 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 Group 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").

viii) 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 recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Group'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: In accordance with the Payment of Gratuity Act, 1972, the Group provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Group. Gratuity for employees is covered by Gratuity Scheme with Life Insurance Corporation of India and the contribution thereof is paid / provided for. Provision for gratuity is made on the basis of actuarial valuation on Projected Unit Credit Method as at the end of the year.

  Remeasurement gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through Other Comprehensive Income.

  Remeasurements comprising gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

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

ix) 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 Group 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 assets and contingent liabilities are not recognised but disclosed in the Financial Statements when economic inflow is probable.

x) Revenue

The Group has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). There was no impact on the adoption of the standard on the financial statements of the Company.

The Group derives revenue primarily from services to corporates and capital market intermediary services. The Group recognises revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

i) Time and service contracts

Revenues and costs relating to time and service contracts are recognised as the related services are rendered.

ii) Annual /monthly fee contracts

Revenue from annual fee contracts is recognised proportionately over the period of the contract. When services are performed through an indefinite number of repetitive acts over a specified period of time, revenue is recognised on a straight line basis over the specified period or under some other method that better represents the stage of completion.

The Group accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue.

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

xi) Investment income

Investment income consists of interest income on funds invested, dividend income and gains on the disposal of FVTPL financial assets.

Interest income on bond is recognised as it accrues in the Profit or Loss, using the effective interest method and interest income on deposits with banks is recognised on a time proportion accrual basis taking into the account the amount outstanding and the rate applicable.

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

xii) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent it relates to items directly recognized 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 Group 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 realize the asset and liability simultaneously.

b) Deferred 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 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 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 utilized. Deferred tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred 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 tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized 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.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

xiii) 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.

xiv) 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 Group 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

xv) Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realization 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 and amended standards

Standard issued but not yet effective

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. As the Group does not have any material leases, therefore the impact of adoption of this standard is yet to be identified by the Group.

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Office	Civil and Interior Work	Building Freehold	Building-Leasehold	Plant and equipments	Computers	Furniture and fixtures	Office equipments	Motor vehicles	Total
Gross carrying value										
Balance as at April 1, 2017	-	-	0.01	169.09	506.94	77.66	71.99	47.39	130.56	1,003.64
Additions during the year ended March 31, 2018	6,325.27	250.22	-	-	486.75	18.51	262.78	235.76	25.87	7,605.16
Deductions / adjustments	-	-	-	-	20.19	-	15.57	6.55	3.05	45.36
Balance as at March 31, 2018	**6,325.27**	**250.22**	**0.01**	**169.09**	**973.50**	**96.17**	**319.20**	**276.60**	**153.38**	**8,563.44**
Balance as at April 1, 2018	6,325.27	250.22	0.01	169.09	973.50	96.17	319.20	276.60	153.38	8,563.44
Additions during the year ended March 31, 2019	-	-	-	-	429.56	21.24	0.93	12.13	39.15	503.01
Deductions / adjustments	-	-	-	-	-	0.40	-	0.29	30.40	31.09
Balance as at March 31, 2019	**6,325.27**	**50.22**	**0.01**	**169.09**	**1,403.06**	**117.01**	**320.13**	**288.44**	**162.13**	**9,035.36**
Accumulated depreciation and impairment										
Balance as at April 1, 2017	-	-	-	100.16	275.61	47.29	53.64	32.86	28.75	538.31
Depreciation for the year ended March 31, 2018	74.96	10.35	-	50.08	300.11	27.94	59.97	27.82	34.84	586.07
Deductions / Adjustments	-	-	-	-	7.22	-	10.77	3.69	3.05	24.73
Balance as at March 31, 2018	**74.96**	**10.35**	**-**	**150.24**	**568.50**	**75.23**	**102.84**	**56.99**	**60.54**	**1,099.65**
Balance as at April 1, 2018	74.96	10.35	-	150.24	568.50	75.23	102.84	56.99	60.54	1,099.65
Depreciation for the year ended March 31, 2019	105.63	25.02	-	11.35	401.66	24.41	47.58	50.71	34.66	701.02
Deductions / Adjustments	-	-	-	-	-	0.40	-	0.08	26.24	26.72
Balance as at March 31, 2019	**180.59**	**35.37**	**-**	**161.59**	**970.16**	**99.24**	**150.42**	**107.62**	**68.96**	**1,773.95**
Net carrying value										
As at March 31, 2019	**6,144.68**	**214.85**	**0.01**	**7.50**	**432.90**	**17.77**	**169.71**	**180.82**	**93.17**	**7,261.41**
As at March 31, 2018	**6,250.31**	**239.87**	**0.01**	**18.85**	**405.00**	**20.94**	**216.36**	**219.61**	**92.84**	**7,463.79**

4. INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Computer Softwares	Total
Gross carrying value		
Balance as at April 1, 2017	286.36	286.36
Additions during the year ended March 31, 2018	196.74	196.74
Deductions / adjustments	-	-
Balance as at March 31, 2018	**483.10**	**483.10**
Balance as at April 1, 2018	483.10	483.10
Additions during the year ended March 31, 2019	407.69	407.69
Deductions / adjustments	-	-
Balance as at March 31, 2019	**890.79**	**890.79**
Accumulated amortisation and impairment		
Balance as at April 1, 2017	229.26	229.26
Amortisation for the year ended March 31, 2018	108.49	108.49
Deductions / Adjustments	-	-
Balance as at March 31, 2018	**337.75**	**337.75**
Balance as at April 1, 2018	337.75	337.75
Amortisation for the year ended March 31, 2019	290.51	290.51
Deductions / Adjustments	-	-
Balance as at March 31, 2019	**628.26**	**628.26**
Net carrying value		
As at March 31, 2019	**262.53**	**262.53**
As at March 31, 2018	**145.35**	**145.35**

5. INVESTMENTS

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current Investments		
Un-quoted investments (measured at cost)		
Investments in Equity Instruments measured at FVTPL		
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
Aggregate value of un-quoted Investments	**300.50**	**300.50**
Total Investment in Equity Instruments at FVTPL	**300.50**	**300.50**
Quoted Investments		
Investments in Tax free bonds measured at amortised cost		
Owned		
- Tax free bonds	10,325.39	10,341.07
	10,325.39	**10,341.07**
Investments in Non Convertible Debentures measured at amortised cost		
Owned		
- NCD	1,500.00	-
	1,500.00	**-**
Investments in Mutual Funds measured at FVTPL		
Owned		
- Units of growth oriented debt schemes of mutual funds	34,969.78	25,613.36
Earmarked		
- Units of growth oriented debt schemes of mutual funds	25.74	22.84
	34,995.52	**25,636.20**
Total Non-current Investments	**47,121.41**	**36,277.77**
Aggregate amount of quoted investments	**46,820.91**	**35,977.27**
Market value of quoted investments	**47,239.94**	**35,977.27**
Aggregate amount of unquoted investments	**300.50**	**300.50**

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Current Investments		
Unquoted Investments		
Investments in Mutual Funds measured at FVTPL		
Owned		
- Units of growth oriented debt schemes of mutual funds	12,179.46	14,106.80
Accrued Interest on Quoted investments		
- Bonds / NCDs	421.75	355.31
	12,601.21	**14,462.11**
Current Portion of Long Term Investments		
Quoted Investments		
Investments in Mutual Funds measured at FVTPL		
Owned		
- Units of growth oriented debt schemes of mutual funds	-	1,343.13
Earmarked		
- Units of growth oriented debt schemes of mutual funds	24.59	20.89
	24.59	**1,364.02**
Total Current Investments	**12,625.80**	**15,826.13**
Aggregate amount of quoted investments	**24.59**	**1,364.02**
Market value of quoted investments	**24.59**	**1,364.02**
Aggregate amount of unquoted investments	**12,179.46**	**14,106.80**

5 A - INVESTMENTS

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Details of Non current investments					
Investment in Others					
a)	**Investment in equity shares**				
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
				300.50	**300.50**
b)	**Investment in Debentures**				
Quoted	8.70% TATA Capital Non-Convertible Debentures 3Yrs RD 27.09.2021	150,000	-	1,500.00	-
				1,500.00	**-**
C)	**Investment in tax free bonds**				
Quoted	7.21% REC Ltd Tax Free bonds 211122	50	50	500.02	500.03
Quoted	7.22% Power Finance Corporation Ltd Tax Free Bond Series 95 291122	50	50	500.02	500.03
Quoted	7.18% Indian Railway Finance Corp Ltd Tax Free Bonds 190223	130,000	130,000	1,303.62	1,304.38
Quoted	7.19% Indian Railway Finance Corp Ltd Tax Free Bond 310725	50	50	500.41	500.46
Quoted	8.01% National Housing Bank Tax Free Bonds 300823	70	70	700.16	700.19
Quoted	7.17% National Housing Bank Tax Free Bonds 010123	50	50	501.73	502.12

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Quoted	8.35% National Highways Auth of India Tax Free Bonds 221123	70	70	700.12	700.14
Quoted	8.20% National Highways Auth of India Tax Free Bonds 250122	72,500	72,500	738.54	742.70
Quoted	8.18% NHPC Limited Tax Free Bonds 021123	22,547	22,547	225.47	225.47
Quoted	8.19% NTPC Limited Tax Free Bonds 040324	50	50	500.03	500.03
Quoted	8.41% NTPC Limited Tax Free Bonds 161223	31,665	31,665	316.65	316.65
Quoted	8.20% Power Finance Corporation Ltd Tax Free Bonds 010222	100,000	100,000	1,022.25	1,029.56
Quoted	7.15% NTPC Limited Tax Free Bond 210825	50	50	500.22	500.26
Quoted	7.17% REC Ltd Tax Free Bond 230725	50	50	500.32	500.36
Quoted	8.18% REC Ltd Tax Free Bonds 111023	50	50	515.31	518.08
Quoted	7.11% National Highways Auth of India Tax Free Bonds 18.09.2025	30	30	300.02	300.02
Quoted	7.16% Power Finance Corporation Ltd Tax Free Bonds 17.07.2025	50	50	500.22	500.26
Quoted	7.17% REC Ltd Tax Free Bonds 23.07.2025	50	50	500.28	500.33
				10,325.39	**10,341.07**
d)	**Investment in Units of Mutual funds**				
Quoted	Axis Fixed Term Plan - Sr102 - Direct- Growth	4,000,000.00	-	404.88	-
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OM - Direct - Growth	5,000,000.00	5,000,000.00	574.53	533.43

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OD - Direct - Growth	9,260,869.00	9,260,869.00	1,071.31	994.76
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OH - Direct - Growth	7,180,656.00	7,180,656.00	832.64	773.30
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OI - Direct - Growth	10,901,955.00	10,901,955.00	1,261.56	1,171.48
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OK - Direct - Growth	10,000,000.00	10,000,000.00	1,153.17	1,071.24
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OY - Direct - Growth	3,000,000.00	3,000,000.00	328.14	305.43
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series SI - Direct - Growth	4,000,000.00	-	405.13	-
Quoted	DHFL Pramerica Fixed Duration Fund Sr AY-Direct-Growth	40,000.00	-	435.14	-
Quoted	DSP Fixed Maturity Plan - Sr 204 - 37M - Direct - Growth	10,000,000.00	10,000,000.00	1,153.40	1,072.81
Quoted	DSP Fixed Maturity Plan - Sr 205 - 37M - Direct - Growth	10,000,000.00	10,000,000.00	1,153.75	1,072.30
Quoted	DSP Fixed Maturity Plan - Sr 209 - 37M - Direct - Growth	4,300,000.00	4,300,000.00	493.99	459.17
Quoted	DSP Fixed Maturity Plan - Sr 219 - 40M - Direct - Growth	3,000,000.00	3,000,000.00	327.30	304.48
Quoted	DSP Fixed Maturity Plan - Sr 233 -36M -Direct-Growth	238,511.40	-	25.74	-
Quoted	DSP Fixed Maturity Plan - Sr 250 -39M -Direct-Growth	5,261,412.88	-	535.35	-

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Quoted	HDFC Fixed Maturity Plan- 1150D Mar 2018 (1) Sr 39 Direct -Growth	7,043,577.00	7,043,577.00	765.03	711.57
Quoted	HDFC MF Fixed Maturity Plan-1158D Feb2018 (1) Sr 39-Direct-Growth	6,000,000.00	6,000,000.00	653.53	607.67
Quoted	HDFC Fixed Maturity Plan- 1274D Oct 2018 (1) Sr 43 Direct-Growth	5,000,000.00	-	532.06	-
Quoted	HSBC Fixed Term Series 131 - Direct -Growth	3,000,000.00	3,000,000.00	322.77	301.05
Quoted	HSBC Fixed Term Series 134 - Direct -Growth	4,000,000.00	-	428.40	-
Quoted	HSBC Fixed Term Series 139 - Direct -Growth	3,500,000.00	-	355.38	-
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 80-Plan J - 1253 Days Direct Cum	4,493,054.00	4,493,054.00	521.14	483.62
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 80-Plan L - 1245 Days Direct Cum	6,000,000.00	6,000,000.00	696.15	645.61
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 80-Plan O - 1233 Days Direct Cum	3,000,000.00	3,000,000.00	347.76	322.46
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 80-Plan T - 1225 Days Direct Cum	6,500,000.00	6,500,000.00	750.02	695.19
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 81 - Plan Q - 1163 Days Direct Cum	10,000,000.00	10,000,000.00	1,115.42	1,034.76
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 82 - Plan A - 1236 Days Direct Cum	5,000,000.00	5,000,000.00	547.77	509.04

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 84 - 1254 Days Plan U - Direct - Cum	4,000,000.00	-	412.10	-
Quoted	ICICI Prudentail Fixed Maturity Plan - Sr 84 - 1188 Days Plan Z - Direct - Cum	4,000,000.00	-	410.22	-
Quoted	IDFC Fixed Term Plan - Sr 129 - Direct-Growth 1147 Days	10,000,000.00	10,000,000.00	1,156.41	1,076.53
Quoted	IDFC Fixed Term Plan - Sr 131 - Direct-Growth 1139 Days	12,512,212.00	12,512,212.00	1,439.57	1,339.78
Quoted	Invesco India Fixed Maturity Plan - Sr 29 -Plan B - Direct -Growth	10,000,000.00	10,000,000.00	1,152.67	1,071.20
Quoted	Invesco India Fixed Maturity Plan - Sr 30 -Plan A - Direct -Growth	5,000,000.00	5,000,000.00	546.70	509.23
Quoted	Invesco India Fixed Maturity Plan - Sr 30 Plan C - Direct-Growth	6,000,000.00	6,000,000.00	654.04	609.22
Quoted	Kotak Fixed Maturity Plan - Series 250 – 1314 Days-Direct-Growth	4,250,000.00	-	450.17	-
Quoted	Kotak Fixed Maturity Plan - Series 255 – 1250 Days-Direct-Growth	4,000,000.00	-	412.46	-
Quoted	Reliance Fixed Horizon Fund - XXXV - SR 11-Direct-Growth	5,000,000.00	5,000,000.00	547.55	508.82
Quoted	Reliance Fixed Horizon Fund - XXXV - SR 12-Direct-Growth	4,000,000.00	4,000,000.00	438.06	407.30
Quoted	Reliance Fixed Horizon Fund XXXVI Series 7 - Direct - Growth	4,000,000.00	4,000,000.00	432.98	402.97
Quoted	Reliance Fixed Horizon Fund XXXX Series 6 - Direct - Growth	4,000,000.00	-	414.62	-

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Quoted	SBI Debt Fund Series C – 33 (1216 Days) – Direct- Growth	4,000,000.00	-	413.20	-
Quoted	Sundaram Fixed Term Plan - HM - 1100 Days-Direct-Growth	-	198,759.00	-	22.84
Quoted	Sundaram Fixed Term Plan - IS - Direct - Growth	3,000,000.00	-	301.50	-
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OD - Direct - Growth	5,000,000	5,000,000	578.41	537.08
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OE - Direct - Growth	8,000,000	8,000,000	925.26	858.95
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OI - Direct - Growth	9,995,095	9,995,095	1,156.62	1,074.03
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OK - Direct - Growth	5,500,000	5,500,000	634.24	589.18
Quoted	Aditya Birla Sunlife Fixed Term Plan - Series OT - Direct - Growth	4,715,264	4,715,264	524.78	487.89
Quoted	Kotak Fixed Term Plan - Series 202 - Direct - Growth	10,000,000	10,000,000	1,150.80	1,069.49
Quoted	Kotak Fixed Term Plan - Series 212 - Direct - Growth	3,500,000	3,500,000	382.53	355.89
Quoted	Reliance Fixed Horizon Fund - XXXIII-SR 10 - Direct - Growth	5,204,160	5,204,160	596.18	553.58
Quoted	Reliance Fixed Horizon Fund - XXXVIII - Sr-3 - Direct - Growth	4,511,070	-	483.46	-
Quoted	DSP Fixed Maturity Plan - Sr 210-36M - Direct - Growth	5,000,000	5,000,000	572.63	532.13
Quoted	Reliance Fixed Horizon Fund - XXXV - Sr 14 - Direct - Growth	5,520,267	5,520,267	602.95	560.72

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Quoted	Reliance Fixed Horizon Fund - XXXX Sr17 - Direct - Growth	5,000,000	-	510.05	-
Quoted	Reliance Fixed Horizon Fund - XLI Sr1 - Direct - Growth	5,000,000	-	503.90	-
				34,995.52	**25,636.20**
Total of Non current investments (a+b+c+d+e)				**47,121.41**	**36,277.77**
Details of Current portion of Long term investments					
e)	**Investment in Units of Mutual funds**				
Quoted	DHFL Pramerica Fixed Maturity Plan Series 63 - Direct Plan - Growth	-	6,500,000.00	-	899.95
Quoted	Reliance Fixed Horizon Fund - XXVIII - SR 19-Direct - Growth	-	165,632.40	-	20.89
Quoted	Sundaram Fixed Term Plan - HM - 1100 Days - Direct - Growth	198,759.00	-	24.59	-
Quoted	Reliance Fixed Horizon Fund - XXIV Sr 15-Direct - Growth	-	3,000,000	-	443.18
Total of Current portion of Long term mutual fund (e)				**24.59**	**1,364.02**
Details of Current Investments					
f)	**Investment in Units of Mutual funds**				
Unquoted	Axis Liquid Fund - Direct Plan - Daily Dividend Reinvestment	-	57,955.06	-	580.10
Unquoted	Axis Liquid Fund - Direct Plan - Growth	38,257.36	-	793.28	-
Unquoted	Axis Ultra Short Term Fund- Direct-Growth	973,998.66	-	102.31	-
Unquoted	HDFC Liquid Fund - Direct - Daily Dividend Reinvestment	-	0.01	-	-

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Unquoted	Invesco India Corporate Bond Fund (Active India Fund)-Direct -Growth	24,820.44	24,820.44	543.42	505.05
Unquoted	LIC MF Savings Plus - Direct - Daily Dividend Reinvestment	-	626,023.03	-	63.27
Unquoted	Reliance Short Term Fund - Direct - Monthly Dividend Reinvestment	-	8,318,202.89	-	941.63
Unquoted	Reliance Short Term Fund - Direct - Growth	2,772,314.76	-	1,000.08	-
Unquoted	Reliance Floating Rate Fund_Short Term Plan Direct Gr	3,885,879.04	3,885,879.04	1,170.28	1,092.20
Unquoted	Reliance Nivesh Lakshya Fund - Direct - Growth	905,920.19	-	100.54	-
Unquoted	Sundaram Money Market Fund-Direct-Growth	15,133,453.67	-	1,579.36	-
Unquoted	Sundaram Select Debt Asset Plan -Direct - Monthly Dividend Reinvestment	-	13,809,283.24	-	1,766.41
Unquoted	Aditya Birla Sunlife Savings Fund-Direct - Daily Dividend Reinvestment	-	715,138	-	716.49
Unquoted	Aditya Birla Sunlife Savings Fund - Direct - Growth	159,118	-	591.54	-
Unquoted	Kotak Floater Short Term- Direct - Daily Dividend Reinvestment	-	32,413	-	327.90
Unquoted	Kotak Treasury Advantage Fund-Direct - Growth	-	443,053	-	125.08
Unquoted	Kotak Liquid Fund - Direct - Growth	3,190	-	120.74	-
Unquoted	Reliance Short Term Plan - Direct - Monthly Dividend Reinvestment	-	4,190,096.00	-	474.32
Unquoted	Reliance Short Term Plan - Direct - Growth	1,396,487	-	503.76	-

Type	Particulars	No. of Shares / Units		(₹) In Lakh	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Unquoted	Reliance Floating Rate Fund - Direct Growth	6,790,120	6,790,120	2,044.93	1,908.50
Unquoted	DSP BlackRock Liquidity Fund Direct - Daily Dividend Reinvestment	-	36,837.492	-	368.72
Unquoted	DSP Liquidity Fund - Direct - Growth	11,351.344	-	303.46	-
Unquoted	ICICI Prudential Banking and PSU Debt Fund- Direct -Growth	4,209,447.844	4,209,447.844	907.73	851.05
Unquoted	Axis Liquid Fund - Direct - Daily Dividend Reinvestment	-	23,962.98	-	239.86
Unquoted	Axis Banking & PSU Debt Fund- Direct-Growth	64,005.94	64,005.94	1,132.64	1,036.17
Unquoted	HDFC Floating Rate Income Fund-Short Term Plan-Direct-Growth	2,151,927.65	5,123,351.93	703.76	1,556.59
Unquoted	Reliance Money Manager Fund- Direct-Growth	-	63,700.55	-	1,553.46
				12,179.46	**14,106.80**
Total of Current Investments (e+f)				**12,204.05**	**15,470.82**
Total Investment				**59,325.46**	**51,748.59**

6. LOANS

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current		
Loans to staff		
Unsecured, considered good	7.39	9.98
Total	**7.39**	**9.98**
Current		
Loans to staff		
Unsecured, considered good	12.18	9.93
Total	**12.18**	**9.93**

Note
These financial assets are carried at amortised cost.

7. OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current		
(a) Security deposits (Unsecured considered as good)		
Others	57.93	62.04
(b) Bank balance in deposit accounts (with remaining maturity of more than 12 months)	1128.85	766.64
(c) Accrued interest - bank deposits	14.31	21.50
Total	**1,201.09**	**850.18**
Current		
(a) Sundry deposits (Unsecured considered as good) Deposits with Related Party - BSE Limited	-	72.77
Others	5.00	-
(b) Receivable from Selling Shareholders	-	247.16
Others	-	0.30
Total	**5.00**	**320.23**

8. DEFERRED TAX BALANCES

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred tax assets (net)		
Deferred tax assets after adjustment	788.96	672.42
Deferred tax liabilities	443.88	350.53
Deferred tax assets (net)	**345.08**	**321.89**
Deferred tax liabilities (net)		
Deferred tax liabilities	199.55	226.10
Deferred tax assets	185.96	98.06
Deferred tax liabilities (net)	**13.59**	**128.04**

DEFERRED TAX ASSETS (NET)

(₹ in Lakh)

Particulars	Opening balance as at 01.04.2017	Recognised in Profit or loss	Recognised in Other Comprehensive Income	Closing balance as at 31.03.2018	Recognised in Profit or loss for year ended 31.03.2019	Recognised in Other Comprehensive Income	Closing balance as at 31.03.2019
1. Deferred tax assets							
Provision for compensated absences, gratuity and other employee benefits	372.01	(4.94)	-	367.07	51.08	-	418.15
Provision for incentive scheme for DPs	142.89	11.89	-	154.78	10.95	-	165.73
Allowance for doubtful debts (expected credit loss allowance)	185.68	(54.64)	-	131.04	13.10	-	144.14
On defined benefit obligation	19.29	-	0.24	19.53		(0.23)	19.30
Total	**719.87**	**(47.69)**	**0.24**	**672.42**	**75.13**	**(0.23)**	**747.32**
2. Deferred tax liabilities							
On changes in fair value of investments	653.44	(327.29)	-	326.15	11.25	-	337.40
Impact on account of amortised cost accounting of financial assets (Investments in bonds)	1.60	0.09	-	1.69	0.13	-	1.82
On defined benefit obligation	19.29	0.24		19.53	(0.23)		19.30
On difference between book balance and tax balance of PPE	(183.15)	186.31		3.16	82.20		85.36
Total	**491.18**	**(140.65)**	**-**	**350.53**	**93.35**	**-**	**443.88**
Net asset / (liabilities)	**228.69**	**92.96**	**0.24**	**321.89**	**(18.22)**	**(0.23)**	**303.44**
Adjusted from current tax provision of earlier years	-	-	-	-	41.64	-	41.64
Net asset / (liabilities)	**228.69**	**92.96**	**0.24**	**321.89**	**23.42**	**(0.23)**	**345.08**

DEFERRED TAX LIABILITIES (NET)

Particulars	Opening balance as at 01.04.2017	Recognised in Profit or loss	Recognised in Other Comprehensive Income	Closing balance as at 31.03.2018	Recognised in Profit or loss for year ended 31.03.2019	Recognised in Other Comprehensive Income	Closing balance as at 31.03.2019
1. Deferred tax Assets							
Provision for compensated absences, gratuity and other employee benefits	20.14	1.12	0.37	21.63	2.82	0.09	24.54
On difference between book balance and tax balance of Property, plant and equipment	0.55	(1.58)	-	(1.03)	10.79		9.76
MAT credit	40.90	36.56	-	77.46	74.20	-	151.66
Total	**20.69**	**(0.46)**	**0.37**	**98.06**	**13.61**	**0.09**	**185.96**
2. Deferred Tax Liabilities							
On Changes in Fair Value of Investment	135.99	85.11	-	221.10	(26.55)	-	194.55
On difference between book balance and tax balance of Property, plant and equipment	0.12	4.88		5.00			5.00
Total	**136.11**	**89.99**	**-**	**226.10**	**(26.55)**	**-**	**199.55**
Net assets / (liabilities)	**(115.42)**	**(90.45)**	**0.37**	**(128.04)**	**40.16**	**0.09**	**(13.59)**

Note:

Unused tax losses for which no deferred tax assets have been recognised are attributable to the following:

Particulars	As at 31.03.2019	As at 31.03.2018
Tax losses (capital in nature)	804.14	1,533.21
Tax losses (revenue in nature)	265.04	265.04
Total	**1,069.18**	**1,798.25**

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

Particulars	As at 31.03.2019	As at 31.03.2018
A.Y. 2019-20 - Capital in Nature	-	285.64
A.Y. 2020-21 - Capital in Nature	-	221.42
A.Y. 2021-22 - Capital in Nature	-	124.23
A.Y. 2022-23 - Capital in Nature	495.74	593.52
A.Y. 2022-23 - Revenue in Nature	141.74	141.74
A.Y. 2023-24 - Capital in Nature	308.40	308.40
A.Y. 2023-24 - Revenue in Nature	62.25	62.25
A.Y. 2024-25 - Revenue in Nature	61.05	61.05

9. Income tax asset and liabilities

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Non Current tax assets		
Advance income tax	1,174.45	1,208.90
Total	**1,174.45**	**1,208.90**
Current tax liabilities		
Income tax payable	372.70	292.60
Total	**372.70**	**292.60**

10. Other assets

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current		
Prepaid expenses	45.04	103.70
Total	**45.04**	**103.70**
Current		
Capital advances	103.88	-
Prepaid expenses	378.95	230.12
CENVAT / GST credit receivable	380.90	309.10
Advances to creditors	4.39	5.02
Total	**868.12**	**544.24**

11. Trade Receivables

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
-Secured, considered good		-
-Unsecured, considered good	1,913.64	1,885.49
-Unsecured, considered doubtful	-	-
- Trade Receivable which have Significant in credit risk	-	-
- Trade Receivable - credit impaired	498.49	456.76
Less: Allowance for doubtful debts (expected credit loss allowance)	(498.49)	(456.76)
Total	**1,913.64**	**1,885.49**

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. Thereafter, interest is charged at 12% - 13% per annum on the outstanding balance by the parent company

3. 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.

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 Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Balance at beginning of the year	456.76	541.65
Movement in expected credit loss allowance / written back on trade receivables calculated at lifetime expected credit losses	41.73	(84.89)
Balance at end of the year	**498.49**	**456.76**

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 Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Current		
(a) Cash on hand	0.59	0.59
(b) Cheques, drafts on hand	-	43.93
Balance with Banks		
Owned fund		
- In current accounts	447.07	546.91
(Earmarked ₹63.30 Lakh)		
Cash and cash equivalents	**447.66**	**591.43**
Bank Balances other than above		
Balances with Banks		
Owned fund		
- In deposit accounts	4,917.14	2,842.91
Accrued interest - bank deposits	158.77	115.13
Earmarked fund		
- In current account (IPO Escrow A/c)	-	584.59
- In current accounts (G Sec)	26.28	61.11
Total	**5,102.19**	**3,603.74**

13. Equity Share capital

Particulars	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2018
	Number	(₹ in Lakh)	Number	(₹ in Lakh)
Equity Share capital				
Authorised share capital:				
Equity Shares of ₹ 10/- each with voting rights	**150,000,000**	**15,000.00**	**150,000,000**	**15,000.00**
Issued share capital:				
Equity Shares of ₹ 10/- each with voting rights	104,500,000	10,450.00	104,500,000	10,450.00
Subscribed and Paid-up share capital				
Equity Shares of ₹ 10/- each with voting rights	104,500,000	10,450.00	104,500,000	10,450.00
Total	**104,500,000**	**10,450.00**	**104,500,000**	**10,450.00**

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
Equity shares with voting rights			
As at March 31, 2018			
- Number of shares	104,500,000	-	104,500,000
- Amount (₹) In lakh	10,450.00	-	10,450.00
As at March 31, 2019			
- Number of shares	104,500,000	-	104,500,000
- Amount (₹) In lakh	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 31.03.2019		As at 31.03.2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
BSE Limited (Entity having significant influence)	25,080,000	24.00	25,080,000	24.00
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
State Bank of India	-	-	5,225,000	5.00
Bank of India	-	-	5,820,000	5.57

"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 Group after distribution of all preferential amounts, in proportion to their shareholding."

14. Other equity

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
General reserve	1,094.93	1,094.93
Retained earnings	55,269.38	48,330.45
Total	**56,364.31**	**49,425.38**

14.1 General reserve

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Balance at beginning of year	1,094.93	1,094.93
Movement during the year	-	-
Balance at end of year	**1,094.93**	**1,094.93**

The general reserve is created 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 Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Balance at beginning of year	48,330.45	41,787.18
Profit attributable to owners of the Company	11,351.45	10,317.78
Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of income tax)	0.36	(1.30)
Loss on dilution of equity in Subsidairy	(3.40)	-
Payment of dividends (including tax on dividend)	(4,409.48)	(3,773.21)
Balance at end of year	**55,269.38**	**48,330.45**

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 August 20, 2018, a dividend of ₹ 3.50 per share (total dividend including dividend distribution tax of ₹ 4,409.48 lakh) was paid to the holders of equity shares. On May 29, 2017 the dividend paid was ₹ 3.00 per share (total dividend including dividend distribution tax of ₹ 3,773.21 lakh).

The Board of Directors, at its meeting on May 3, 2019, have proposed a final dividend of ₹ 4/- per equity share of face value ₹10/- per share for the financial year ended March 31, 2019. 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 ₹ 5,039.22 lakh , including dividend distribution tax.

15. Other financial liabilities

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Non Current		
Accrued employee benefits expense*	81.29	75.93
Total	**81.29**	**75.93**
Current		
Security Deposits	2,748.92	2,254.97
Payable for purchase of Property, plant and equipment	62.00	181.71
Payables on expenses towards IPO (recovered from selling share-holders)	-	693.30
Accrued employee benefits expense	1,025.15	902.58
Unpaid Dividend	6.06	-
Contribution to Investor Protection Fund	367.65	408.39
Others (Includes G Sec, SEBI Registration fees & DP penalties)	26.44	99.35
Total	**4,236.22**	**4,540.30**

* Investments have been earmarked against this liability

16. Trade Payables

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Non Current		
a. Total outstanding dues of micro enterprises and small enterprises (refer note no. 33.2)	7.82	8.57
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Other trade payables	356.88	393.63
Total (a+b)	**364.70**	**402.20**

17. Provisions

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Provision for employee benefits		
Compensated absences (refer note no. 34.2)	341.87	286.16
Provision for gratuity (net) (refer note no. 34.1)	69.78	65.52
(b) Other provisions		
Provision for Incentive Scheme for DP (refer note no. 37)	569.14	531.51
Total (a+b)	**980.79**	**883.19**

18. Other liabilities

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current		
Income received in advance	14.66	17.94
Total	**14.66**	**17.94**
Current		
Income received in advance	32.87	143.37
Advances from customers	869.06	795.93
Statutory remittances	483.67	413.19
Total	**1,385.60**	**1,352.49**

19. Revenue from operations

(₹ in Lakh)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
(i) Sale of services comprise :		
Annual Issuer charges	6,715.69	5,562.42
Transaction charges	3,927.78	4,402.59
Users Facility charges	334.07	341.14
Settlement charges	160.91	162.71
Account Maintenance charges	306.36	287.66
E-Voting charges	506.23	409.47
CAS charges	796.21	642.99
IPO/Corporate Action charges	1,987.91	2,948.67
On Line Data charges	3,167.80	2,918.39
Documents Storage charges	533.58	527.59
SEBI PACL Project	285.10	-
Insurance Repository charges	38.16	16.88
E-KYC/C-KYC	298.52	198.33
Commodity Repository charges	67.83	-
Others	339.04	349.98
Total - Sale of services	**19,465.19**	**18,768.82**

20. Other income

(₹ in Lakh)

Particulars		For the year ended 31.03.2019	For the year ended 31.03.2018
a)	**Interest income earned on financial assets that are measured at amortised cost**		
	Bank deposits	309.10	360.01
	Investments in debt instruments	840.81	769.92
	Interest on staff loan	1.83	1.66
b)	**Dividend from investments in mutual funds (measured at FVTPL)**		
	Dividend income from others	141.54	386.24
c)	**Other gains or losses:**		
	Net gain arising on financial assets measured at FVTPL	3,269.78	1,860.04
	Gain / (Loss) on Sale / Disposal of Property, plant and equipments and intangible assets (Net)	8.59	11.47
d)	**Other non-operating income**		
	Interest from debtors	26.80	35.78
	Advances written back	-	169.55
	Bad debts recovered/Written back	234.61	128.29
	Miscellaneous Income	86.32	75.81
	Total	**4,919.38**	**3,798.77**

21. Employee benefits expense

(₹ in Lakh)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Salaries, allowances and bonus	3,108.80	2,783.37
Contribution to provident and other Funds	191.22	144.51
Staff welfare expenses	118.81	105.63
Total	**3,418.83**	**3,033.51**

22.1. Impairment loss on financial assets

(₹ in Lakh)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Impairment loss allowance on trade receivable	293.60	288.56
Total	**293.60**	**288.56**

22.2. Other expenses

(₹ in Lakh)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Annual SEBI fees	174.26	161.75
Contribution to investor protection fund	367.65	408.39
Business promotion expenses	186.54	70.39
Incentive Scheme for DPs	337.00	307.03
Directors' sitting fees	139.65	80.30
Auditors' remuneration		
Audit Fees	22.25	18.07
Tax Audit Fees	2.00	1.50
Reimbursement of expenses	1.02	0.72
Insurance	57.84	60.32
Legal, professional and consultancy fees	170.53	196.42
Postage, telephone and communication charges	654.68	633.39
Power and fuel	52.29	64.97
Printing and stationery	34.49	24.58
Rates and taxes	53.62	56.46
Rent	209.76	259.76
Office Maintenance	97.01	161.85
Inter KRA Charges Expenses	373.69	64.12
Computer technology related expenses	1,163.74	972.13
Travelling and conveyance	141.36	137.19
Point of Service (POS) charges	259.84	248.06
Contribution to Corporate social responsibility	90.98	158.22
AADHAR Authentication Expenses	70.27	124.93
Warehousing Development and Regulatory Authority Annual Fees	15.12	-
Expenses for National Academic Depository (NAD)	31.91	59.21
Recruitment Charges	21.00	0.52
Miscellaneous expenses	131.38	138.90
Total	**4,859.88**	**4,409.18**

22.2.1 CSR Expenditure

(₹ in Lakh)

Particulars		For the year ended 31.03.2019	For the year ended 31.03.2018
a)	The gross amount required to be spent by the Group during the year	256.88	206.33
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.	90.98	158.22

23. Taxes

23.1 Income tax expense

The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are as under:

23.1.1 Profit or loss section

(₹ in Lakh)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Current tax expense	3,434.20	3,818.96
Provision for tax for prior year write back	-	(1.94)
Deferred tax	(96.13)	(39.07)
Total income tax expense recognised in Profit or Loss	**3,338.07**	**3,777.95**

23.1.2 Other comprehensive section

(₹ in Lakh)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Total income tax expense recognised in other comprehensive income	(0.14)	0.61

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

(₹ in Lakh)

	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
(A)	Profit before tax	14,820.73	14,141.78
(B)	Enacted tax rate in India	29.120%	34.608%
(C)	Expected tax expenses	4,315.80	4,894.19
(D)	Other than temporary differences		
	Effect of change in tax rate	(89.90)	(273.96)
	Effect of fair value of investments	(821.06)	(624.99)
	Effect of Income that is exempt from taxation	(269.53)	(389.03)
	Expenses disallowed / (allowed)	181.36	135.57
	Income setoff with brought forward losses/DTA not recognised	(20.24)	36.17
	Other opening adjustment	41.64	-
	Total adjustments	(977.73)	(1,116.24)
(E)	Tax expenses after adjustments (C+D)	3,338.07	3,777.95
(F)	Tax expenses recognised in Profit or Loss	3,338.07	3,777.95

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 31.03.2019	For the year ended 31.03.2018
(A)	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
(B)	Effect of dilutive equity shares outstanding during the year	-	-
(C)	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
(D)	Face Value per Share (₹)	10/- Each	10/- Each
	Profit for the year (₹ in lakh)	11,351.45	10,317.78
	Basic and Diluted EPS (₹ per share)	10.86	9.87

25. Leases

25.1 Obligations under finance lease

The Group has building situated at Belapur, Maharashtra which is classified as finance lease. The Group 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 ₹ 197.89 lakh (year ended March 31, 2018 ₹ 149.23 lakh). 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 Lakh)

Particulars	Carrying Value		Fair Value	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
i) Financial assets				
a) Amortised Cost				
Investment in debt instruments	11,825.39	10,341.07	12,244.42	10,341.07
Trade receivables	1,913.64	1,885.49	1,913.64	1,885.49
Cash and cash equivalents	447.66	591.43	447.66	591.43
Bank balances other than cash and cash equivalents	5,102.19	3,603.74	5,102.19	3,603.74
Loans	19.57	19.91	19.57	19.91
Other financial assets	1,627.75	1,525.31	1,627.75	1,525.31
Total (a)	**20,936.20**	**17,966.95**	**21,355.23**	**17,966.95**
b) FVTPL				
Quoted mutual funds	35,020.11	27,000.22	35,020.11	27,000.22
Unquoted mutual funds	12,179.46	14,106.80	12,179.46	14,106.80
Total (b)	**47,199.57**	**41,107.02**	**47,199.57**	**41,107.02**

Particulars	Carrying Value		Fair Value	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
c) Other				
Investment in equity instruments	300.50	300.50	300.50	300.50
Total (c)	**300.50**	**300.50**	**300.50**	**300.50**
Total (a+b+c)	**68,436.27**	**59,374.47**	**68,855.30**	**59,374.47**
ii) Financial liabilities				
Amortised Cost				
Trade payables	364.70	402.20	364.70	402.20
Other financial liabilities	4,317.51	4,616.23	4,317.51	4,616.23
Total	**4,682.21**	**5,018.43**	**4,682.21**	**5,018.43**

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:

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31.03.2019	31.03.2018		
Mutual funds (Quoted)	35,020.11	27,000.22	Level 1	NAV declared by respective mutual funds
Mutual funds (Unquoted)	12,179.46	14,106.80	Level 2	NAV declared by respective mutual funds
NCD	1,496.50	-	Level 1	Quoted price
Taxfree Bond	10,747.92	10,341.07	Level 1	Quoted price
Equity	300.50	300.50	Level 3	Net asset method

There were no transfers between Level 1, 2 and 3 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 minimize 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 Group'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 year ended March 31, 2019 and March 31, 2018 and revenue for the year ended March 31, 2019 and March 31, 2018.

- **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, 2019 and March 31, 2018

(₹ in Lakh)

Particulars	As at	
	31.03.2019	31.03.2018
Trade payables		
< 1 year	364.70	402.20
1-5 years	-	-
> 5 years	-	-
Other financial liabilities		
< 1 year	4,236.22	4,540.30
1-5 years	81.29	75.93
> 5 years	-	-
Total	**4,682.21**	**5,018.43**

The table below provides details regarding the contractual maturities of significant financial assets as at March 31, 2019 and March 31, 2018

(₹ in Lakh)

Particulars	As at	
	31.03.2019	31.03.2018
Investments		
< 1 year	12,625.80	15,826.13
1 - 5 years	44,019.44	30,215.02
> 5 years	3,101.97	6,062.75
Total	**59,747.21**	**52,103.90**
Loans		
< 1 year	12.18	9.93
1 - 5 years	7.39	9.98
> 5 years	-	-
Total	**19.57**	**19.91**
Other financial assets		
< 1 year	5.00	320.23
1 - 5 years	1,201.09	850.18
> 5 years	-	-
Total	**1,206.09**	**1,170.41**
Trade receivables		
< 1 year	1,913.64	1,885.49
1 - 5 years	-	-
> 5 years	-	-
Total	**1,913.64**	**1,885.49**
Cash and cash equivalents		
< 1 year	447.81	591.43
1 - 5 years	-	-
> 5 years	-	-
Total	**447.81**	**591.53**
Bank balances other than cash and cash equivalents		
< 1 year	5,102.19	3,603.74
1 - 5 years	-	-
> 5 years	-	-
Total	**5,102.19**	**3,603.74**

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.

In addition to the above risk, market risk also include following:

- **Foreign Currency risk**

The Group's foreign currency risk arises in respect of foreign currency transactions. The Group'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 lessor 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 Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Group is predominantly equity financed which is evident from the capital structure. Further, the group 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 March 31, 2019.

Description of relationship	Names of related parties
Entity having significant influence	BSE Limited
Subsidiaries of the entity having significant influence	Marketplace Technologies Private Limited Indian Clearing Corporation Limited
Entities having significant influence in subsidiary-CCRL	Multi Commodity Exchange of India Limited BSE Investments Limited
Key Management Personnel (KMP)	P. S. Reddy - MD & CEO
	T S Krishna Murthy (Chairman and Public Interest Director)
	R. M. Malla (Public Interest Director)
	B. Prasada Rao (Public Interest Director)
	A. Krishna Kumar (Public Interest Director)
	Usha Narayanan (Public Interest Director) (appointed w.e.f. April 24, 2017)
	C. Venkat Nageswar (Shareholder Director)
	Nehal Vora (Shareholder Director)
	Nayan Mehta (Shareholder Director)
	K.V. Subramanian (Shareholder Director)

Details of related party transactions

(₹ in Lakh)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
BSE Limited		
Rendering of services	107.12	384.80
Receiving of services	67.47	243.19
License agreements-Rent and Maintenance	1.42	173.63
Dividend Paid	877.80	1,568.94
Loans and advances – opening deposit received	72.77	-
Balances outstanding at the end of the year		
Trade receivables	12.31	24.66
Loans and advances-Deposit given	-	72.77
Marketplace Technologies Private Limited		
Rendering of services	0.11	0.11
Receiving of services	6.59	19.23
Balances outstanding at the end of the year		
Indian Clearing Corporation Limited		
Rendering of services	6.99	6.61
Receiving Services	-	0.07
Balances outstanding at the end of the year	**-**	**-**

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Trade receivables	0.06	0.06
BSE Investments Limited		
Sale of equity in CDSL Commodity Repository Ltd	1,200.00	-
Balances outstanding at the end of the year	**-**	**-**
Multi Commodity Exchange Of India Limited		
Rendering of services	8.19	-
Sale of equity in CDSL Commodity Repository Ltd	1,200.00	-
Balances outstanding at the end of the year	**-**	**-**
KMP		
Shri. P.S. Reddy Short term employee benefits Salaries, Allowances and Bonus	192.72*	144.54
Long term employee benefits Leave encashment	40.71	-

* Includes the variable pay of the prior years and variable pay charged in the statement of profit and loss to the extent of payment made.

30. Contingent Liabilities

Particulars		As at 31.03. 2019 (₹) In Lakh	As at 31.03. 2018 (₹) In Lakh
Claims against the Group not acknowledged as debt in respect of:			
a)	Service tax matters	3,978.81 (refer note (i),(ii))	3,978.81 (refer note (i),(ii))
b)	Income tax matters	4.92 (refer note (iii))	4.92 (refer note (iii))

(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) 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 21st October 2009 to CDSL demanding service tax amount of ₹1,791 lakh 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 Order on 19th August 2016 demanding ₹1646.80 lakh from the said SCN.

The Commissioner of Service Tax, Mumbai has issued Show cause cum Demand Notice (SCN) on 4th October 2010 to CDSL demanding service tax amount of ₹465.38 lakh on the charges recovered by CDSL for providing "Depository services" to DPs and RTAs for the period 2009-10.

The Commissioner of Service Tax, Mumbai has issued Order on 19th August 2016 to CDSL demanding service tax amount and penalty amount of ₹ 3978.81 Lakh (Service tax ₹ 2,112.18 lakh and Penalty of ₹1,866.63 lakh) for above two SCNs.

(iii) 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 lakh.

31. Commitments :

Particulars	As at 31.03. 2019 (₹) In Lakh	As at 31.03. 2018 (₹) In Lakh
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	122.50	18.33
Intangible assets	8.00	355.00
(b) Other commitments	154.69	41.16

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.

The Group has three operating and reporting segment; viz, Depository, Data entry and storage and Repository. Since there is no revenue from external customers and non-current assets outside India, no geographical segments have been identified.

Depository Segment includes providing various services to the investors like dematerialisation, rematerialisation, holding, transfer and pledge of securities in electronic form and providing e-voting services to companies.

Data Entry and Storage segment relates to Centralized record keeping of KYC document of capital market investors.

Repository main objective to provide policyholders/warehouse receipts holder a facility to keep insurance policies/warehouse receipts in electronic form and to undertake changes, modifications and revisions in the policy/receipt with speed and accuracy in order to bring about efficiency, transparency and cost reduction in issuance and maintenance of policies/receipts.

(₹ in Lakh)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Segment Revenue		
Depository Activity	15,234.12	15,083.17
Data Entry and Storage	4,130.30	3,668.76
Repository	105.99	16.89
Total	**19,470.41**	**18,768.82**
Less : Inter Segment Revenue	5.22	-
Total Income	**19,465.19**	**18,768.82**
Segment Results		
Depository Activity	7,354.07	7,835.19
Data Entry and Storage	2,817.29	2,784.77
Repository	(270.01)	(276.95)
Total	**9,901.35**	**10,343.01**
Add/(Less) : Finance income and other unallocable income **	4,919.38	3,798.77
Profit before taxation	**14,820.73**	**14,141.78**
Less : Provision for taxation	3,338.07	3,777.95
Profit after taxation	**11,482.66**	**10,363.83**

Particulars	As at 31.03.2019	As at 31.03.2018
Segment assets		
Depository Activity	11,163.70	12,726.70
Data Entry and Storage	3,052.48	1,011.91
Repository	5,567.90	1,940.28
Unallocated	58,608.91	53,483.86
Total	**78,392.99**	**69,162.75**
Segment liabilities		
Depository Activity	6,650.11	6,826.01
Data Entry and Storage	369.57	437.46
Repository	50.58	23.42
Unallocated	379.29	405.80
Total	**7,449.55**	**7,692.69**

Particulars	As at 31.03.2019	As at 31.03.2018
Property, plant and equipment and Intangible assets acquired during the year		
Depository Activity	572.96	7,663.82
Data Entry and Storage	324.02	32.42
Repository	13.72	105.66
Total Property, plant and equipment and Intangible assets additions	**910.70**	**7,801.90**
Depreciation and amortisation		
Depository Activity	825.50	646.42
Data Entry and Storage	106.02	14.09
Repository	60.01	34.05
Total Depreciation and amortisation	**991.53**	**694.56**

**Other unallocable income mainly includes interest income, dividend income, income from investments and other unallocable miscellaneous income.

33. Additional information to the consolidated financial statements

33.1 Expenditure in foreign currency:

Particulars	As at 31.03.2019 (₹) In Lakh	As at 31.03.2018 (₹) In Lakh
Travelling Expenses	63.08	25.15
Others (Seminar and Software licenses)	12.15	81.80

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

Particulars	As at 31.03.2019 (₹) In Lakh	As at 31.03.2018 (₹) In Lakh
(a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day	7.82	8.57
(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	-	-

33.3 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 Lakh)

Name of the entity	March 31, 2019		March 31, 2018	
	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%	48,023.35	68%	41,594.53
CDSL Ventures Limited	20%	14,078.41	18%	11,345.01
CDSL Insurance Repository Limited	3%	2,011.41	3%	1,913.95
CDSL Commodity Repository Limited	4%	2,664.60	8%	5,021.89
Non-controlling Interest in subsidiary	6%	4,129.13	3%	1,594.68
Total	**100%**	**70,912.30**	**100%**	**61,470.06**

Name of the entity	For the year ended March March 31, 2019		For the year ended March March 31, 2018	
	Share in profit or loss			
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent Company- Central Depository Services (India) Limited	73%	8,437.73	74%	7,653.63
CDSL Ventures Limited	24%	2,733.29	24%	2,494.01
CDSL Insurance Repository Limited	1%	108.13	1%	78.57
CDSL Commodity Repository Limited	1%	72.30	1%	91.62
Non-controlling Interest in subsidiary	1%	131.21	-	46.00
Total	**100%**	**11,482.66**	**100%**	**10,363.83**

Name of the entity	For the year ended March March 31, 2019		For the year ended March March 31, 2018	
	Share in Other Comprehensive Income			
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent Company- Central Depository Services (India) Limited	158%	0.57	35%	(0.45)
CDSL Ventures Limited	31%	0.11	62%	(0.80)
CDSL Insurance Repository Limited	-100%	(0.36)	3%	(0.05)
CDSL Commodity Repository Limited	11%	0.04	-	-
Non-controlling Interest in subsidiary	-	0.36	-	-
Total	**100%**	**0.72**	**100%**	**(1.30)**

Name of the entity	For the year ended March March 31, 2019		For the year ended March March 31, 2018	
	Share in Total Comprehensive Income			
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent Company- Central Depository Services (India) Limited	73%	8,438.30	74%	7,653.18
CDSL Ventures Limited	24%	2,733.40	24%	2,493.21
CDSL Insurance Repository Limited	1%	107.77	1%	78.52
CDSL Commodity Repository Limited	1%	58.44	1%	91.62
Non-controlling Interest in subsidiary	1%	131.05	-	46.00
Total	**100%**	**11,468.95**	**100%**	**10,362.53**

34. Employee benefits :

34.1. Defined benefit 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 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, 2019 and March 31, 2018:

(₹ in Lakh)

Valuation Result as at	**March 31,2019**	**March 31,2018**
Changes in present value of obligations (PVO)		
PVO at beginning of year	277.52	230.89
Interest cost	20.46	15.11
Current Service Cost	27.76	22.78
Past Service Cost -(vested benefits)	-	33.03
Benefits Paid	(14.72)	(10.00)
Remeasurement (Gain)/Loss on obligation	1.62	(14.76)
PVO at end of year	312.65	277.05
Interest Expenses		
Interest cost	20.46	15.11
Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning	213.16	151.61

Valuation Result as at	March 31,2019	March 31,2018
Interest Income	18.19	14.50
Net Liability		
PVO at beginning of year	277.52	230.89
Fair Value of the Assets at beginning report	213.16	151.61
Net Liability	64.36	79.27
Net Interest		
Interest Expenses	20.46	15.11
Interest Income	18.19	14.50
Net Interest	2.27	0.60
Actual return on plan assets	20.01	0.03
Less Interest income included above	18.19	14.50
Return on plan assets excluding interest income	1.83	(14.48)
Remeasurement (Gain)/loss on obligation		
Due to Demographic Assumption	17.56	9.65
Due to Financial Assumption	2.65	(21.59)
Due to Experience	(18.59)	(2.83)
Total Remeasurement (Gain)/Loss	1.62	(14.76)
Fair Value of Plan Assets		
Opening Fair Value of Plan Asset	213.16	151.61
Adjustment to Opening Fair Value of Plan Asset	(0.83)	70.18
Return on Plan Assets excl. interest income	1.83	(14.47)
Interest Income	18.19	14.50
Contributions by Employer	71.66	2.38
Contributions by Employee	-	-
Benefits Paid	(14.72)	(10.00)
Fair Value of Plan Assets at end	289.29	211.83
Past Service Cost Recognised		
Average remaining future service till vesting of the benefit	-	33.03
Recognised Past service Cost- vested benefits	-	33.03
Amounts to be recognized in the Balance Sheet		
PVO at end of year	312.65	277.05
Fair Value of Plan Assets at end of year	289.29	211.83
Funded Status	(23.36)	(65.22)
Actual liability	(46.42)	-
Net Asset/(Liability) recognized in the balance sheet	(69.78)	(65.22)
Expense recognized in the profit or loss		
Current Service Cost	27.76	22.78
Net Interest	2.27	0.60
Past Service Cost -(vested benefits)	-	33.03
Expense recognized in the profit or loss	30.03	56.42

Valuation Result as at	March 31,2019	March 31,2018
Expense recognized in the Other Comprehensive Income (OCI)		
Remeasurement l (Gain)/Loss recognized for the year	1.62	(14.76)
Return on Plan Assets excluding net interest	(1.83)	14.47
Total remeasurement (Gain)/Loss recognized in (OCI)	(0.20)	(0.29)
Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	64.36	79.27
Adjustment to opening balance	0.83	(70.18)
Expenses as above	30.03	56.42
Contribution paid	(71.66)	-
Other Comprehensive Income (OCI)	(0.20)	(0.29)
Actual liability	46.42	-
Closing Net Liability	69.78	65.22
Projected Service Cost March 31, 2020	**31.46**	**-**
Asset Information		
		Target Allocation
Gratuity Fund (LIC)	100%	100%
Total Itemized Assets	100%	100%

Assumptions as at	March 31,2019	March 31,2018
Interest / Discount Rate	7.49%	7.63%
Rate of increase in compensation	4.00%	4.00%
Expected average remaining service (years)	9.72	13.36
Employee Attrition Rate(Past Service (PS))	PS: 0 to 42: 6.7%	PS: 0 to 42: 0% to 19.50%

Sensitivity Analysis

	DR : Discount Rate		ER : Salary Escalation Rate	
	PVO DR+1%	PVO DR-1%	PVO ER+1%	PVO ER-1%
PVO	281.36	319.26	316.81	283.00

34.2 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 recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Group recognizes actuarial gains or losses immediately in the statement of profit and loss.

During the year ended March 31, 2019 an amount recognized as an expenses in respect of compensated leave absences is ₹ 55.14 lakh (Previous year ended March 31, 2018 is ₹ 24.17 lakh)

35. 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.

36. 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. The amount contributed to IPF determined over the reported period is as under:

Table showing movement of IPF provision:

(₹ in Lakh)

Particular	For the year ended 31.03.2019	For the year ended 31.03.2018
Rate	5 %	5 %
Opening provision	408.39	291.00
Add: Provision made during the year	367.65	408.39
Less: Amount transferred to IPF Trust during the Year	408.39	291.00
Closing Provision	367.65	408.39

37. 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 Group has set aside ₹ 337.00 lakh during the year ended March 31, 2019 (₹ 307.03 lakh during the year ended March 31, 2018) 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 Lakh)

Particular	As at 31.03.2019	As at 31.03.2018
Opening provision	531.51	412.89
Add: Provision for DP incentive made during the year	337.00	307.03
Less: Amount paid during the year	(299.37)	(188.41)
Closing provision	569.14	531.51

38. The financial statements for the year ended March 31, 2019 has been audited by S. R. Batliboi & Co. LLP, Chartered Accountants. The financial statements for the year ended March 31, 2018 has been audited by Deloitte Haskins & Sells, Chartered Accountants.

39. Previous year's figures have been regrouped/ reclassified and rearranged wherever necessary to correspond with the current year's classification/ disclosure.

Signatures to Notes 1 to 39

In terms of our report of even date attached For and on behalf of the Board of Directors

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration No. 301003E/E30000

R.M.Malla
Chairman
DIN: 00136657

Bontha Prasada Rao
Director
DIN: 01705080

Per Jayesh Gandhi
Partner
Membership.no: 037924

Lalit Mohan Sharma
Company Secretary
Membership No. A20005

Bharat Sheth
Chief Financial Officer

Place : Mumbai
Date : May 3, 2019

NOTICE

CIN:L67120MH1997PLC112443
Regd. Office:Marathon Futurex,25th floor, A-Wing, Mafatlal Mills Compound, N.M Joshi Marg, Lower Parel, Mumbai 400013.

NOTICE is hereby given that the 21st Annual General Meeting of the members of **CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED** will be held on Tuesday, September 17, 2019 at 3.30 p.m. at Walchand Hirachand Hall, IMC Chamber of Commerce and Industry, 4th Floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400020, to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2019 and the Reports of Board and Auditors thereon.

2. To declare dividend on Equity Shares of the Company for the financial year ended March 31, 2019.

3. To appoint a Director in place of Shri Nayan Chandrakant Mehta (DIN: 03320139) who retires from office by rotation and being eligible offers himself for re-appointment.

4. To consider and approve the revised remuneration of Statutory Auditors of the Company for the financial year 2019-20 and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, pursuant to the recommendations of the Audit Committee and the Board of Directors and pursuant to the resolution passed by the members at the Annual General Meeting held on August 20, 2018,the appointment of M/s. S. R. Batliboi & Co., LLP, Chartered Accountants, Mumbai, bearing Firm Registration No. 301003E/ E300005 with the Institute of Chartered Accountants of India, as Auditors of the Company to hold office from the conclusion of the Annual General Meeting of the Company for the financial year 2017-18 until the conclusion of the Annual General Meeting of the Company for the financial year 2022-23 be and is hereby ratified for the financial year 2019-20 at a revised remuneration of ₹ 20,00,000/- 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."

   "RESOLVED FURTHER THAT the Board be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company for the financial years 2020-21, 2021-22 and 2022-23, as may be mutually decided upon between M/s. S. R. Batliboi & Co., LLP and the Board."

   "RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

For Central Depository Services (India) Ltd.

Lalitmohan Sharma

Vice-President Legal & Company Secretary

Place: Mumbai
Date: May 3, 2019

Registered Office

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE MEETING IS ATTACHED TO THIS NOTICE.

2. A person can act as proxy on behalf of, not exceeding fifty (50) Members and holding in the aggregate not more than ten (10) percent of the total share capital of the Company carrying voting rights. A Member holding more than ten (10) 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 member.

   If a person is appointed as Proxy for more than 50 Members, he shall choose any 50 Members and confirm the same to the Company 24 hours before the commencement of the Meeting. In case the proxy fails to do so, the Company shall consider only the first 50 proxies received in respect of such person as valid.

3. During the period, beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 days of notice in writing is given to the Company.

4. M/s. S. R. Batliboi & Co., LLP, Chartered Accountants, Mumbai, bearing Firm Registration No. 301003E/E300005 with the Institute of Chartered Accountants of India were appointed as the Statutory Auditors of the Company for a period of five years at the AGM of the Company held on August 20, 2018. Their appointment was subject to ratification by the Members at every subsequent AGM post their appointment.

   Pursuant to the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from Section 139 of the Companies Act, 2013.

   However, since the shareholders have fixed the remuneration of the Statutory Auditors at ₹16,00,000/- as statutory audit fees and tax audit fees exclusive of applicable taxes and other out of pocket expenses, to 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, based on the recommendation of the Audit Committee, the Board of Directors a resolution is proposed for ratification of appointment of the Statutory Auditors for the financial year 2019-20 at a revised remuneration of ₹ 20,00,000/- 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 and further authorize the Board to decide and fix the remuneration of the Statutory Auditors of the Company for the financial years 2020-21, 2021-22 and 2022-23, as may be mutually decided upon between M/s. S. R. Batliboi & Co., LLP and the Board. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and they have not been disqualified from continuing as the Statutory Auditors.

5. Corporate members intending to depute their authorised representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 (the Act) are requested to send to Link Intime India Private Limited a duly certified true copy of the Board Resolution/ Power of Attorney authorizing their representatives to attend and vote on their behalf at the meeting. Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions/authority as applicable.

6. In case of joint holders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote.

7. All documents referred to in the Notice will be available for inspection at the Company's registered office between 11.00 a.m. to 1.00 p.m. upto 16 th August, 2019 on all working days (except Saturdays and public holidays). Statutory Registers will be available for inspection at the AGM.

8. Subject to the provisions of the Act, dividend as recommended by the Board, if approved at the Meeting, will be paid within a period of 30 days from the date of declaration to those Members or their mandates whose names appear as beneficial owners with depositories or in the Register of Members as on 10th September 2019.

9. To avoid the incidence of fraudulent encashment of the dividend warrants, Members are requested to intimate the Company's RTA under the signature of the Sole/First joint holder, the following information, so that the bank account number and address of the bank can be printed on the dividend warrants:

    1) Name of Sole / First Joint holder and Folio No.

    2) Particulars of bank account viz:

        i) Name of the Bank,

        ii) Name of the Branch with Branch Code / IFSC Code

        iii) Complete address of the Bank with Pin Code Number

        iv) Account type, whether Saving Bank (SB) or Current Account (CA),

        v) Bank Account number allotted by the Bank

10. In case of Members holding shares in electronic form, Bank account details provided by the Depository Participants (DPs) will be used by the Company for printing dividend warrants.

11. Members who hold shares in dematerialized form and desire a change/correction in the bank accounts details should intimate the same to their concerned DPs about such change with complete details of Bank Account including MICR Code and not to the Company's RTA. The Company/Company's RTA will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. The said details will be considered as will be furnished by the DPs to the Company.

12. Additional information, pursuant to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards on General Meetings, in respect of the Directors seeking appointment at the AGM, is furnished as Annexure to the Notice.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their DPs and those holding shares in physical form are requested to submit their PAN to the Company's Registrar and Share Transfer Agent.

14. Members are requested to intimate the Company's Registrar and Share 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.

15. Shareholders are requested to read the "Shareholder Information" section of the Annual Report for useful information.

16. Members desirous of obtaining any information/clarification on the Accounts and Operations of the Company are requested to address their communication to the Company at its registered address so as to reach at least one week before the date of the Meeting so that the required information can be made available at the Meeting.

17. Pursuant to the provisions of Sections 101 and 136 of the Act, read with the relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail addresses either with the DPs of the Company. The Notice of this AGM along with the Annual Report for the year ended 31st March 2019, is being sent by electronic mode to those members whose e-mail addresses are registered with the DPs/ Company, unless a member has requested for

a physical copy of the same. Physical copies of the Annual Report are being sent by the permitted mode to those members who have not registered their e-mail addresses. The Annual Report for the year ended 31st March, 2019, is also available on the Company's website www.cdslindia.com.

18. Members holding shares in physical mode are requested to register their e-mail address with the Company's Registrar and Share Transfer Agent, and Members holding shares in demat mode are requested to register their e-mail address with their respective DPs, in case the same is still not registered.

19. If there is any change in the e-mail address already registered with the Company/ Members are requested to immediately notify such change to the Company's Registrar and Share Transfer Agent, in respect of shares held in physical form, and to their DPs in respect of shares held in electronic form.

20. In terms of amendments to the Listing Regulations, with effect from 1st April, 2019, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in dematerialized form with the depository i.e. NSDL and CDSL. Members are, therefore, requested to demat their physical holding for any further transfer. Members can, however, continue to make request for transmission or transposition of securities held in physical form.

Instructions for Remote E-Voting

1. 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 by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services provided by Link Intime India Private Limited (LIIPL). The Members may cast their votes using an electronic voting system from a place other than the venue of the AGM (Remote e-Voting).

2. The facility for voting through electronic voting system shall be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM.

3. The Members who have already cast their vote by remote e-Voting prior to the AGM may also attend the AGM, but shall not be entitled to cast their vote again.

4. The remote e-Voting period commences on Saturday, 14th September, 2019 (9.00 a.m. IST) and ends on Monday, 16th September, 2019 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Tuesday, 10th September 2019, i.e. cut-off date, may cast their vote by remote e-voting. 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 by LIIPL for voting thereafter. Once the vote on a resolution(s) is cast by the Member, he shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

Instructions for shareholders to vote electronically:

- **Log-in to e-Voting website of Link Intime India Private Limited (LIIPL)**

  1. Visit the e-voting system of LIIPL. 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 + Folio Number registered with the Company

5. Your Password details are given below:

If you are using e-Voting system of LIIPL: https://instavote.linkintime.co.in for the first time or if you are holding shares in physical form, 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).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).
	• 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.
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. 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-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: 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".

Incase 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 LIIPL.

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.

- **Cast your vote electronically**

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:**

  Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: 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 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 enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

Other Instructions:

- The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on Cut-Off Date i.e. Tuesday, September 10, 2019.

- A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-Off Date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.

- Smt. Dipti Mehta (FCS no. 3667 & C.P. No. 3202) failing her Shri Atul Mehta (FCS no. 5782 & C.P. No. 2486), Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting process at the AGM in a fair and transparent manner.

- At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman shall with the assistance of the Scrutinizer order voting through electronic means for all those members who are present but have not cast their vote electronically using the remote e-voting facility.

- The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company, and make, not later than forty-eight

hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or a person authorized by the Chairman in writing, who shall countersign the same and declare the results of the voting forthwith. The Scrutinizer's decision on the validity of the vote shall be final and binding.

- The results shall be declared either by the Chairman of the Meeting or a person authorized by him, along with the Scrutinizer's Report, shall be placed on the Company's website: www.cdslindia.com and on the website of LIIPL at https://instavote.linkintime.co.in, immediately after the result declared by the Chairman or any other person authorized by the Chairman and the same shall be communicated to National Stock Exchange of India Limited, where the shares of the Company are listed.

21. Members / proxies / authorized representatives are requested to bring duly filled in Attendance Slip sent herewith duly filled in, for attending the Meeting.

22. The Audited Accounts of the Company and its subsidiary companies are available on the Company's website, www.cdslindia.com.

23. The annual accounts of the Company's subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time.

24. As per the provisions of section 72 of the Act, facility for making nominations is now available to individuals holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the Company's RTA. Members holding shares in electronic form have to approach their DP's for completing the nomination formalities.

25. Non-resident Indian Members are requested to inform the Company's RTA or to the concerned DP's, as the case may be, immediately:

    a) the change in the residential status on return to India for permanent settlement.

    b) the particulars of the NRE Account with a Bank in India, if not furnished earlier.

26. The route map of the venue of the Meeting is annexed to the Notice.

By order of the Board of Directors

For Central Depository Services (India) Ltd.

Lalitmohan Sharma

Vice-President Legal & Company Secretary

Place: Mumbai

Date: May 3, 2019

Details of Director seeking appointment/re-appointment of directorship at the Annual General Meeting to be held on September 17, 2019.

Brief resume of Director, being re-appointed, is as follows:

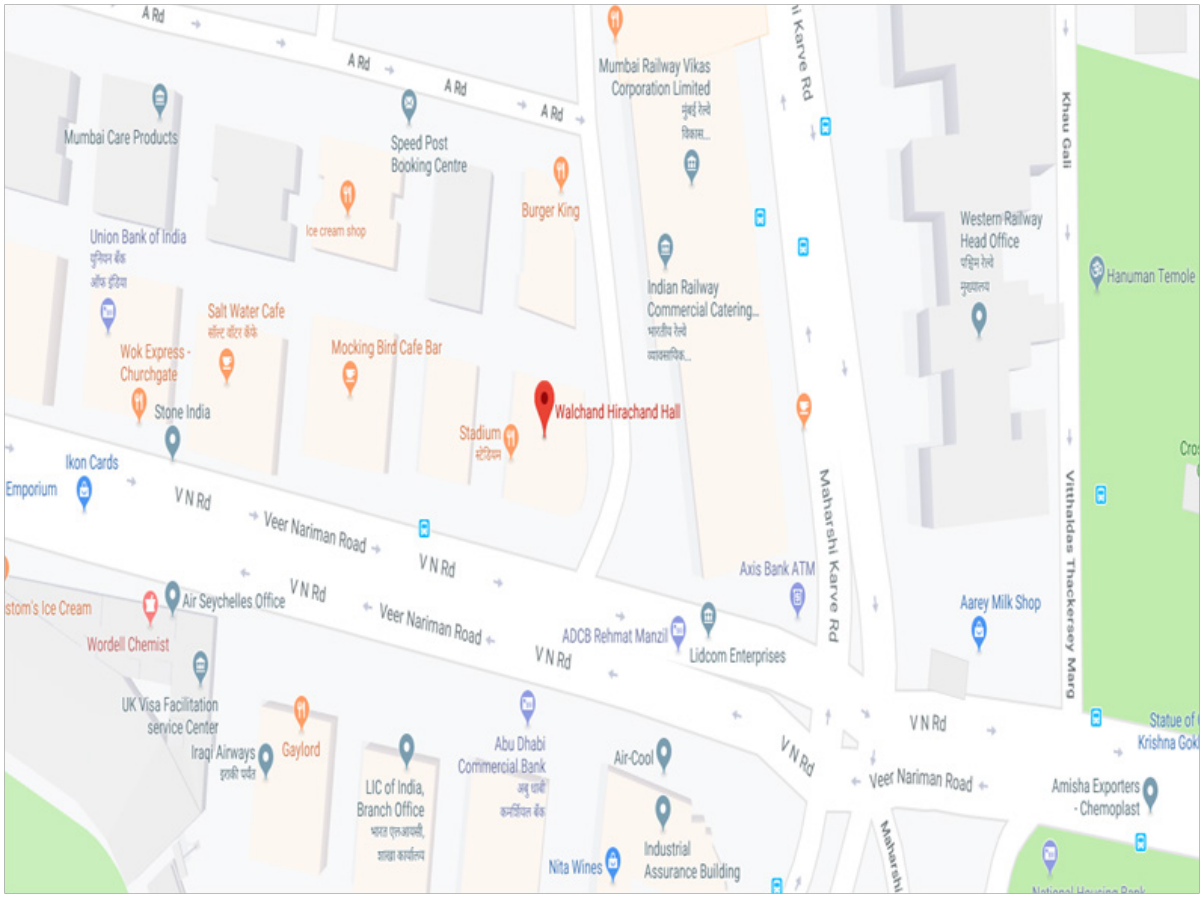
Shri Nayan Chandrakant Mehta

Shri Nayan Chandrakant Mehta is the Chief Financial Officer of BSE Ltd. He has extensive experience of over 27 years in financial and securities market, especially in Exchange and its ecosystem businesses. Prior to joining BSE, Shri Nayan Mehta has worked with National Stock Exchange of India Ltd. (NSE), Multi Commodity Exchange of India Ltd. (MCX) and Credit Analysis & Research Ltd. (CARE Ratings). He was instrumental in setting up accounting and investment processes and controls at NSE. As Chief Financial Officer of the MCX, in addition to overseeing finance, treasury and taxation, he handled various strategic issues relating to eco-system ventures of its group companies. Shri Nayan Mehta is a member of Executive Management Committee and other committees of BSE Ltd. He is also a Director and a member in various committee of BSE's subsidiaries and associate companies. He serves as the Senior Vice Chairman on the Executive Board of South Asian Federation of Exchanges (SAFE). He was also a Member of the Qualified Audit Review Committee of Securities & Exchange Board of India (SEBI) and Committee on Financial Markets and Investors' Protection of the Institute of Chartered Accountants of India (ICAI). Shri Nayan Mehta is a Chartered Accountant and a Cost & Management Accountant by qualification.

DISCLOSURES RELATING TO DIRECTORS PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2):

Name of the Director	Shri Nayan Chandrakant Mehta
Date of Birth/Age	31.03.1967 / 52
Date of First Appointment	28.11.2016
Qualification	Chartered Accountant and Cost Accountant
Details of shareholding in the Company	NIL Shares
Number of Board meetings attended during the year 2018 -19	4
Details of Directorship in other Companies	10 Companies
Chairman/Member of the Committee of the Board of Directors of the Company	Audit Committee (Member) Stakeholders' Relationship Committee (Member)
Details of relationship with other Directors, manager and Key Managerial Personnel	None
Experience	Shri Nayan Mehta has an extensive experience of over 27 years in financial and securities market, especially in Exchange and its ecosystem business.

ROUTE MAP FOR THE TWENTY-FIRST ANNUAL GENERAL MEETING



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Central Depository Services (India) Ltd.

Regd. office: Marathon Futurex, 25th 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]

21st ANNUAL GENERAL MEETING –SEPTEMBER 17, 2019

Name of the member (s):															
Registered address:															
Registered E-mail Id:															
Folio No/ DP IDand Client ID:															

I / We, being the member(s) of Central Depository Services (India) Ltd., shares of the above named Company, hereby appoint

Name: ..... E-mail Id: .....

Address: .....

..... Signature ....., or failing him

Name: ..... E-mail Id: .....

Address: .....

..... Signature ....., or failing him

Name: ..... E-mail Id: .....

Address: .....

..... Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21stAnnual General Meeting of the Company, to be held on September 17, 2019at 3.30 p.m. at Walchand Hirachand Hall, IMC Chamber of Commerce and Industry, 4th Floor, IMC Bldg, IMC Marg, Churchgate, Mumbai – 400020and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution Number	Resolutions	Vote (Optional, see note 2) [please put a (✓) mark or please mention no. of shares]		
		For	Against	Abstain
	ORDINARY BUSINESS			
1	To receive consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2019 and the Reports of Board and Auditors thereon			
2	To declare dividend on Equity Shares of the Company for the financial year ended March 31, 2019			
3	To appoint a Director in place of Shri Nayan Chandrakant Mehta (DIN: 03320139) who retires from office by rotation and being eligible offers himself for re-appointment.			
4	To consider and approve the revised remuneration of Statutory Auditors of the Company for the financial year 2019-20			

Signed this ..... day of 2019

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Signature of shareholder

Affix a Revenue stamp of ₹.1/-

.....

Signature of Proxy holder(s)

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 thinks appropriate.

CDSL Regional Offices

Ahmedabad

Mr. Utpal Shah
203/204, Abhishree Avenue,
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S.M.Road, Ambawadi,
Ahmedabad – 380 015, Gujarat
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Email : utpals@cdslindia.com

Bengaluru

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Chennai

Mr. Kartik B.
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Chennai - 600 018.
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Hyderabad

Mr. Shiva Prasad Venishetty
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Andhra Pradesh.
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Kochi

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Kolkata

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Kolkata - 700016, West Bengal.
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Email : moloyb@cdslindia.com

Ludhiana

Mr. Inderjeet Singh Panchhi
214, Ludhiana Stock Exchange
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Ludhiana – 141 001. Punjab
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Ms. Ashwini Thorat
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Trade Centre, 1/1, Rambaug
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Email: krishnag@cdslindia.com

Central Depository Services (India) Limited

CDSL is ISO 27001 and 22301 certified

Central Depository Services (India) Limited
Regd. Office: Marathon Futurex,
A-Wing, 25th floor, N. M. Joshi Marg,
Lower Parel (E), Mumbai 400 013
Tel.: (022) 2302 3333