



# Central Depository Services (India) Limited

Annual Report  
2019 – 20



Empowering the **Atmanirbhar Niveshak**  
(Self-sufficient Investor )

**“Thinking is the capital,  
Enterprise is the way,  
Hard Work is the solution”**  
- A.P.J. Abdul Kalam



## CONTENTS

|                                                                           |     |
|---------------------------------------------------------------------------|-----|
| <b>ABOUT US</b>                                                           |     |
| Corporate Information                                                     | 7   |
| CDSL at a glance                                                          | 9   |
| Corporate Overview - 10 Years Financial Highlights                        | 12  |
| <b>NOTICE</b>                                                             | 13  |
| <b>STATUTORY REPORTS</b>                                                  |     |
| Board of Directors' Report                                                | 28  |
| Corporate Governance Report                                               | 53  |
| Management Discussion and Analysis Report                                 | 81  |
| Business Responsibility Report                                            | 105 |
| <b>FINANCIAL STATEMENT</b>                                                |     |
| <b>Standalone Financial Statement for the year ended March 31, 2020</b>   |     |
| Independent Auditor's Report                                              | 112 |
| Balance Sheet                                                             | 118 |
| Statement of Profit and Loss                                              | 119 |
| Statement of Changes in Equity                                            | 120 |
| Cash Flow Statement                                                       | 121 |
| Significant Accounting Policies & Notes Forming part of the Standalone    | 123 |
| <b>Consolidated Financial Statement for the year ended March 31, 2020</b> |     |
| Independent Auditor's Report                                              | 161 |
| Consolidated Balance Sheet                                                | 168 |
| Consolidated Statement of Profit and Loss                                 | 169 |
| Statement of Changes in Equity                                            | 170 |
| Consolidated Cash Flow Statement                                          | 171 |
| Significant Accounting Policies & Notes Forming part of the Consolidated  | 173 |
| <b>Abbreviations</b>                                                      | 216 |

As a matter of practice your company does not speculate in, discuss or publish any forward-looking statements. All statements made by the Company is in public domain. In fact, the presentations made by the Company as well as the transcript of the discussion the Company had with the investors, analysts, etc. are made available on the website of the Company and also on the website of NSE where the shares of the Company are listed.

## 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 undertake any forward-looking statement, whether as a result of new information, future events or otherwise.



From left to right - Shri Nehal Vora (MD & CEO, CDSL), Shri Manoj Kumar (CGM, SEBI), Shri Maheswar Sahu (Chairperson, GIFT SEZ Ltd.), Shri Sudhir Mankad (Chairperson, GIFT, City), Dr. Bimal N. Patel (Public Interest Director, CDSL), Shri B. V. Chaubal (Chairperson CDSL), Shri Tapan Ray (MD & CEO, GIFT City), Shri V. Balasubramaniam (MD & CEO, India INX), Dr. R. K. Kakkar (Chairperson, CVL)





From left to right - Shri Manoj Kumar (CGM, SEBI), Shri Maheswar Sahu (Chairperson, GIFT SEZ Ltd.), Shri Tapan Ray (MD & CEO, GIFT City), Dr. Bimal N. Patel (Public Interest Director, CDSL), Shri B. V. Chaubal (Chairperson CDSL), Shri Nehal Vora (MD & CEO, CDSL)



# CHAIRPERSON'S MESSAGE



## Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report for Central Depository Services (India) Limited ("CDSL", "Our Company", "The Company" and together with its subsidiaries, collectively the "Group") for the financial year ended March 31, 2020 ("FY 2020, Year ending on March 31, 2020"). In this connection, we would like to inform you that our financial performance has been encouraging as we posted a net profit of ₹ 10,671.82 Lakhs for the FY 2020. Driven by strong performance, the Board has recommended a dividend of ₹ 4.50 per share, highest in the history of CDSL.

## Values

CDSL was founded in 1999 to fulfill one goal: To be Convenient, Dependable and a Secure Depository Service. Over two decades, everything that has been done – the values we have built, dematerialisation of various asset classes, e-services – have all been executed in support of that singular goal.

The passion and commitment of our new management team has helped us achieve new milestones and gain accolades for our knowledge and digital solutions.

## Corporate Governance

Your Company is committed to maintain the highest standards of Corporate Governance. The risk management has been one of the prime focus of the Board of Directors of the Company. The cyber security measures adopted by the Company have enabled the Company to provide secured services to its stakeholders.

The able guidance of the Directors of the Company has assisted the Management to design the strategy of the Company.

## Transformation

As I write this message, we are battling the biggest crisis we have seen in our lifetime. However, such challenges unleash

the biggest strengths and accelerate digital transformation. Businesses across the globe have undertaken big changes to fasten the evolution of the way we operate.

Your company understands that addressing change is the key to a thriving business. CDSL prioritized the health of its employees while running all operations without any hassles and contributed towards ensuring the depository functions of the capital markets. In this transformed world, digital solutions will gain importance and become the priority for all organizations.

## Exploring horizons

The new normal will entail operations from the comfort of one's home and CDSL will continue to focus on new business innovations and primarily providing digital solutions for the participants of the capital markets. CDSL is ready to address the imminent changes in business and governance, while promoting healthy combination for long-term initiatives towards financial inclusion.

While we build strategies for our future successes, we will continue to focus on e-services and e-governance as our top priorities.

Our services such as Easi and Easiest provide the investors the option to view and transact their investments from anywhere and at anytime. E-voting ensures that an investor can vote for their companies' resolutions online without any inconvenience. We also promote green governance and our technologies across various platforms are representation of paper-less services.

## The Best is yet to come

Although the environment is currently undergoing a challenging phase, we are confident that we are better prepared to handle the situation and this too shall pass.

I am confident that CDSL's strategy for the foreseen future will result in success not only for CDSL but will reflect as ease of doing business for all participants in the capital market.

## Your faith in CDSL, motivates us to do more everyday.

On Behalf of all Directors of Board of CDSL, I want to thank you for your continued support and trust.

## The Best of CDSL is yet to come.

With warm Regards,

**Balkrishna V Chaudal**  
Chairperson

## MD AND CEO'S MESSAGE



### The year of Firsts

#### Dear Stakeholders,

I am delighted to share with you, my first message, through this Annual Report, summarizing our performance, our strategy and our milestones for the financial year 2019-2020.

FY 2020 was a memorable year for Central Depository Services (India) Limited.

**As my first year as the Managing Director & CEO**, it is my pride that amongst the many accomplishments in this fiscal year, the milestone of your Company becoming the **first depository with more than 2 crore demat accounts**, is the one which makes us most satisfied. We also became the **first depository** to launch operations through a branch in GIFT City, International Financial Services Center.

It was our inherent preparedness as well as our vision for the centralised technology that led us to continue our operations seamlessly without any obstacles while maintaining an unwavering focus on the health and safety of our employees. This showcased the robustness of our focus on business continuity, customer support and communications.

This was also year of unprecedented challenges and CDSL's stable performance is a testimony to the combined efforts, unrelenting dedication, support of our customers; the trust of our shareholders and goodwill from all other stakeholders.

#### Performance Overview

In FY2020, the CDSL Group delivered an increase of 15 percent in its operational income of ₹ 22,505.93 Lakhs as compared to ₹ 19,625.17 Lakhs in previous financial year. Our operating margin was at a glorious 48%. Our Net Profit for the year was ₹ 10,671.82 Lakhs. We continue to be a debt free company.

Considering the performance of the Company for the year under review, your Directors have recommended a final dividend of ₹ 4.5 per equity share of the face value of ₹ 10/- each, fully paid for the financial year ended March 31, 2020.

Our pillars such as the large Depository Participant Network of 599 depository participants, have continued to remain constant as we move ahead. Our investors are spread across

28 States and 8 Union Territories can avail of our depository services. Further, investors have access to 20,352 DP service centers spread across India and our demat accounts are spread over the length & breadth of the country representing more than 94% of the pin codes in the country.

Digitization and various Digital solutions will be our focus for the years to come and it is evident how digitization can streamline the allocation and usage of resources across sectors.

The importance of digitization and dematerialization has never been felt more strongly than ever before.

#### Digital Agility

We believe that with the pandemic will bring about a wave of digital agility with the new focus on survival through e-services in each sector. 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.

You company endeavours to continue to innovate and provide investors with a comprehensive range of services and to maintain optimal service standards. We have also been awarded the BIG 40 Awards – World AI Show BFSI & NBFC for Technology Innovation in the year 2019-20.

#### E-governance

We will continue to build a secured environment for capital market participants and we also strive to build a community for every investor to be self-reliant and self-sufficient.

E-services when combined with sophisticated technology and transparency results in more efficiency, lesser costs and lesser errors in the job at hand.

#### Integrity & Security

Integrity & Security will be our core objective while maintaining ease of business for all our customers. Two decades later, our strategy is to grow while maintaining the integrity of our business and stay true to our values of being – Convenient, Dependable and Secured.

#### Outlook

In closing, I would like to thank all of you – Central and State Governments, regulators, investors, issuers, Registrar and Share Transfer Agents, Depository Participants, partners, associates, employees and all other stakeholders for your continued confidence and trust.

This is just the beginning for the CDSL with the new board and management coupled with the new direction, we will stay committed to your faith in us, through determined and dedicated efforts to create greater value for you.

Warm Regards,

**Nehal Vora**  
MD & CEO

# VISION & MISSION STATEMENT

Dematerialization of securities is now the backbone of capital market ecosystem. This was the first step in digitization of the financial market infrastructure. However, the core theme of CDSL is about creating and providing new digital solutions and envisioning the growth of digital India and contributing towards the same.

Evolution is a continuous journey and we at, CDSL, take pride in being the digital solution provider that keeps evolving business and technological landscape, which influences the possibilities of what your company can do.

We believe that the **ease of doing business** provided by CDSL is what makes us the choice of every investor, depository participant, registrar and transfer agents, issuers and every other stakeholder.

## Our Vision

***“Dematerialisation and Digitisation of all key assets built on a robust platform for its safe, secure and convenient custody & transfer for empowering a self-sufficient investor environment”***

It is our primary mission to not only provide traditional depository services but continue to work to widen the

spectrum for market participants and provide secured custody and transfers of all dematerialized assets.

We are committed to support and ensure efficiency of markets to enable safe holding and transactions of all dematerialised securities in the Indian capital markets.

We encourage an efficient secured environment and continue to be the leaders in digital transformation for depositories.

We are the depository driven by sophisticated technology and the urge to provide digital solutions at every step. To ensure that we continue to provide digital solutions and to ensure that the capital market participants pursue accelerated revenue and business growth, CDSL will continue to offer comprehensive depository services and **BETHE ONE STOP DIGITAL SOLUTION** for every stakeholder.

The investor wealth creation and management is due for a digital upgrade. Unprecedented times like these can act as a nudge to promote the self-reliant investor. We, at CDSL, strive to empower our investors to move to self-sufficient and self-empowered wealth management model and be the **‘Atmanirbhar Niveshak’** through our various digital services such as Myeasi mobile App, e-CAS, e-DIS, Online Account Opening, etc.





# CORPORATE INFORMATION

**Central Depository Services (India) Limited**  
(CIN:L67120MH1997PLC112443)

## BOARD OF DIRECTORS



**Shri Balkrishna V Chaubal**  
Chairperson,  
Public Interest Director



**Shri Nehal Vora**  
Managing Director  
& CEO



**Prof (Dr.) Bimalkumar N Patel**  
Public Interest Director



**Smt. Preeti Saran**  
Public Interest Director



**Shri Sidhartha Pradhan**  
Public Interest Director



**Prof. Umesh Bellur**  
Public Interest Director



**Shri Nayan Mehta**  
Shareholder Nominee Director



**Shri Masil Jeya Mohan P.**  
Shareholder Nominee Director

## Management Team

|                               |                                                                  |
|-------------------------------|------------------------------------------------------------------|
| <b>Shri Nehal Vora</b>        | Managing Director and Chief Executive Officer                    |
| <b>Smt. Nayana Ovalekar</b>   | Chief Operating Officer                                          |
| <b>Shri Amit Mahajan</b>      | Chief Technology Officer                                         |
| <b>Shri Girish Amesara</b>    | Chief Financial Officer                                          |
| <b>Shri Ramkumar Krishnan</b> | Executive Vice President – Business Development and New Projects |

---

### Registered Office

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

### Statutory Auditor

S. R. Batliboi & Co. LLP  
Chartered Accountants  
12th Floor, The Ruby,  
29, Senapati Bapat Marg,  
Dadar (West)  
Mumbai - 400028

### Secretarial Auditor

M/s Ragini Chokshi and Co.,  
Practicing Company Secretaries  
34, Kamer Building, 5th Floor,  
38 Caswaji Patel Street,  
Mumbai - 400001

### Registrar and Share Transfer Agents

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

### Bankers

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

### Corporate Identification Number

L67120MH1997PLC112443

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

#### Central Depository Services (India) Limited

[www.cdslindia.com](http://www.cdslindia.com)

#### CDSL Ventures Limited

[www.cvlindia.com](http://www.cvlindia.com)

#### CDSL Insurance Repository Limited

[www.cirl.co.in](http://www.cirl.co.in)

#### CDSL Commodity Repository Limited

[www.ccrl.co.in](http://www.ccrl.co.in)

#### E-Voting

[www.evotingindia.com](http://www.evotingindia.com)

## CDSL AT A GLANCE

Central Depository Services (India) Limited (hereafter referred to as CDSL / the Company) received the certificate of commencement of business from the Securities and Exchange Board of India (SEBI) in February 1999 and was initially promoted by the BSE Ltd, which thereafter divested its stake to leading banks.

We facilitate holding and transacting in securities in the electronic form and facilitates settlement of trades executed on stock exchanges. These securities include equities, debentures, bonds, Exchange Traded Funds (ETFs), units of mutual funds, units of Alternate Investment Funds (AIFs), Certificates of deposit (CDs), commercial papers (CPs), Government Securities (G-Secs), Treasury Bills (TBills), etc.

All leading stock exchanges like BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Metropolitan Stock Exchange of India Limited (MSEI) and the leading clearing corporations like Indian Clearing Corporation Limited (ICCL), NSE Clearing Limited (NCCL) and Metropolitan Clearing Corporation of India Limited (MCCIL) have established connectivity with your Company.

CDSL was listed on June 30, 2017 on the NSE. Your company received an overwhelming response in its Initial Public Offer (IPO) and thereafter became the first and remains till date, the only depository to get listed in the Asia-Pacific region and only the second depository to be publicly listed in the World.

CDSL's constant endeavour is to provide convenient, dependable and secure depository services at an affordable cost to all market participants.

### CDSL SUBSIDIARIES

#### CDSL Ventures Limited (CVL)

CVL is registered with Securities Exchange Board of India (SEBI), Unique Identification Authority of India (UIDAI) and Goods and Services Tax Network (GSTN).

CVL is the first KYC registration agency registered with SEBI. CVL is also registered with SEBI as a Registrar & Transfer Agent (RTA) to provide various services to corporates. CVL is registered as GST (Goods and Service Tax) Suvidha Provider (GSP) with GSTN.

#### CDSL Insurance Repository Limited (CIRL)

CIRL is regulated by Insurance Regulatory and Development Authority of India (IRDAI) and is in the business of enabling policy holders to hold life policies, motor policies, health policies and all other types of general (non-life) policies. The subsidiary has arrangements with several life insurance companies, health insurance companies and general insurance companies for holding policies in electronic form.

The arrangement enables policy holders to hold, centrally manage the e-insurance account and monitor insurance policies with ease.

#### CDSL Commodity Repository Limited (CCRL)

CCRL is regulated by the Warehousing Development and Regulatory Authority (WDRA) and is in the business of holding and transacting in electronic negotiable warehouse receipts (eNWR). The arrangement enables farmers, Farmer Producer Organizations (FPOs), etc. to hold commodities in eNWR form as against holding it in the form of a physical storage receipts. This also allows Banks / Non-Banking Financial Institutions (NBFI) to pledge, depledge (pledge closure) or invoke eNWRs and control the eNWRs more effectively, cut down on their risk of funding against duplicate / fake warehouse receipts and thereby realize their income at a lesser risk due to clearer title on the eNWRs.

### 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") and Clearing Corporations ("CCs") are the other intermediaries involved in the process of issue and transfer of securities on our electronic platform.

#### Corporates

Your company offers 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. Similarly, in the case of debit of securities to a shareholder's demat accounts to give effect to a range of non-cash corporate actions such



as redemption, buyback, reduction in capital, demerger, etc. it also offers other services like E-voting, Foreign Investment Monitoring, System Driven Disclosures (SDD) with respect to PIT regulations etc.

### Capital market intermediaries

Your company through its subsidiary CVL, provides KYC services in respect of investors in Indian capital markets to all capital market intermediaries like Depository Participants (DPs), Clearing Members (CMs), Custodians, etc.

### Insurance Companies

Your company through its subsidiary CIRL, facilitates holding of insurance policies in electronic form to the holders of these policies.

### Commodity Exchanges and Warehouse Service Providers

Your company through its subsidiary CCRL facilitates holding and transacting in electronic negotiable warehouse receipts

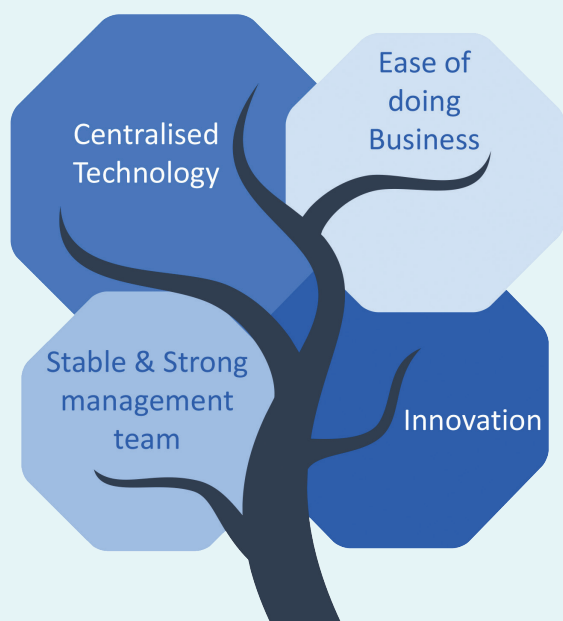
(eNWRs). The eNWRs can be pledged or transferred in off market or on market mode.

### Others

We extend online services such as Easi (Electronic Access to Security Information), easiest (Electronic Access to Security Information and Execution of Secured Transaction), eVoting, eNotices, eLocker, and mobile application (MyEasi, mVoting), etc.

Your company also regularly conducts investor meets and Investor Awareness Programmes (IAPs) to educate the investors about depository services in general and CDSL in particular.

Your company regularly conducts trainings on Continuing Professional Education, Prevention of Money Laundering Act, New utility releases, etc. for the employees of Depository Participants.



### Key Strengths

#### 1. India's largest securities depository in terms of number of accounts with the highest share of incremental growth of demat accounts along with having the largest number of DPs registered in the Depository Business

- ❖ As of March 31, 2020, your company had 599 DPs servicing across 28 states and 8 union territories.
- ❖ The number of DP service centres grew from 19,460 in FY 2018-19 to 20,352 in FY 2019-20.
- ❖ The total active BO (Beneficial Owner) accounts grew at a CAGR (Compounded Annual Growth Rate) of 19% from 1.08 crore in FY 2015-16 to 2.12 crore in FY 2019-20.
- ❖ CDSL is the First and only Listed depository in Asia-Pacific Region.
- ❖ CDSL is the First and only Depository to have started operations in IFSC (International Financial Service Centre) at GIFT City (Gujarat International Finance Tech City), Gandhinagar, Gujarat.

#### 2. Convenient, Dependable and Secure depository services at competitive rates for a wide range of securities and services

- ❖ Your company is directly connected to its DPs (operating from over 20,000 centres across India) through our centralised database systems which ensures relatively low initial set-up cost and minimal incremental cost. This allows the DPs to offer depository services of a superior variety on a real-time basis to your Company's clients managed by these clients' DP at competitive rates while giving them experiences that delight the customers / investors.
- ❖ During the lockdown which was brought about by the situation, created by Covid-19 in the last few days of the previous financial year and the month of April in this financial year, the centralized system and the superior technology of CDSL allowed the employees of CDSL to cater to the needs of the various stakeholders, DPs, RTAs and other stakeholders to enable them to work seamlessly without any change in system or network settings. CDSL continues to provide a secure environment to the stakeholders to carry out their business as usual

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

- ❖ As on March 31, 2020, your company had over 212 Lakhs (21.2 million) demat accounts spread over length & breadth of the country representing more than 94% of the pin codes in the country.
- ❖ As on March 31, 2020, your company through its subsidiary CVL held over 216 Lakhs (21.6 million) capital market investor records under CVL, the first and the largest KYC Registration Agency (KRA) in the country.

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

- ❖ Your company is one of the few depositories globally to be awarded ISO 22301:2012 certification for our Business Continuity Management System ("BCMS")
- ❖ Your company's Information Security Management System ("ISMS") complies with ISO 27001:2013 standard

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

- ❖ Your company's stable business and steady revenue growth with a tight control on costs has allowed it 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
- ❖ Your company believes in continuous employee development and is continuously investing in the employees through regular training programmes to improve skills and service standards, enhance loyalty, reduce attrition rates and increase productivity. Further, due to excellent care of the employees taken by your company, it has seen one of the lowest attrition rates in the industry.

## EVENTS & MILESTONES:

|             |                                                                                                                                                                                              |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2018</b> | ❖ CDSL included in the NSE NIFTY 500, NIFTY Smallcap 250 & NIFTY Mid-Smallcap 400 Indices                                                                                                    |
|             | ❖ The number of active demat accounts crosses 15 million (1.5 crores)                                                                                                                        |
|             | ❖ CDSL Ventures Ltd, starts RTA services                                                                                                                                                     |
| <b>2019</b> | ❖ CDSL becomes the Largest depository in India in terms of active demat accounts                                                                                                             |
| <b>2020</b> | ❖ CDSL becomes the first Depository in India to cross 20 million (2 crore) active demat Accounts                                                                                             |
|             | ❖ CDSL becomes the first depository to inaugurate its branch in India's first IFSC (International Finance Services Centre) at GIFT City (Gujarat International Finance Tech City) in Gujarat |

# CORPORATE OVERVIEW-10 YEARS FINANCIAL HIGHLIGHTS

## Financial Highlights - Standalone ( As on March 31, 2020)

( ₹ in Lakhs)

| Particulars                       | As per Ind AS    |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                   | 2020             | 2019             | 2018             | 2017             | 2016             | 2015             | 2014             | 2013             | 2012             | 2011             |
| Income from Operations            | 16,815.16        | 15,234.12        | 15,083.17        | 12,161.89        | 10,173.65        | 8,564.28         | 7,543.93         | 7,535.53         | 7,825.91         | 8,538.48         |
| Other Income                      | 4,323.78         | 3,612.88         | 2,803.95         | 3,360.52         | 3,139.24         | 1,955.36         | 3,001.03         | 2,912.97         | 2,398.38         | 1,670.62         |
| <b>Total Income</b>               | <b>21,138.94</b> | <b>18,847.00</b> | <b>17,887.12</b> | <b>15,522.41</b> | <b>13,312.89</b> | <b>10,519.64</b> | <b>10,544.96</b> | <b>10,448.50</b> | <b>10,224.29</b> | <b>10,209.10</b> |
| <b>Total Expenditure</b>          | <b>11,421.80</b> | <b>7,881.05</b>  | <b>7,248.98</b>  | <b>6,338.76</b>  | <b>5,514.27</b>  | <b>5,749.87</b>  | <b>5,466.15</b>  | <b>5,069.74</b>  | <b>3,318.83</b>  | <b>3,354.73</b>  |
| <b>PBDIT</b>                      | <b>10,585.83</b> | <b>11,791.46</b> | <b>11,284.56</b> | <b>9,532.92</b>  | <b>8,142.09</b>  | <b>5,260.14</b>  | <b>5,461.55</b>  | <b>5,563.60</b>  | <b>7,259.48</b>  | <b>7,396.38</b>  |
| Exceptional / Extraordinary Items |                  |                  |                  |                  | 3,310.40         | 168.81           | 85.16            | -72.27           | -266.77          |                  |
| <b>Profit Before Tax</b>          | <b>9,717.14</b>  | <b>10,965.95</b> | <b>10,638.14</b> | <b>9,183.65</b>  | <b>11,109.02</b> | <b>4,938.58</b>  | <b>5,163.97</b>  | <b>5,306.49</b>  | <b>6,638.70</b>  | <b>6,854.37</b>  |
| Total Tax expenses                | 1,985.33         | 2,528.22         | 2,869.44         | 2,398.59         | 3,424.25         | 1,464.88         | 1,023.69         | 1,196.52         | 1,892.98         | 2,050.54         |
| <b>Profit for the year</b>        | <b>7,731.81</b>  | <b>8,437.73</b>  | <b>7,768.70</b>  | <b>6,785.06</b>  | <b>7,684.77</b>  | <b>3,473.70</b>  | <b>4,140.28</b>  | <b>4,109.97</b>  | <b>4,745.72</b>  | <b>4,803.83</b>  |
| Other Comprehensive income        | 14.97            | 0.57             | -0.45            | -31.34           | -5.13            | -                | -                | -                | -                | -                |
| <b>Total Comprehensive income</b> | <b>7,746.78</b>  | <b>8,438.30</b>  | <b>7,768.25</b>  | <b>6,753.72</b>  | <b>7,679.64</b>  | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| Share Capital                     | 10,450.00        | 10,450.00        | 10,450.00        | 10,450.00        | 10,450.00        | 10,450.00        | 10,450.00        | 10,450.00        | 10,450.00        | 10,450.00        |
| Reserves & Surplus                | 46,510.78        | 43,803.35        | 39,774.53        | 35,779.49        | 32,170.12        | 22,975.61        | 22,268.95        | 20,573.87        | 18,909.09        | 15,985.15        |
| <b>Net worth</b>                  | <b>56,960.78</b> | <b>54,253.35</b> | <b>50,224.53</b> | <b>46,229.49</b> | <b>42,620.12</b> | <b>33,425.61</b> | <b>32,718.95</b> | <b>31,023.87</b> | <b>29,359.09</b> | <b>26,435.15</b> |
| Earning Per Share (₹)             | 7.40             | 8.07             | 7.43             | 6.49             | 7.35             | 3.32             | 3.96             | 3.93             | 4.54             | 4.60             |
| Book Value Per Share (₹)          | 54.51            | 51.92            | 48.06            | 44.24            | 40.78            | 31.99            | 31.31            | 29.69            | 28.09            | 25.30            |
| Return on Average Net Worth (%)   | 14%              | 16%              | 16%              | 15%              | 19%              | 11%              | 13%              | 14%              | 17%              | 19%              |



# NOTICE

CIN: L67120MH1997PLC112443

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

**NOTICE** is hereby given that the 22<sup>nd</sup> Annual General Meeting of the members of **CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED** will be held on Tuesday, September 15, 2020 at 03:30 p.m. (IST) through Video Conferencing ("VC") or Other AudioVisual Means ("OAVM") to transact the following businesses:

## ORDINARY BUSINESS:

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

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

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

2. **To declare final dividend on Equity Shares of the Company for the financial year ended March 31, 2020.**

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

**"RESOLVED THAT** a dividend at the rate of ₹ 4.50/- (Four Rupees and Fifty Paise Only) per Equity Share of ₹ 10/- (Rupees Ten Only) each fully paid up of the Company be and is hereby declared for the financial year ended March 31, 2020 as recommended by the Board of Directors of the Company and the same be paid out of the profits of the Company for the financial year ended March 31, 2020."

3. **To appoint a Director in place of Shri Nayan Chandrakant Mehta (DIN: 03320139), Shareholder Director, who retires from office by rotation and being eligible, offers himself for re-appointment.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri Nayan Chandrakant Mehta (DIN: 03320139), Shareholder Director who retires by rotation at

this meeting be and is hereby appointed as a Director of the Company liable to retire by rotation."

## SPECIAL BUSINESS:

4. **Appointment of Shri Masil Jeya Mohan P. (DIN: 08502007), as Shareholder Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Articles of Association of the Company and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, Shri Masil Jeya Mohan P. (DIN: 08502007) who was appointed by the Board of Directors as an Additional Director of the Company with effect from October 10, 2019, in the category of Non-Executive Director and who holds office upto the date of the Twenty-Second Annual General Meeting ("AGM") of the Company in terms of Section 161 of the Act and in respect of whom Company has received a notice in writing from a Member, proposing his candidature for the office of Director of the Company pursuant to the provisions of Section 160 of the Act and who is not disqualified to become a Director under the Act, be and is hereby appointed as a Director of the Company with effect from the date of the Twenty-Second AGM of the Company, liable to retire by rotation.

5. **Appointment of Shri Nehal Vora (DIN: 02769054) as Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Articles of Association of the Company and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company,

Shri Nehal Vora (DIN: 02769054) who was appointed by the Board of Directors as an Additional Director and designated as “Managing Director & CEO” of the Company with effect from **September 24, 2019**, in the category of Executive Director and who holds office upto the date of the Twenty-Second Annual General Meeting in terms of Section 161 of the Act and in respect of whom Company has received a notice in writing from a Member, proposing his candidature for the office of Director of the Company pursuant to the provisions of Section 160 of the Act and who is not disqualified to become a Director under the Act, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.”

**6. Appointment of Shri Nehal Vora (DIN: 02769054) as the Managing Director and CEO of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 26 read with Part C of Second Schedule and all other applicable provisions of the SEBI (Depositories and Participants) Regulations, 2018 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) circulars, letters, notifications issued thereof, Article 114 and 118 of the Articles of Association of the Company and in compliance with the approval granted by Securities and Exchange Board of India vide its letter No. MRD/DoPII/

DSAIL/OW/2019/24466/1 dated September 18, 2019 and based on the recommendations of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded for appointment of Shri Nehal Vora (DIN: 02769054) as the Managing Director & CEO, Key Managerial Personnel of the Company for a period of five (5) years with effect from September 24, 2019 till September 17, 2024 on such terms and conditions including remuneration, perquisites and other benefits, as set out in the Explanatory Statement annexed to the Notice convening this Meeting and the terms and conditions as approved by the Members of the Company on July 27, 2020 through postal ballot.

**RESOLVED FURTHER THAT** the Company Secretary or the Chief Financial Officer or any of the Directors of the Company be and are hereby severally authorised to do all such acts, deeds, things and take such actions as may be required to give effect to this resolution.”

**By order of the Board of Directors  
For Central Depository Services (India) Ltd.**

**Amita Paunikar**  
Company Secretary

Place: Mumbai

Date: July 25, 2020

**Registered Office**

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

## NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed. The Annual General Meeting ("AGM") of the Company is scheduled to be held on Tuesday, September 15, 2020, at 03:30 p.m. (IST) through two-way Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") and the voting for items to be transacted in the Notice to this AGM shall be only through remote electronic voting process and electronic voting during the AGM, in compliance with applicable provisions of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the "Rules"), as amended from time to time, and the General Circular No. 14/ 2020 dated April 8, 2020, the General Circular No. 17/ 2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by Companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19" and General Circular No. 20/ 2020 dated May 5, 2020, in relation to "Clarification on holding of Annual General Meeting (AGM) through video Conferencing (VC) or Other Audio Visual Means (OAVM)" issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars") and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Circular dated May 12, 2020, in relation to "Additional relaxation in relation to compliance with certain provisions of Listing Regulations - COVID-19 pandemic". The deemed venue for the AGM shall be the Registered Office of the Company.
  2. Your Company has appointed KFin Technologies Private Limited, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
  3. Further, pursuant to the MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report for FY 2019-20 is sent in electronic form only to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the 22<sup>nd</sup> AGM has been uploaded on the website of the Company at [www.cdslindia.com](http://www.cdslindia.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited ("NSE") at [www.nseindia.com](http://www.nseindia.com) and the AGM Notice is also available on the website of KFin Technologies Private Limited at <https://evoting.karvy.com/public/Downloads.aspx>
  4. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company.
- Since this AGM is being held pursuant to the MCA Circulars through VC or OAVM, physical attendance of Members has been dispensed with. Accordingly, in terms of the above-mentioned MCA and SEBI Circulars, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Members attending the meeting through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act 2013.
  6. As per the provisions of Clause 3.A.III. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 4, 5 & 6 of the accompanying Notice are considered to be unavoidable by the Board and hence, forming part of this Notice.
  7. The Members are requested to note that the Company is pleased to provide a two-way Video Conferencing Facility (VC) to view the live streaming of the proceedings of the AGM and facilitate participation of Members at the AGM through VC or asking their questions through a Chatbox facility.
  8. The facility for joining the AGM through VC/OAVM will open 15 minutes before the scheduled time for commencement of the AGM and shall be closed after the expiry of 15 minutes after such scheduled time by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  9. 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 20<sup>th</sup> 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. Hence, the same is not put forward before the members of the Company for their approval.

10. In the 21<sup>st</sup> Annual General Meeting of the Company held on September 17, 2019, Shri Nayan Mehta, Shareholder Director was liable to retire by rotation. Accordingly, the resolution was put to vote before the members and the same was approved by the members. Subsequently, SEBI vide its letter dated December 30, 2019 had approved the appointment of Shri Nayan Mehta.

In order to comply with the requirements of Companies Act, 2013, SEBI (Depositories and Participants) Regulations, 2018 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, new Directors were inducted. The current governing board of CDSL is as under:

| Sr. No | Particulars                     | Number | Particulars                      |
|--------|---------------------------------|--------|----------------------------------|
| 01     | Number of Independent Directors | 05     | Not Liable to retire by rotation |
| 02     | Number of Shareholder Director  | 02     | Liable to Retire by rotation     |

Apart from above, Shri Nehal Vora is appointed as MD & CEO of your Company in the category of the Shareholder Director as per Regulation 24(7) of SEBI (Depositories & Participants) Regulations, 2018 is not liable to retire by rotation upto his term of 5 years scheduled to end on September 17, 2024 as approved by SEBI vide letter No. MRD/DoPII/DSAI/OW/2019/24466/1 dated September 18, 2019 as prescribed in Regulation 26 of SEBI (Depositories & Participants) Regulations, 2018.

Further, Shri Masil Jeya Mohan P. was appointed as an Additional Director w.e.f. October 10, 2019 and his term is upto the date of the ensuing AGM. Accordingly, his appointment as Director is put forward before the members for the approval. In order to comply with the provisions of Section 152(6) of the Companies Act, 2013, Shri Nayan Mehta shall retire at the 22<sup>nd</sup> AGM of the Company.

11. 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.
12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection electronically from 03:30 pm till the conclusion of the meeting on the date of AGM. Once clicked on the link for inspection, window of 30 minutes will be made available to the concerned member.
13. All documents referred to in the Notice will be available for inspection to the members of the Company.

The members are required to send an email on agm2020@cdslindia.com from their registered email id with the Company. Post verification of the Shareholder/ email id, a link will be sent to the concerned member for verification. Once clicked on the link, window of 30 minutes will be made available to the concerned member.

14. Subject to the provisions of the Act, final dividend of ₹ 4.50 (45%), per share as recommended by the Board, if declared at the AGM, 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 Tuesday, September 08, 2020, subject to deduction of income-tax at source wherever applicable as under:

- To all the beneficial owners in respect of shares held in dematerialised form as per the data as may be made available by CDSL and NSDL as on Tuesday, September 08, 2020.
- To all the members in respect of shares held in physical form after giving effect to all valid transmission/ transposition in respect of valid requests lodged with the Company on the cut-off date i.e Tuesday, September 08, 2020.

15. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct Tax At Source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company, by sending documents through email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) by Tuesday, September 08, 2020. Additionally, the shareholders are also requested to refer para 17 below and provide necessary declaration / information on the following link: <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>

16. The rate of TDS as per the Income Tax Act, 1961 (I-T Act), would depend upon the status of the recipient and is explained herein below:

**i. Resident shareholders:**

In case of resident shareholders, section 194 of the I-T Act provides mandate for withholding tax @ 10% on dividend income. In absence of Permanent Account Number (PAN), TDS rate of 20% will apply.

The Central Board of Direct Taxes issued a Press Release dated May 13, 2020 stating that TDS rates on the amount paid or credited to residents during the



period from May 14, 2020 to March 31, 2021 has been reduced by 25%. Thus, in case of resident shareholders, withholding tax @ 7.5% (instead of 10%) on dividend income shall apply under section 194 of the I-T Act. It is also clarified that there shall be no reduction in rates of TDS, where the tax is required to be deducted at higher rate due to non-furnishing of PAN with the Company/Depository Participant.

Resident shareholders, being an individual, whose total dividend income in a financial year exceed ₹ 5,000 and who wish to receive dividend without deduction of tax at source may submit a declaration in Form No. 15G/ Form No. 15H. Template of Form No. 15G/15H can also be downloaded from the website of the Company.

Shareholders are requested to note that while submission of original form is mandatory, they may submit the said documents by submitting the same on the following link: <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>

TDS on following resident shareholder would not be applicable as per the section 194:

- a. the Life Insurance Corporation of India established, in respect of any shares owned by it or in which it has full beneficial interest;
- b. the General Insurance Corporation of India (hereafter in this proviso referred to as the Corporation) or to any of the four companies (hereafter in this proviso referred to as such company), formed by virtue of the schemes framed under sub-section (1) of section 16 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), in respect of any shares owned by the Corporation or such company or in which the Corporation or such company has full beneficial interest;
- c. any other insurer in respect of any shares owned by it or in which it has full beneficial interest.

## ii. Non-resident shareholders (other than Foreign Portfolio Investors/ Foreign Institutional Investors)

In case of non-resident shareholders other than foreign companies, the I-T Act provides mandate for withholding tax at the rate of 20% plus applicable surcharge and health and education cess of 4% on dividend income making effective rate of TDS as under:

| Particulars                                                           | Surcharge Rate | Effective TDS rate |
|-----------------------------------------------------------------------|----------------|--------------------|
| Dividend Income not exceeding ₹ 50,00,000                             | Nil            | 20.80%             |
| Dividend Income exceeds ₹ 50,00,000 but does not exceed ₹ 1,00,00,000 | 10%            | 22.88%             |
| Dividend Income exceeding ₹ 1,00,00,000                               | 15%            | 23.92%             |

In case of shareholders, being foreign companies, the I-T Act provides mandate for withholding tax at the rate of 20% plus applicable surcharge and health and education cess of 4% on dividend income making effective rate of TDS as under:

| Particulars                                                              | Surcharge Rate | Effective TDS rate |
|--------------------------------------------------------------------------|----------------|--------------------|
| Dividend Income not exceeding ₹ 1,00,00,000                              | Nil            | 20.80%             |
| Dividend Income exceeds ₹ 1,00,00,000 but does not exceed ₹ 10,00,00,000 | 2%             | 21.27%             |
| Dividend Income exceeding ₹ 10,00,00,000                                 | 5%             | 21.84%             |

In respect of non-resident shareholders (including foreign companies), the TDS rates mentioned above will be further subject to any benefits available under the Double Taxation Avoidance Agreement (DTAA) read with Multilateral Instrument (MLI) provisions, if any, between India and the country in which the non-resident is considered resident in terms of such DTAA read with MLI.

In order to claim benefit under DTAA, the non-resident shareholders would be required to submit the following documents each financial year on or before the record date fixed for determining the shareholders who are eligible to receive the final dividend, if so approved at the respective AGMs:

Tax Residency Certificate (TRC) issued by the Tax / Government authority of the country in which the Non-Resident shareholder is a resident of (valid for the relevant financial year);

Form 10F containing therein information to be provided under section 90(5)/ 90A(5) of the I-T Act, if not so covered in TRC (Valid for the relevant financial year);

Declaration from shareholders stating the following [template available on the website of the Company]:

- That the shareholder did not at any time during the relevant year have a permanent establishment in India
- That the shareholder is the beneficial owner of the dividend
- That the construct and affairs of the shareholder is not arranged with the main or principal purpose of obtaining any tax benefits, directly or indirectly, under the Tax Treaty
- That the arrangement of the shareholder is not covered under impermissible avoidance arrangement

Permanent Account Number (PAN) – In absence of PAN, TDS rate of 20% plus applicable surcharge and health and education cess of 4% will apply.

### iii. Non-resident institutional shareholders (Foreign Portfolio Investors/ Foreign Institutional Investors (FPI / FII))

In case of FPI / FII shareholders, the I-T Act provides mandate for withholding tax at the rate of 20% plus applicable surcharge and health and education cess of 4% on dividend income making effective rate of TDS as under:

| Particulars                                                             | Surcharge Rate | Effective TDS rate |
|-------------------------------------------------------------------------|----------------|--------------------|
| Dividend Income not exceeding ₹ 50,00,000                               | Nil            | 20.80%             |
| Dividend Income exceeds ₹ 50,00,000 but does not exceed ₹ 1,00,00,000   | 10%            | 22.88%             |
| Dividend Income exceeds ₹ 1,00,00,000 but does not exceed ₹ 2,00,00,000 | 15%            | 23.92%             |
| Dividend Income exceeds ₹ 2,00,00,000 but does not exceed ₹ 5,00,00,000 | 25%            | 26.00%             |
| Dividend Income exceeding ₹ 5,00,00,000                                 | 37%            | 28.50%             |

For the purpose of withholding tax, it may not be possible to consider applicable DTAA benefits, if any, in case of FPI/FII since the provisions of I-T Act do not provide so.

Please note that the Company in its sole discretion reserves the right to call for any further information and/or to apply domestic law for TDS.

17. Further, in order to receive the dividend in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means, are requested to send a scanned copy of the following details/documents at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) latest by Tuesday, September 15, 2020.

- a) folio number, complete address and following details relating to bank account in which the dividend is to be received:
  - i. Name and Branch of Bank and Bank Account type;
  - ii. Bank Account Number & Type allotted by your bank after implementation of Core Banking Solutions;
  - iii. 11 digits IFSC Code.
- b) self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;

- c) self-attested scanned copy of the PAN Card; and
- d) self-attested scanned copy of proof of address namely AADHAR Card, Driving License, Election Identity Card or Passport in support of the address of the Member as registered with the Company.

Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective Depository Participant(s). 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.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

**The manner in which the mandate can be given by the shareholders to receive the dividend directly in their bank account has been placed on our website and it has also been published in the newspapers viz. Financial Express and Loksatta on August 20, 2020. The copy of the newspaper publication is also available on the website.**

18. To deter the incidence of fraudulent encashment of the dividend warrants, Members holding shares in physical mode, 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 which will be used by the Company for dividend payments:

- 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
19. 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 payment of dividend and printing dividend warrants.
20. The details of unclaimed dividend amounts are available on the Company's website at [www.cdslindia.com](http://www.cdslindia.com) under 'Investor Relation → Info for Shareholders corner → Unpaid and Unclaimed Dividend'. The Shareholders may like to contact our Registrar & Share Transfer Agent viz. M/s Link Intime India Pvt Ltd., C 101, 247 Park, LBS Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083, Tel No: 022 - 4918 6270, Email ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
21. Additional information, pursuant to the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), in respect of the Directors seeking appointment at the AGM, is furnished as Annexure to the Notice.
22. The Securities and Exchange Board of India 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 on [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
23. 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, Tel No: 022 - 4918 6270 and Email ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in), 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.

24. In case of any general queries/grievances, Members may reach Company's Registrar and Share Transfer Agent, Link Intime India Private Limited on [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or call Tel No. 022 - 4918 6270

In case of queries / grievances related to e-voting Members may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call KFin on 1800 345 4001 (toll free)

25. Shareholders are requested to read the "Shareholder Information" section of the Annual Report for useful information.
26. In terms of amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, 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 the members attending the e-AGM through video-conference:**

- I. Members will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com/> and click on the **"video conference"** and access the shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.
- II. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
- III. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
- IV. Further, the Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
- V. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- VI. **AGM Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on **"Post your Questions"** may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, only member's questions will be answered, the shareholder continuous to hold the shares as of cut-off date i.e. September 08, 2020. The posting of the questions shall commence on Thursday, September 10, 2020 at 9.00 A.M. and closes on Friday, September 11, 2020 at 5.00 P.M.
- VII. Due to limitations of transmission and coordination during the Q&A session, the company may dispense with the speaker registration during the e-AGM conference. The participants may ask questions through chatbox facility.
- VIII. **Speaker Registration prior to AGM:** The speaker registration shall commence on Sunday, September 13, 2020 at 9.00 A.M. and closes on Monday, September 14, 2020 at 5.00 P.M.

#### 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 "KFin Technologies Private Limited". 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 during 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 during 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, September 12, 2020 (9.00 a.m. IST) and ends on Monday, September 14, 2020 (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, September 08, 2020 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 KFin Technologies Private Limited 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:**
- I. Initial password is provided in the body of the email.
  - II. Launch internet browser and type the URL: <https://evoting.karvy.com> in the address bar.
  - III. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
  - IV. After entering the details appropriately, click on LOGIN.
  - V. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - VI. You need to login again with the new credentials.
  - VII. On successful login, the system will prompt you to select the EVENT i.e. Central Depository Services (India) Limited.
  - VIII. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST'; but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
  - IX. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
  - X. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.



- XI. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at [csvatsaldoshi@cadoshi.com](mailto:csvatsaldoshi@cadoshi.com) & [agm2020@cdslindia.com](mailto:agm2020@cdslindia.com) and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BAL\_EVENT No'. Institutional/Corporate Shareholders are encouraged to attend and vote at the AGM through VC / OAVM.
- XII. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call KFin on 1800 345 4001 (toll free).

**Instructions for members for e-Voting during the e-AGM session:**

- I. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the Chairperson during the e-AGM proceedings. The Shareholders shall click on the same to take them to the "instapoll" page.
- II. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- III. Only those Shareholders, who are present in the e-AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.

**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 08, 2020.
- 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.
- Shri Vatsal Doshi, Proprietor of M/s. Vatsal Doshi & Associates, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting and instapoll 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 Chairperson 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 Chairperson of the Meeting or a person authorized by the Chairperson 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.
  - Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. September 15, 2020.
  - The results shall be declared either by the Chairperson 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](http://www.cdslindia.com) and on the website of KFin Technologies Private Limited: <https://evoting.karvy.com>, immediately after the result declared by the Chairperson or any other person authorized by the Chairperson and the same shall be communicated to National Stock Exchange of India Limited, where the shares of the Company are listed.
27. The Audited Accounts of the Company and its subsidiary Companies are available on the Company's website at [www.cdslindia.com](http://www.cdslindia.com).
  28. 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.
  29. 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.
  30. 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.

31. Since the AGM will be held through VC or OAVM, the Route Map is not annexed in this Notice.

32. The status of unpaid dividend as on March 31, 2020 is as follows. The folio-wise details of the unclaimed dividend are available on the website at the following link:

<https://www.cdslindia.com/InvestorRels/ShareholderCorner.html>

| Particulars        | Financial Year              |                             |
|--------------------|-----------------------------|-----------------------------|
|                    | 2017-18<br>(Final Dividend) | 2018-19<br>(Final Dividend) |
| No of shareholders | 1648                        | 1767                        |
| Amount             | ₹ 594202                    | ₹1047836                    |
| Shares             | 169772                      | 261959                      |

33. The term 'Members' has been used to denote Shareholders of the Company.

**By order of the Board of Directors  
For Central Depository Services (India) Ltd.**

Place: Mumbai

Date: July 25, 2020

**Amita Paunikar**

Company Secretary

## Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts concerning each item of special business

### Item No. 4

The appointment of Shri Masil Jeya Mohan P. as Shareholder Director was approved by the Members of the Company through Postal Ballot dated June 20, 2019 as recommended by the Company. Further, pursuant to Article 118 of the Articles of Association, Section 161 of the Companies Act, 2013 ("the Act") and consequent to approval from SEBI vide letter reference number MRD/DoP2DSA2/OW/P/2019/26537/1 dated October 09, 2019, the Governing Board of the Company had approved the appointment of Shri Masil Jeya Mohan P. as an Additional Director w.e.f. October 10, 2019 to hold office upto the next Annual General Meeting.

Shri Masil Jeya Mohan P. represents Life Insurance Corporation of India as its nominee on the Governing Board of the Company. Further, the Company has received a notice in writing under Section 160 of the Act proposing candidature of Shri Masil Jeya Mohan P. as the Director of the Company. The Nomination & Remuneration Committee of the Company in its meeting held on July 24, 2020 has recommended appointment of Shri Masil as Director of the Company pursuant to Section 160 of the Act. If appointed on the Governing Board, Shri Masil Jeya Mohan P., shall be liable to retire by rotation as stipulated under the Act.

In the opinion of the Board of Directors, Shri Masil Jeya Mohan P. fulfills the conditions specified in the Act and the rules made thereunder for his appointment as Director of the Company.

As per the requirements of Regulation 36(3) of Listing Regulations and Secretarial Standard 2, issued by the Institute of Company Secretaries of India, the required details of Shri Masil Jeya Mohan P. are appended herein below.

The Directors recommend the Resolution at Item No. 4 of the accompanying Notice as an Ordinary Resolution for approval of the Members of the Company.

Shri Masil Jeya Mohan P. is not related to any Director or Key Managerial Personnel of the Company and does not hold any equity shares of the Company. Except Shri Masil Jeya Mohan P., and Life Insurance Corporation, none of the other Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the passing of resolution set out at Item No. 4 of the accompanying Notice. The relatives of Shri Masil Jeya Mohan P. may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company.

### Item No. 5 and 6

In terms of Section 161 of the Companies Act, 2013 ("the Act"), the Governing Board of the Company at their meeting held on September 23, 2019 had appointed Shri Nehal Vora as an Additional Director in the Executive category to hold office upto the date of the next Annual General Meeting of the Company.

In the same meeting, the Governing Board also approved the appointment of Shri Nehal Vora as Managing Director and CEO of the Company, subject to approval of the Members, for a term of 05 years commencing from September 24, 2019 and concluding on September 17, 2024.

The Company has received a notice in writing under Section 160 of the Act proposing candidature of Shri Nehal Vora as the Director of the Company. The Nomination & Remuneration Committee of the Company in its meeting held on July 24, 2020 has recommended the appointment of Shri Nehal Vora as a Director of the Company pursuant to Section 160 of the Act.

SEBI vide letter reference number MRD/DoPII/DSAIL/OW/2019/24466/1 dated September 18, 2019 had conferred its approval for appointment of Shri Nehal Vora as Managing Director & CEO of the Company.

Further, pursuant to the provision of Section 197 of the Act, the details of remuneration of the Managing Director & CEO and the requirements of Secretarial Standard 2, issued by the Institute of Company Secretaries of India are appended herein below:

#### Remuneration:

- Salary:** The MD & CEO remuneration including Basic Salary, HRA, medical allowance, LTA, employer's PF contribution and gratuity to be fixed at ₹ 1,95,74,584/- as detailed below:

| Particulars       | CTC (INR)   |
|-------------------|-------------|
| Basic             | 9,02,824    |
| HRA               | 4,51,412    |
| Medical Allowance | 50,000      |
| Gross             | 14,04,236   |
| PF                | 1,08,339    |
| Monthly total     | 15,12,575   |
| Yearly total      | 1,81,50,900 |
| LTA               | 9,02,824    |
| Gratuity          | 5,20,860    |
| Fixed CTC         | 1,95,74,584 |

- Performance Linked Bonus (PLB) / variable pay:**

Performance Linked Bonus (PLB) / variable pay, if any, by whatever name called, as may be approved by the Board, be paid each year to the MD & CEO on the recommendation of the Nomination and Remuneration Committee which shall be exclusive of the annual compensation as given above. Provided that the Board or the Nomination and Remuneration Committee, as the case may be, may fix the actual Variable Pay in each year depending upon his

performance level at such amount and at such proportion as may be decided by the Board/ or NRC subject to condition that the final Variable Pay shall not exceed one-third of final Total Pay for the respective year as stipulated by SEBI. 50% of the amount so decided shall be payable on deferred basis after three years.

3. One time Signing amount of ₹20,00,000/- shall be paid to MD & CEO upon his joining the Company.
4. **Increment:** The MD & CEO may be granted an increment annually every year up to 15% on the Fixed CTC during the currency of his tenure at the discretion of the Board.

5. **Benefits, Perquisites and Allowances:**

In addition to the above, the MD & CEO shall be eligible for:-

- a) Company provided Car and Driver for Official/ Personal use
  - b) Car Fuel charges - unlimited
  - c) Mobile phone instrument & monthly Bill reimbursement
  - d) Residence Phone Bill & Internet charges reimbursement
  - e) Group Mediclaim Insurance for Self, Spouse & 2 Children for 5 Lakhs
  - f) Group Personal Accident Insurance for Self
  - g) Annual Health Check-up for Self & Spouse
  - h) Laptop
  - i) Any other reimbursements & benefits shall be applicable in line with the CDSL Service rules.
6. In the event that none of the events of defaults as set out below, occur during the three year period, the entire balance that is fifty per cent of the variable pay shall be paid to the MD & CEO

- (i) The accounting / financial statements of the Company have been drawn at by means of any fraud / fraudulent practices.
- (ii) The accounting / financial statements of the Company have been prepared negligently or show false or inaccurate picture of the state of affairs of the Company or does not disclose any material particulars which have an adverse bearing on the financial position of the Company.
- (iii) Any embezzlement or misappropriation of assets / funds of the company
- (iv) Part of any loan or advance availed by MD & CEO remains unpaid.

7. In the event that the MD & CEO receives any variable pay in any financial year based on the occurrence of any of the Events of Default, the Company shall be entitled to clawback both, the paid variable pay and the deferred variable pay.
8. In the event of any Events of Defaults as stated above have occurred at any time during the deferment period, the Company shall be entitled to adjust the deferred variable pay and call upon the MD & CEO to repay the Company the paid variable pay.
9. ESOPs and other equity linked instruments shall not form part of the compensation package.
10. The MD & CEO shall not be eligible for severance pay.

The Directors recommend the Resolution at Item No. 5 and 6 of the accompanying Notice as Ordinary Resolutions for approval of the Members of the Company.

Except Shri Nehal Vora, none of the other Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the passing of resolution set out at Item No. 5 and 6 of the accompanying Notice. The relatives of Shri Nehal Vora may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company.



**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):**

| <b>Name of the Director</b>                                                  | <b>Shri Nayan Mehta</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Shri Masil Jeya Mohan P.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Shri Nehal Vora</b>                                                                                                                                                  |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Designation                                                                  | Shareholder Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Shareholder Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Managing Director & CEO                                                                                                                                                 |
| Date of Birth/Age                                                            | Date of Birth – 31.03.1967<br>Age – 52                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Date of Birth – 20.03.1961<br>Age – 59                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Date of Birth – 11.08.1973<br>Age – 46 years                                                                                                                            |
| Date of First Appointment                                                    | 28.11.2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 10.10.2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 25.07.2015                                                                                                                                                              |
| Qualification                                                                | Chartered Accountant and Cost Accountant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Science Graduate with MBA Degree                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Master of Management Studies degree in Finance from Narsee Monjee Institute of Management Studies, University of Mumbai<br><br>Bachelor of Commerce, Mumbai University. |
| Details of shareholding in the Company                                       | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | NIL                                                                                                                                                                     |
| Terms and Conditions of Appointment/ Reappointment                           | The sitting fees w.r.t to the meetings of Board and Committee's attended by Shri Nayan Mehta shall be paid to BSE Limited, Nominating Shareholder.<br><br>Further, Shri Nayan Mehta shall be liable to retire by rotation and the applicable terms & conditions as mentioned under the Companies Act, 2013, SEBI (Depositories & Participants) Regulations, 2018 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, shall be applicable to him.                                                                                                                      | The sitting fees w.r.t to the meetings of Board and Committee's attended by Shri Masil Jeya Mohan P. shall be paid to Life Insurance Corporation of India, Nominating Shareholder.<br><br>Further, Shri Masil shall be liable to retire by rotation and the applicable terms & conditions as mentioned under the Companies Act, 2013, SEBI (Depositories & Participants) Regulations, 2018 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, shall be applicable to him. | As mentioned in the explanatory statement for item no. 5 & 6                                                                                                            |
| Remuneration sought                                                          | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                         |
| Remuneration last drawn                                                      | Apart from sitting fees for attending the board and the committee meetings, no remuneration is being paid. Further, Shri Nehal Vora continued as Shareholder Director till September 23, 2019 and w.e.f. September 24, 2019 he was appointed as Managing Director & CEO with the approval of SEBI. The details of remuneration payable is disclosed in explanatory statement for item no. 5 & 6.<br><br>Further, the sitting fees on behalf of Shri Nayan Mehta & Shri Masil Jeya Mohan P. is paid to BSE Limited & Life Insurance Corporation of India, respective nominating shareholders. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                         |
| Number of Board meetings attended during the year 2019-2020                  | 07                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 01                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 05                                                                                                                                                                      |
| Details of Directorship in other Companies                                   | 09                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | NIL                                                                                                                                                                     |
| Chairperson/Member of the Committee of the Board of Directors of the Company | Audit Committee - Member                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Audit Committee – Member<br>Corporate Social Responsibility Committee – Member                                                                                                                                                                                                                                                                                                                                                                                                                    | Member Committee – Member;<br>Standing Committee on Technology – Member;<br>Regulatory Oversight Committee– Member; and<br>Shareholder Relationship Committee – Member  |

| Name of the Director                                                               | Shri Nayan Mehta                                                                                                                                     | Shri Masil Jeya Mohan P.                                                                                                                                                                                                                                                                                       | Shri Nehal Vora                                                                                                            |
|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Details of relationship with other Directors, Manager and Key Managerial Personnel | None                                                                                                                                                 | None                                                                                                                                                                                                                                                                                                           | None                                                                                                                       |
| Experience                                                                         | Shri Nayan Mehta has an extensive experience of over 28 years in financial and securities market, especially in Exchange and its ecosystem Business. | Wide range of experience in different assignments in LIC as Asst. Branch Manager, Manager (IT), Manager (NB & Actuarial), Manager (HR), Regional Manager (HR), Regional Manager (Estates), Fund Manager of Pension & Group Scheme Fund, Chief (ULIP Operations) and Executive Director (Investment-Operations) | More than 23 years of rich and varied experience in the areas of compliance and regulation involving the securities market |

**BRIEF RESUME:**
**Shri Nayan Mehta**

Shri Nayan Chandrakant Mehta is the Chief Financial Officer of BSE Ltd. He has extensive experience of over 28 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 Chairperson 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.

**Shri Masil Jeya Mohan P.**
**PERSONAL DETAILS:**

Name : MASIL JEYAMOHAN P.

Qualifications : Science Graduate with MBA Degree

Joined LIC in 1986 as Direct Recruit Officer.

**PROFESSIONAL PROFILE:**

He had a wide range of experience in different assignments in LIC as Asstt. Branch Manager, Manager(IT), Manager(NB & Actuarial), Manager(HR), Regional Manager(HR), Regional Manager (Estates), Fund Manager of Pension & Group Scheme Fund, Chief (ULIP Operations) and Executive Director (Investment-Operations).

**ACHIEVEMENTS:**

He was instrumental in setting up the Coimbatore area office of LIC Housing Finance Ltd. and helped to establish process and systems for the newly established entity of LIC Housing Finance Ltd. . As Manager (IT), he was instrumental in computerizing all the branches of Tirunelveli Division. As Manager (NB & Actuarial), he had developed great expertise in the valuation of insurance business and was delivering lectures on valuation in LIC's training centres. He was given the assignment for re-writing the Office Services Manual for the Corporate Office which was successfully completed. As Executive Director (Investment-Monitoring & Accounting), he was instrumental in formulating and adopting many policies in the matter of NPA recovery, Business continuity Plan, IBC policy for Corporation and One Time Settlement policy. He was also in the committee set up in 2012 for a major initiative of the Corporation Vision 2020.

**TRAINING:**

Leadership skills at ISB, Hyderabad.

Fixed Income Derivatives training at Hong Kong.

**OTHER ASSOCIATIONS:**

He was a member in the Investment Committee:

1. Ventureast - Biotech Fund
2. India Ventures Trust Fund I

### Shri Nehal Vora:

Shri Nehal Vora is the Managing Director & Chief Executive Officer of CDSL since September 24, 2019.

CSDL under his leadership as the MD & CEO, has become the leading depository of India with over 2 crore beneficiary accounts and is the first and the only depository to launch its Branch at the International Financial Services Centre (IFSC) at the GIFT City, Gandhinagar. In addition, he continues to implement strong systems and processes for effective governance.

Shri Vora has over 2 decades of experience. In his earlier role as the Chief Regulatory Officer of BSE Limited and the member of the Executive Leadership Team, he drove regulatory excellence through membership compliance, surveillance, inspection, investigation, regulatory communication, investor services, listing compliance and regulatory legal teams.

He began his career with Securities and Exchange Board of India (SEBI) in 1996, where, he managed various functions including the Derivatives and New Products Department, covering policy, product and process innovation in areas of derivatives. He also implemented the T+2 rolling settlement and the system of Straight through Processing for the Institutional trades for the Indian Securities Markets.

Shri Vora has also headed the Broking and Investment Banking Compliance at DSP Merrill Lynch Ltd, as the Director, Law and Compliance.

He has been felicitated with many Distinguished awards across his career such as NetApp Innovation Award 2019 for Social Media Parsing (using Artificial Intelligence), Compliance Champion award, IDC Digital Transformation Awards, Best New Product in Asia for Market Surveillance, OGC Living the Mission Award amongst many others and latest being recognised as the Distinguished Alumnus. He is a guest speaker at various international forums, conferences and is also a lecturer at the National Institute of Securities Markets (NISM).

Shri Vora holds a Commerce degree from H R College, Mumbai and a Master of Management Studies degree in Finance from the Narsee Monjee Institute of Management Studies (NMIMS), University of Mumbai.

# BOARD OF DIRECTORS' REPORT

## Dear Shareholders,

Your Directors have pleasure in presenting the Twenty-second Annual Report on the business and operations of the Company ["Central Depository Services (India) Limited" or "CDSL" or "the Company" or "your company"], along with Audited Statement of Accounts of your company for the year ended March 31, 2020 ("year under review").

## Financial Highlights

(₹ in Lakhs)

| Particulars                                                        | Consolidated                 |                              | Standalone                   |                              |
|--------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                                                    | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| Income from Operations                                             | 22,505.93                    | 19,625.17                    | 16,815.16                    | 15,234.12                    |
| Other Income                                                       | 5,919.06                     | 4,919.38                     | 4,323.78                     | 3,612.88                     |
| <b>Total Income</b>                                                | <b>28,424.99</b>             | <b>24,544.55</b>             | <b>21,138.94</b>             | <b>18,847.00</b>             |
| Expenditure                                                        | 13,337.30                    | 8,364.64                     | 10,283.44                    | 6,687.89                     |
| <b>Profit before Depreciation and Taxation</b>                     | <b>15,087.69</b>             | <b>16,179.91</b>             | <b>10,855.50</b>             | <b>12,159.11</b>             |
| Depreciation                                                       | 1,173.24                     | 991.53                       | 868.69                       | 825.51                       |
| <b>Profit before contribution to IPF &amp; Tax</b>                 | <b>13,914.45</b>             | <b>15,188.38</b>             | <b>9,986.81</b>              | <b>11,333.60</b>             |
| Contribution to IPF                                                | 269.67                       | 367.65                       | 269.67                       | 367.65                       |
| <b>Profit Before Tax</b>                                           | <b>13,644.78</b>             | <b>14,820.73</b>             | <b>9,717.14</b>              | <b>10,965.95</b>             |
| Provision for Taxation                                             | 2,646.30                     | 3,434.20                     | 1,744.90                     | 2,510.00                     |
| Provision for Deferred Tax for the year                            | 326.66                       | (96.13)                      | 240.43                       | 18.22                        |
| <b>Profit after Tax</b>                                            | <b>10,671.82</b>             | <b>11,482.66</b>             | <b>7,731.81</b>              | <b>8,437.73</b>              |
| Other Comprehensive Income (Net of Tax)                            | 8.97                         | 0.36                         | 14.97                        | 0.57                         |
| <b>Total Comprehensive Income</b>                                  | <b>10,680.79</b>             | <b>11,483.02</b>             | <b>7,746.78</b>              | <b>8,438.30</b>              |
| Balance brought forward                                            | 55,269.38                    | 48,330.45                    | 42,708.42                    | 38,679.60                    |
| <b>Profit available for appropriation</b>                          | <b>65,950.17</b>             | <b>59,813.47</b>             | <b>50,455.20</b>             | <b>47,117.90</b>             |
| Dividend                                                           | 4,180.00                     | 3,657.50                     | 4,180.00                     | 3,657.50                     |
| Dividend Distribution Tax (including surcharge and education cess) | 859.35                       | 751.98                       | 859.35                       | 751.98                       |
| <b>Surplus carried to Balance Sheet</b>                            | <b>60,910.82</b>             | <b>55,403.99</b>             | <b>45,415.85</b>             | <b>42,708.42</b>             |

## Financial Performance

### 1. Consolidated Results

On a consolidated basis, the operational income of the Company has increased from ₹ 19,625.17 Lakhs to ₹ 22,505.93 Lakhs, higher by 15 percent, resulting in an increase of total income from ₹ 24,544.55 Lakhs to ₹ 28,424.99 Lakhs.

Profit before Tax (PBT) for the year ended March 31, 2020 is ₹ 13,644.78 Lakhs as against ₹ 14,820.73 Lakhs of previous year. Similarly, Profit after Tax (PAT) is at ₹ 10,671.82 Lakhs as against ₹ 11,482.66 Lakhs. Thus, Profit before Tax & Profit after Tax for the year ended March 31, 2020 has decreased by 8% and 7% respectively over the previous year.

### 2. Standalone Results

On a standalone basis, the operational income of the Company has increased from ₹ 15,234.12 Lakhs to ₹ 16,815.16 Lakhs, higher by 10 percent, resulting in an increase of total income from ₹ 18,847.00 Lakhs to ₹ 21,138.94 Lakhs.



The income from Operations comprising of Transaction charges, Annual Issuers Charges, Account Maintenance Charges, Settlement Charges, Corporate Action Charges, etc. during the year 2019-20 increased from ₹ 15,234.12 Lakhs to ₹ 16,815.16 Lakhs, recording an increase of 10% over the year 2018-19. Pursuant to regulation 73 of the SEBI (Depositories & Participants) Regulations, 2018, transfer of ₹ 269.67 Lakhs is made to Investor Protection Fund (IPF). After contribution to Investor Protection Fund, Profit before Tax (PBT) for the year ended March 31, 2020 is ₹ 9,717.14 Lakhs as against ₹ 10,965.95 Lakhs of previous year. Similarly, Profit after Tax (PAT) is at ₹ 7,731.81 Lakhs as against ₹ 8,437.73 Lakhs. Thus, Profit before Tax & Profit after Tax for the year ended March 31, 2020 has decreased by 11% and 8% respectively over the previous year.

## Dividend

Considering the performance of the Company for the year under review, your Directors have recommended a final dividend of ₹ 4.5 per equity share of the face value of ₹ 10/- each, fully paid for the financial year ended March 31, 2020, subject to the approval of the shareholders.

The final dividend, if approved, would result in a cash outflow of ₹ 47,02,50,000 (Rupees Forty-Seven Crores Two Lakhs & Fifty Thousands only) with a dividend payout ratio at 60.82% of the standalone profits of the Company.

The Board of Directors of your Company has approved and adopted the dividend distribution policy of the Company and dividend declared/recommended during the year are in accordance with the said policy. The Policy can also be accessed on the Company's website at the [www.cdslindia.com](http://www.cdslindia.com)

## Capital Structure and changes therein

Authorised Share Capital of your company is ₹ 1,50,00,00,000 divided into 15,00,00,000 equity shares of ₹10 each whereas the Issued and Paid Up Share Capital is ₹ 1,04,50,00,000 divided into 10,45,00,000 equity shares of ₹ 10 each. As of March 31, 2020, out of 10,45,00,000 shares, 10,44,99,690 shares are in demat mode and 310 shares are in physical mode.

BSE Limited, promoter of CDSL between November 28, 2019 and November 29, 2019 sold 41,80,000 equity shares of ₹10 each representing 4% of the total paid up equity share capital of the Company through a separate designated window of the National Stock Exchange of India Limited. Current holding of BSE Limited is 20% of the total paid up equity share capital of the Company.

## The Capital Market Environment

The FY 2019-20 was one of the most challenging years for the Indian Economy, during FY 2019-20, BSE-30 Sensex opened at 38,858 on April 01, 2019 and touched a high of 42,273 in January 2020 and thereafter closed at 29,468 on March 31, 2020.

According to International Monetary Fund (IMF), India's growth forecast for FY 2019-20 is slashed to 4.8 percent from the 6.1 percent which was projected earlier, citing a sharper-than-expected slowdown in local demand and stress in the NBFC Sector. India's growth is projected to improve to 5.8 percent in 2020 and 6.5 percent in 2021 (1.2 and 0.9 percentage point lower than in the October World Economic Outlook), supported by monetary and fiscal stimulus as well as subdued oil prices.

The World Bank (WB) has lowered India's GDP growth forecast to five percent for the fiscal year 2020-21 from its earlier estimated six percent. WB's January 2020 Global Economic Prospects report said a "lingering" credit weakness emanating from non-banking financial companies (NBFCs) is one of the key reasons for the downgrade.

As per Prime Database, 39 public issues have raised ₹37,67,700 Lakhs (₹ 37,677 crores) in FY 2019-20 as compared to 42 public issues mobilizing ₹ 36,40,500 Lakhs (₹ 36,405 crores) in FY 2018-19.

## Operational Performance

The capital market plays a significant role in building the economy as it channelizes domestic saving into sustainable financial assets. The Indian capital markets are robust and deep. The markets have witnessed diverse magnitude of volatility and growth levels based on global and domestic scenario and investor participation. The digitization of various processes has helped to have easier access to stock markets and depository services. In order to sustain the growth in its depository business, your company continues to focus on enhancement of operational efficiency, upgradation of technology, service quality and enhanced emphasis on investor education through seminars / workshops.

## Beneficial Owner Accounts

During the year under review, 48.32 Lakh Beneficial Owner (BO) accounts were added, taking the total number of such accounts to 271.67 Lakhs with the net BO accounts at 211.81 Lakhs as on March 31, 2020, making us the first depository to cross the 200 lakhs milestone. The comparative figures of gross and net BO accounts as on March 31, 2019 and March 31, 2020 are given in the following table:

| BO Accounts | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 | %   |
|-------------|------------------------------|------------------------------|-----|
| Gross       | 2,71,67,320                  | 2,23,35,222                  | 22% |
| Net         | 2,11,81,937                  | 1,73,86,276                  | 22% |

### 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<br>March 31, 2020 | Year ended<br>March 31, 2019 | (%) change over<br>the previous year |
|------------------|------------------------------|------------------------------|--------------------------------------|
| Equity Shares    | 14018                        | 12049                        | 16.34                                |
| Debt Instruments | 8532                         | 8207                         | 3.96                                 |
| Other Securities | 25479                        | 23880                        | 6.69                                 |
| <b>Total</b>     | <b>48029</b>                 | <b>44136</b>                 | <b>8.82</b>                          |

### Position of Securities held in the System

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

| Holding of Securities                         | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 | Increase over the<br>previous year (%) |
|-----------------------------------------------|------------------------------|------------------------------|----------------------------------------|
| Value (in million ₹)                          | 16,719,723                   | 20,796,934                   | -19.60                                 |
| Volume (in million)<br>(Number of Securities) | 455,726                      | 362,030                      | 25.88                                  |

### Depository Participants and Service Centers

As on March 31, 2020, 599 depository participants held valid registration certificates of Securities and Exchange Board of India (SEBI) as compared to 597 valid SEBI registrations as on March 31, 2019. With a large DP network, investors spread across 28 States and 8 Union Territories can avail of CDSL's depository services. Further, investors have access to 20,352 DP service centers spread across India.

### Investor Awareness / Education Seminars

CDSL regularly conducts Investor Awareness Programs in association with SEBI, Market Infrastructure Institutes (MIIs) and various market intermediaries. 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 470 Investor Awareness Programs (IAPs) in this year. Out of these more than 350 programs were conducted in tier 2 cities, tier 3 cities, tier 4 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, Mutual Funds and regional Seminars & IAPs with SEBI in various cities. We have also conducted webinars to reach investors digitally. Although, these IAPs reach out to investors in major metros, we have focused to reach out to the investors in tier-2, tier-3 and tier-4 cities to inculcate the habit of investment in capital markets. 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. They are available on the CDSL website at [www.cdslindia.com](http://www.cdslindia.com)

### Investor Education and Protection Fund (IEPF) and Investor Awareness Activities by the Company

| Contribution towards Investor Education and Protection Fund (IEPF)                                                                                                                                            |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Details of the transfer/s to the IEPF made during the year as mentioned below:                                                                                                                                |                              |
| 1. amount of unclaimed/unpaid dividend and the corresponding shares;                                                                                                                                          | Not Applicable               |
| 2. amount of matured deposits, if any;                                                                                                                                                                        | Not Applicable               |
| 3. application money received for allotment of any securities and due for refund along with interest accrued;                                                                                                 | Not Applicable               |
| 4. Year wise amount of unpaid/ unclaimed dividend lying in the unpaid account upto the Year and the corresponding shares, which are liable to be transferred to the IEPF and the due dates for such transfer; | Please refer the table below |

### Amount of unpaid and unclaimed Dividend

| Particulars                                     | Financial Year              |                             |
|-------------------------------------------------|-----------------------------|-----------------------------|
|                                                 | 2017-18<br>(Final Dividend) | 2018-19<br>(Final Dividend) |
| Amount                                          | ₹ 594202                    | ₹1047836                    |
| Shares                                          | 169772                      | 261959                      |
| Due date for transfer of unpaid dividend amount | June 25, 2025               | July 7, 2026                |
| Due date for transfer of corresponding shares   | July 25, 2025               | August 6, 2026              |

### Credit Rating of Securities

Nil

### New Initiatives

#### International Financial Service Centre, GIFT City

CDSL is the first and only depository in India which has been approved by SEBI to launch its IFSC (International Financial Service Centre) branch located in IFSC, GIFT City (Gujarat International Finance Tech-City), Gandhinagar, Gujarat.

CDSL's IFSC branch intends to contribute to the growth of the financial markets with the introduction of delivery-based trading to the existing suite of the products traded on the exchanges at IFSC.

Now IFSC based Exchanges can have investment products such as Depository Receipts, Bonds etc. which will attract foreign investors' participation and create new business opportunities for existing capital market entities in GIFT IFSC.

#### Application Program Interface (API)

CDSL has developed APIs for its Depository Participants (DPs), which will help DPs to automate their processes and back-office operations. APIs have been developed for Account Opening, Common Transaction Upload (Which includes Off-market, On-Market, Early Pay-in & Inter Depository Transactions), Pledge/Unpledge/Confiscation transactions and your company has advised its DPs to get in touch with their RMs to get to know the entire suite of transactions on which APIs are made available. This will lead to ease in operations of all the CDSL DPs and the market participants.

#### ChatBot

CDSL has launched a Chatbot facility on website [www.cdslindia.com](http://www.cdslindia.com) which aims to assist demat account holders in a better and faster way. Demat account holders can enter questions or keywords and using artificial intelligence, Chatbot will answer the same.

Currently, Chatbot facility enables CDSL demat account holders to resolve their queries related to Demat account opening, Dematerialisation, Rematerialisation, Settlement and other queries related to demat account and internet-based facility **easi/ easiest**. Demat account holders will also have the facility

of selecting their query from the multiple questions made available on the Chatbot. Over 24,000 queries from customers have been answered successfully by the chatbot.

### 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

CDSL believes in the power of digitization and continuously tries to enhance its systems to increase the efficacy of processes. Some of the important system enhancements are enumerated below -

- To strengthen the integrity of system in processing of dematerialization requests in respect of remaining physical shares, systems were enhanced to enable RTAs to upload the details of their members holding shares in physical form of listed companies, so that dematerialization requests can be validated against the said details.
- Standardization of reason codes for off-market including inter-depository transactions.
- Release of new facility for granting accreditation to the investor as an Accredited Investor for the limited purpose of Innovators Growth Platform ("IGP").
- Enabling on-market Inter-depository transfers of Government securities including Central Government Securities, State Development Loans, Treasury Bills and Sovereign Gold Bonds issued by RBI on behalf of Central and State Governments.
- Introduction of PMS Pool Account and facilitating PMS transactions through PMS Pool Account for Portfolio Management Services.
- System developed to enable CMs to move (1) unpaid securities to designated Client Unpaid Securities

Account (CUSA) and (2) client securities provided as collateral to its TM/CM by transferring it to designated CM/TM's Client Collateral Account.

- g. System enhanced to link Unique Client Code with client's demat account provided by Stock Exchanges.

### Transaction Cum Holding Statements

As of March 31, 2020, 218 Depository Participants (DPs) have availed of the service of dispatch of transaction cum holding statements (DOTS and e-DOTS). In 2019-20, CDSL has processed 23.52 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 28,311 bonds issued in demat form by over 3,364 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 11,753 ISINs for primary market issuances and about 11,252 ISINs pertaining to secondary market being traded in the stock exchanges.

### Technology Initiatives

As a part of continual upgradation process, CDSL continuously works on upgrading the technology, features and functionalities of the Depository applications. Further considering growth over the next 3 years, CDSL has upgraded its server infrastructure with latest virtualization technology at its Main and DR site. CDSL has always benchmarked its practices against ISO standards and accordingly has undergone periodic audits for ISO 27001:2013 Information Security Management System (ISMS) and ISO 22301:2012 (Business Continuity Management System) BCMS conducted by M/s DNV and has been recommended for continuity of these certificates. CDSL's e-Voting services has also undergone periodic audit for ISO 9001:2015 certification and has been recommended for continuity of the certificate. CDSL has also implemented the appropriate cyber security framework as prescribed by SEBI from time to time to mitigate the cyber security risks.

### Major IT Developments

- Server upgradation with latest virtualization technology with new hardware and enhanced capacity
- Core depository application is being migrated to latest .net core technology
- Deception Technology to protect the organization from attackers by means of network decoys
- Detecting insider threats, lateral movement and ransomware attacks
- ISO27001/22301- Continuation of certification

### Awards & Recognition

1. IDC Insight Award for Excellence in Operation, awarded by IDC
2. IT Architect for Digital Workspace, awarded by VM Ware Forum 2019
3. BFSI IT Leadership Award, awarded by Elets Technomedia
4. Data Centre Award for Innovation and Infrastructure management, awarded by UBS Forum
5. BIG 40 Awards – World AI Show BFSI & NBFC for Technology Innovation, awarded by Trescon
6. CSO 100 Award for IT Security, awarded by IDG (International Data Group)
7. Technology Senate Award for Intelligent Enterprise, awarded by the Indian Express Group
8. BFSI Gamechanger Award under Exemplary leadership innovation, awarded by Elets Technomedia

### Steps taken pursuant to COVID 19 Pandemic

On March 20, 2020, the Ministry of Corporate Affairs issued an Advisory to all companies /LLPs to implement the "Work from home" policy in their headquarters and field offices to the maximum extent possible, including by conduct of meetings through video conference or other electronic/ telephonic/ computerized means. It was further advised that even with the essential staff on duty, staggered timings may be followed so as to minimize physical interaction. Apart from that, the other preventive measures, including 'Dos & Don'ts' advised by public health authorities may be strictly followed.

Keeping in view the safety of the staff members of CDSL, 'work from home' policy was implemented with effect from March 23, 2020 and staff members were provided with secure means to connect to CDSL applications to carry out their daily operations and to ensure that Depository's and its subsidiaries' operations are carried out smoothly. The administration department is also ensuring that during this period housekeeping and deep cleaning of the premises are being regularly carried out, so

as to ensure a clean and safe office space is available to the employees once lockdown restrictions are removed.

### **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 22 programs for 439 participants during the year.

### **e-Voting**

As on March 31, 2020, 5,630 companies have signed agreements with CDSL to conduct e-Voting. So far, the e-Voting system recorded 25,139 instances of voting carried out by 4,943 companies.

### **e-Notices**

In the light of Green Initiative in the Corporate Governance by Ministry of Corporate Affairs, CDSL has started offering the services to companies for sending documents to its shareholders electronically. As on March 31, 2020, a total of 350 companies have signed for availing these 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 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. 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](http://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 2019-20, 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](http://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 2019-2020.

### **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 July 1, 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 March 12, 2014. CDSL, its depository participants and CVL 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 a 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 updates 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 March 31, 2020

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



### • CDSL Ventures Limited (CVL)

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. C-KYC Processing
2. RTA Activity
3. GST Suvidha Provider Services
4. Claim registry for life insurance companies that offer Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)
5. Project related to refund to investors pursuant to Justice (Retd.) R M Lodha Committee
6. eSign (electronic signature based on aadhaar number)
7. eKYC using Aadhaar

### • CDSL Insurance Repository Limited (CIRL)

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. ("CIRL"), in the year 2011 to provide policyholders a facility to keep insurance policies in electronic form and to undertake changes, modifications and revisions in the insurance policy with speed and accuracy in order to bring about efficiency, transparency and cost reduction in the issuance and maintenance of insurance policies. Leading public sector and private sector insurance companies have contributed to the equity capital of CIRL. 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 and thereafter to all other types of general insurance. Further, initially the insurance was applicable only to individuals but had subsequently been extended to corporates.

As on March 31, 2020, the repository has opened nearly 5.50 lakh e-Insurance Accounts (e-IA). CIRL holds over 3.0 lakh insurance policies in electronic form -2.96 lakhs life insurance, 10,366 health insurance and 261 motor insurance policies. CIRL has tied up with twenty-two life insurance companies,

five health insurance companies and fifteen general insurance companies that is a total of forty-two 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.

CCRL today exclusively serves three derivative commodity exchanges for their derivative trades in Agri-commodities. These are Multi commodity Exchange, BSE Limited and Indian Commodity Exchange Limited. As on March 31, 2020, CCRL has opened close to 1500 client accounts and has issued about 15,000 Electronic Negotiable Warehouse Receipts.

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 form 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](http://www.cdslindia.com). These documents will be available for inspection till the date of AGM during business hours at the registered office of the Company.

### 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, 2020, 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 October 3, 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.

| Category                 | Name                                     |
|--------------------------|------------------------------------------|
| Public Interest Director | Shri Balkrishna V Chaulbal - Chairperson |
| Public Interest Director | Prof (Dr.) Bimalkumar N Patel            |
| Public Interest Director | Smt. Preeti Saran                        |
| Public Interest Director | Shri Sidhartha Pradhan                   |
| Public Interest Director | Prof. Umesh Bellur                       |
| Shareholder Director     | Shri Masil Jeya Mohan P.                 |
| Shareholder Director     | Shri Nayan Mehta                         |
| Managing Director & CEO  | Shri Nehal Vora                          |

## Number of meetings of the Board of Directors:

Ten meetings of the Board of Directors were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is enclosed as **Annexure F**.

## Change in composition during the year:

The changes taken place in the constitution of the Board of Directors and KMPs of CDSL during the FY 2019-20 are as follows:

| Name of the Director                                    | Date of Appointment | Date of Cessation  | Reason for Cessation                               |
|---------------------------------------------------------|---------------------|--------------------|----------------------------------------------------|
| Smt. Usha Narayanan, Public Interest Director           | -                   | July 1, 2019       | Deceased                                           |
| Shri Aravamudan Krishnakumar, Public Interest Director  | -                   | July 29, 2019      | Expiry of term                                     |
| Shri Rajender Mohan Malla, Public Interest Director     | -                   | July 29, 2019      | Expiry of term                                     |
| Shri Bontha Prasada Rao, Public Interest Director       | -                   | October 20, 2019   | Expiry of term                                     |
| Shri Nehal Vora, Shareholder Director                   | -                   | September 23, 2019 | SEBI approved his candidature as MD & CEO of CDSL. |
| Shri Balkrishna V Chaulbal, Public Interest Director    | July 30, 2019       |                    |                                                    |
| Shri Nehal Vora, MD & CEO                               | September 24, 2019  | -                  | -                                                  |
| Prof (Dr.) Bimalkumar N Patel, Public Interest Director | September 27, 2019  | -                  | -                                                  |
| Smt. Preeti Saran, Public Interest Director             | November 29, 2019   | -                  | -                                                  |
| Shri Sidhartha Pradhan, Public Interest Director        | November 29, 2019   | -                  | -                                                  |
| Prof. Umesh Bellur, Public Interest Director            | November 30, 2019   | -                  | -                                                  |
| Shri Nayan Mehta, Shareholder Director                  | November 28, 2019   | -                  | -                                                  |
| Shri Masil Jeya Mohan P., Shareholder Director          | October 10, 2019    | -                  | -                                                  |

Shri Balkrishna V. Chaulal was appointed as Public Interest Director of the Company w.e.f. July 30, 2019 vide SEBI letter dated July 5, 2019 and was appointed as Chairperson of the Company w.e.f. December 24, 2019 vide SEBI letter dated December 24, 2019.

Prof (Dr.) Bimalkumar N Patel was appointed as Public Interest Director of the Company w.e.f. September 27, 2019 vide SEBI letter dated September 27, 2019.

Shri Nehal Vora resigned as Shareholder Director (BSE Ltd.) w.e.f. September 23, 2019 due to SEBI approving candidature of MD & CEO of CDSL vide SEBI letter dated September 18, 2019. He was appointed as Managing Director and Chief Executive Officer of CDSL w.e.f. September 24, 2019.

Shri Masil Jeya Mohan P., Additional Executive Director Investment, Operations, Life Insurance Corporation of India was appointed as Shareholder Director w.e.f. October 10, 2019 vide SEBI letter dated October 9, 2019.

Smt. Preeti Saran was appointed as Public Interest Director of the Company w.e.f. November 29, 2019 vide SEBI letter dated November 29, 2019.

Shri Sidhartha Pradhan was appointed as Public Interest Director of the Company w.e.f. November 29, 2019 vide SEBI letter dated November 29, 2019.

Prof. Umesh Bellur was appointed as Public Interest Director of the Company w.e.f. November 30, 2019 vide SEBI letter dated November 29, 2019.

Shri Nayan Mehta, Shareholder Director was originally appointed on November 29, 2016. Shri Nayan Mehta was liable to retire by rotation at the 21<sup>st</sup> AGM of the Company held on September 17, 2019. Accordingly, the members approved his appointment. Further, SEBI had also approved appointment of Shri Nayan Mehta with effect from December 31, 2019.

Shri Joydeep Dutta, Executive Director and Chief Technology Officer of the Company retired by superannuation on December 31, 2019.

Shri Bharat Sheth, Chief Financial Officer of the Company retired by superannuation on December 31, 2019.

The Board has placed on record its appreciation for the valuable services rendered to CDSL by the aforesaid Directors who have deceased during their term / completed their term and the Key Managerial Personnel who have retired on account of superannuation.

The Company has received necessary declaration from the Independent Directors as required under sub-section (6) of Section 149 of the Companies Act, 2013 and under clause (b) of sub-regulation (1) of regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the provisions of Section 152(6) (d) of the Companies Act, 2013, Shri Nayan Mehta, the Shareholder Director being

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 an **Annexure C**.

During the year, Shri Lalit Sharma, VP-Legal and Company Secretary and Compliance Officer resigned w.e.f. September 30, 2019 and Smt. Amita Paunikar was appointed as VP-Legal and Company Secretary and Compliance Officer w.e.f. November 18, 2019.

### 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](http://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 for the appointment and remuneration of 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 20<sup>th</sup> Annual General Meeting till the conclusion of the 25<sup>th</sup> Annual General Meeting. Accordingly, M/s. S. R. Batliboi & Co. LLP are the Statutory Auditors of the Company for the financial year 2019-20 and shall continue as Statutory Auditors of the Company till the conclusion of the 25<sup>th</sup> 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 2019-20.

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 was appointed as Secretarial Auditor of the Company for the FY 2019-20. 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, 2015, 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 Choksi & 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 2019-20 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 V of the SEBI (LODR) Regulations, 2015 are stated below:

| <b>1 In the Accounts of Central Depository Services (India) Limited (CDSL) (Holding Company)</b> |                        |                                                                             |                        |                                                                                                                    |                        |  |
|--------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------------------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------------|------------------------|--|
| 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<br>(₹ in Lakhs) | Associate Name                                                              | Amount<br>(₹ in Lakhs) | Companies where directors are interested                                                                           | Amount<br>(₹ in Lakhs) |  |
| CDSL Ventures Limited                                                                            | NIL                    | Not applicable                                                              | NIL                    | Not applicable                                                                                                     | NIL                    |  |
| CDSL Insurance Repository Limited                                                                | NIL                    |                                                                             |                        |                                                                                                                    |                        |  |
| CDSL Commodity Repository Limited                                                                | NIL                    |                                                                             |                        |                                                                                                                    |                        |  |

|          |                                                                                                                                                    |                        |                                                                             |                        |                                                                                                                    |                        |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------------------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------------|------------------------|
| <b>2</b> | <b>In the Accounts of Central Depository Services (India) Limited (CDSL) (Subsidiary Company)</b>                                                  |                        |                                                                             |                        |                                                                                                                    |                        |
|          | 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<br>(₹ in Lakhs) | Associate Name                                                              | Amount<br>(₹ in Lakhs) | Companies where directors are interested                                                                           | Amount<br>(₹ in Lakhs) |
|          | Not applicable                                                                                                                                     | NIL                    | Not applicable                                                              | NIL                    | Not applicable                                                                                                     | NIL                    |
| <b>3</b> | <b>In the Accounts of Central Depository Services (India) Limited (CDSL) (Holding Company)</b>                                                     |                        |                                                                             |                        |                                                                                                                    |                        |
|          | Investments by the loan 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 V of the SEBI (LODR) Regulations, 2015 are stated below:

(₹ in Lakhs)

| Particulars                                   | As on<br>March 31, 2020 | As on<br>March 31, 2019 |
|-----------------------------------------------|-------------------------|-------------------------|
| <b>BSE Limited</b>                            |                         |                         |
| Rendering of services                         | 172.61                  | 107.12                  |
| Receiving of services                         | 62.03                   | 68.89                   |
| Dividend Paid                                 | 1,003.20                | 877.80                  |
| Loans and advances – opening deposit received | -                       | 72.77                   |
| Balances outstanding at the end of the year   |                         |                         |
| Receivable/ (Payable)                         | <b>53.39</b>            | <b>12.31</b>            |

### 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:

(₹ in Lakhs)

| Particulars     | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|-----------------|------------------------------|------------------------------|
| Earnings        | Nil                          | Nil                          |
| Travel expenses | 19.98                        | 63.08                        |
| Others          | 10.44                        | 12.15                        |
| <b>Total</b>    | <b>30.42</b>                 | <b>75.23</b>                 |

### 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

The Corporate Governance Report for the year ended March 31, 2020 is enclosed as **Annexure F**.

## Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year ended March 31, 2020 is 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 section 178(2) of the Companies Act, 2013 as well as regulation 17, 19 and Schedule II of the SEBI (LODR) Regulations, 2015 and based on the SEBI circular dated January 5, 2017 which contained a guidance note 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, drafted in accordance of the guidelines issued

by SEBI, which comprises evaluation criteria taking into consideration various performance related aspects. The detailed criteria for evaluation for each of the above has been mention in the Corporate Governance report enclosed as **Annexure F**.

## Disclosures under SEBI (Depository and Participants) Regulations, 2018

The disclosures required to be made under the provisions of the SEBI (Depository and Participants) Regulations, 2018 are part of the Corporate Governance Report enclosed as **Annexure F**.

## Report by Internal Complaints Committee

Your company has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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.

## Business Responsibility Report

As stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as a part of this Annual Report.

## 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](http://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 has complied 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, Ministry of Corporate Affairs, Securities and Exchanges Board of India (SEBI), Reserve Bank of India (RBI), Insurance Regulatory Development Authority (IRDA), Warehousing Development Regulatory Authority (WDRA), UIDAI 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, Market Infrastructure Institutions like the Stock Exchanges, Clearing Corporations, Depository, Commodities Exchanges, 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**

**Balkrishna V Chaubal**  
Chairperson  
(DIN: 06497832)

Place : Mumbai  
Date : July 25, 2020

## Annexure A

# REPORT ON CSR ACTIVITIES

1. The purpose of CSR policy of the Company is to support the initiatives in areas that would result into maximum social welfare. The CSR strategy of the Company is focussed in the areas of financial education. This aligns with the activities listed in Schedule VII of the Companies Act, 2013 and the rules framed thereunder. The detailed CSR policy is available at Corporate Governance section under Investors Relations' at [www.cdslindia.com](http://www.cdslindia.com)

2. The composition of CSR Committee is as follow:

| Sr. No. | Name                     | Category                    |
|---------|--------------------------|-----------------------------|
| i.      | Smt. Preeti Saran        | Public Independent Director |
| ii.     | Shri Masil Jeya Mohan P. | Shareholder Director        |
| iii.    | Shri Nehal Vora          | Managing Director & CEO     |

3. The average of the Net Profit of the company for last three financial years: ₹ 10262.50 Lakhs

| 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 |
|---------|-------------------------------------|----------------------------------------|------------------------------------------------|----------------------------|-------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------|
| i       | Prime Minister National Relief Fund | Central Government                     | -                                              |                            | 400.00                                                | 400.00                                                         | Direct                                             |
| ii      | Chief Minister's Relief Fund        | Maharashtra Government                 | Maharashtra                                    |                            | 196.68                                                | 196.68                                                         | Direct                                             |
|         | <b>Total</b>                        |                                        |                                                |                            | <b>596.68</b>                                         | <b>596.68</b>                                                  |                                                    |

4. Prescribed CSR expenditure (two per cent of ₹ 10,262.50 Lakh): ₹ 205.25 Lakhs

5. Details of CSR spent during the Financial Year:

- Total amount to be spent for the financial year: ₹ 596.68 Lakhs (inclusive of amount unspent of previous year ₹ 391.43 Lakhs)
- Amount Unspent: Nil
- Details of the expenditure on CSR activities during the financial year are as under:
  - Your company has spent ₹ 400.00 Lakhs (Rupees Four Hundred Lakhs only) by contributing to Prime Minister National Relief Fund, for spending towards Covid-19 pandemic during March 2020.
  - Your company has spent ₹ 196.68 Lakhs (Rupees One Hundred Ninety Six Lakh and Sixty Eight Thousand only) by contributing to Chief Minister's Relief Fund, (Maharashtra) for spending towards Covid-19 pandemic during March 2020.
  - Although post our contribution to Chief Minister's Relief Fund towards assistance to fight COVID- 19 pandemic, the Ministry of Corporate affairs provided a clarification stating that contribution made to Chief Ministers Relief Fund shall not qualify as admissible CSR expenditure as Chief Minister's Relief Funds are not included in Schedule VII of the Companies Act, however it may be noted that the Company had contributed to the Chief Minister's Relief Fund with an intent to contribute to the efforts taken by the Government towards the relief effort on account of the COVID – 19 which was communicated vide the press release issued on March 31, 2020.

- (iv) In view of above clarification, the Company has written letter to the office of Chief Minister, Maharashtra to transfer the contribution made by the Company to Maharashtra State Disaster Management Authority. The office of Chief Minister, Maharashtra have responded that they have received the request and the request has been forwarded to the concerned department.
6. The CSR Committee hereby confirms that the implementation and monitoring of CSR policy is in compliance with CSR strategy and policy of the Company. The Secretarial Auditors of the Company has also confirmed the contribution as being eligible towards CSR which has also been confirmed by the Statutory Auditors.

Place: Mumbai  
Date: July 25, 2020

**Nehal Vora**

MD & CEO  
(DIN: 02769054 )

**Balkrishna V Chaubal**

Chairperson  
(DIN: 06497832)

**Annexure B**

# FORM AOC-1

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

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

**Part A : Subsidiaries**

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

| Sr. No. | Name of the subsidiary                                                                                                      | CDSL Ventures Limited            | CDSL Insurance Repository Limited                   | CDSL Commodity Repository Limited |
|---------|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------------------|-----------------------------------|
| 1       | The date since when subsidiary was acquired                                                                                 | September 25, 2006               | July 12, 2011                                       | March 7, 2017                     |
| 2       | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | April 01, 2019 to March 31, 2020 | April 01, 2019 to March 31, 2020                    | April 01, 2019 to March 31, 2020  |
| 3       | 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                      |
| 4       | Share capital                                                                                                               | 5,00,00,000                      | 30,00,00,000                                        | 50,00,00,000                      |
| 5       | Reserves and surplus                                                                                                        | 1,64,88,13,000                   | 8,12,53,000                                         | 1,51,15,000                       |
| 6       | Total assets                                                                                                                | 1,81,90,60,000                   | 39,15,44,000                                        | 53,28,25,000                      |
| 7       | Total Liabilities                                                                                                           | 12,02,47,000                     | 1,02,91,000                                         | 1,77,10,000                       |
| 8       | Investments                                                                                                                 | 1,42,60,83,000                   | 25,54,32,000                                        | 35,28,18,000                      |
| 9       | Turnover                                                                                                                    | 66,81,35,000                     | 3,39,86,000                                         | 5,05,40,000                       |
| 10      | Profit before taxation                                                                                                      | 36,42,67,000                     | 2,54,63,000                                         | 30,34,000                         |
| 11      | Provision for taxation                                                                                                      | 8,24,84,000                      | 1,50,03,000                                         | 12,76,000                         |
| 12      | Profit after taxation                                                                                                       | 28,17,83,000                     | 1,04,60,000                                         | 17,58,000                         |
| 13      | Proposed Dividend                                                                                                           | Nil                              | Nil                                                 | Nil                               |
| 14      | Extent of shareholding (in percentage)                                                                                      | 100%                             | 51% (Direct holding) & 3.25% (through Subsidiaries) | 52%                               |

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



**Part B : Associates and Joint Ventures**

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

There are no Associate Companies and Joint Ventures of the Company during the year.

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

1. Names of associates or joint ventures which are yet to commence operations : Nil

2. Names of associates or joint ventures which have been liquidated or sold during the year : Nil

**Shri Balkrishna V Chaubal**

Chairperson

**Shri Nehal Vora**

MD & CEO

**Shri Girish Amesara**

Chief Financial Officer

**Smt. Amita Paunekar**

Company Secretary

Place: Mumbai

Date: May 16, 2020

## Annexure C

# PROFILE OF DIRECTOR WHO IS LIABLE TO RETIRE BY ROTATION AND SEEK RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

### Shri Nayan Chandrakant Mehta

|                                |                |
|--------------------------------|----------------|
| Director Identification Number | 03320139       |
| Date of Birth                  | March 31, 1967 |

#### (a) Brief Resume of the director:

Shri Nayan Mehta is the Chief Financial Officer of BSE Ltd. He has extensive experience of over 28 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 Chairperson 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 PERIOD 01-04-2019 TO 31-03-2020**

[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,

**Central Depository Services (India) 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 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 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, 2019 to 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made 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 as amended from time to time;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 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; (Not applicable during the period under review)
- (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 the period under review)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable during the period under review)

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances of 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 operation 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 Services Tax etc.

We have noticed that there are few cases pending against CDSL for which company has provided contingent liabilities in the books of account and most of the cases do not have any financial implications towards the Company.

**We further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 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 took place in the management of the Company.

- Mr. B.V. Chaubal was appointed as Public Interest Director of the Company w.e.f 30.07.2019
- Mr. Nehal Vora was appointed as Managing Director & CEO of the Company w.e.f 24.09.2019
- Mr. B.N. Patel was appointed as Public Interest Director of the Company w.e.f 27.09.2019
- Mr. Lalitmohan Girdhar Sharma has resigned as Company Secretary w.e.f 30.09.2019
- Mr. Jeya Mohan Masil P was appointed as Shareholder Director of the Company w.e.f 10.10.2019
- Ms. Amita Paunikar has been appointed as a Company Secretary w.e.f 18.11.2020
- Mrs. Preeti Saran was appointed as Public Interest Director of the Company w.e.f 29.11.2019
- Mr. Sidhartha Pradhan was appointed as Public Interest Director of the Company w.e.f 29.11.2019
- Mr. Umesh Bellur was appointed as Public Interest Director of the Company w.e.f 30.11.2019

**For Ragini Chokshi & Co**

**Ragini Chokshi**

(Partner)

C.PNo: 1436

FCS No: 2390

UDIN: F002390B000228000

Place: Mumbai

Date: May12, 2020

FORM NO MR-3

# SECRETARIAL AUDIT REPORT

**FOR THE PERIOD FROM 01.04.2019 TO 31.03.2020**

[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, 2019 to 31st March, 2020, 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, 2019 to 31st March, 2020 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) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under (Not Applicable during the period of audit).
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable during the period of audit).

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are 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, 2018;
- 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;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

- (vi) We have relied on the representation made by the Company and its Officers and mechanism prevailing in the Company for ascertaining compliances of specific laws applicable to the Company and based on the same, we are of the opinion that the Company has generally complied with the following law specifically applicable to the Company:

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

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.
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations,



2015 (to the extent applicable to material subsidiary of the listed company)

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

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.

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 if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company that 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 financial year following actions/events was reported, having major bearing on the operations of the Company: -

1. Resignation of Shri. P.S. Reddy as a nominee director .
2. Cessation of tenure of Shri. T. S. Krishna Murthy as a Chairperson and Nominee Director.
3. Appointment of Dr. Rakesh Kumar Kakkar as an Additional Director (Non executive).
4. Appointment of Shri. K.V. Subramaniam as an Additional Director (Non executive).
5. Appointment & Resignation of Shri. Nehal Vora as Nominee Director.
6. Appointment & Resignation of Shri. Joydeep Dutta as an Additional Director (Non Executive)
7. Appointment of Shri. Amit Mahajan as an Additional Director (Non Executive)
8. Appointment of Shri. Girish Amesara an Additional Director (Non executive)

**For Ragini Chokshi & Co**  
Company Secretaries

**Umashankar Hegde**

Partner

M.No- A22133

CP No- 11161

UDIN: - A022133B000318651

Place: Mumbai

Dated: June 5, 2020

## Annexure E

**FORM AOC-2**

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

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

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

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

Nil

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

| (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<br>Entity having significant influence      | Issuer fee, corporate action charges and E-IPO charges received                            | On actual basis                                       | 1,72,61,344.00                                                                             |                                                                                                                                                |                                 |
| BSE Limited<br>Entity having significant influence      | Rent/Leaseline expenses paid                                                               | On actual basis                                       | 62,03,332.00                                                                               |                                                                                                                                                |                                 |
| CDSL Ventures Limited<br>Subsidiary Company             | Rent, administrative expenses and salary reimbursement of employees on deputation received | As per board approval                                 | 3,15,89,760.00                                                                             | MOU dt. July 16, 2011 / Feb. 15, 2012/ April 10, 2013/Board approval dt. Oct. 28, 2017/ Aug. 20, 2018 for rent. Salary on actual basis         |                                 |
| CDSL Ventures Limited<br>Subsidiary Company             | Evoting and salary reimbursement of employees on deputation paid and purchase of assets    | As per board approval                                 | 82,43,706.00                                                                               | Evoting fees as per Board approval June 01, 2011. Salary on actual basis and Purchase of assets as per Management Approval dated Dec. 27, 2019 |                                 |

| (a)<br>Name(s) of the related party and nature of relationship                             | (b)<br>Nature of contracts/ arrangements/ transactions                                     | (c)<br>Duration of the contracts/ arrangements/ transactions | (d)<br>Salient terms of the contracts or arrangements or transactions including the value, if any | (e)<br>Date(s) of approval by the Board, if any                                  | (f)<br>Amount paid as advances, if any |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------|
| CDSL Insurance Repository Limited Subsidiary Company                                       | Rent, administrative expenses and salary reimbursement of employees on deputation received | As per board approval                                        | 39,83,448.00                                                                                      | As per Board approval dt. July 25, 2015/ Oct. 28, 2017                           |                                        |
| CDSL Insurance Repository Limited Subsidiary Company                                       | Reimbursement of Other Expenses                                                            | On actual basis                                              | 5,55,271.00                                                                                       |                                                                                  |                                        |
| CDSL Commodity Repository Limited Subsidiary Company                                       | Rent, administrative expenses and salary reimbursement of employees on deputation received | As per board approval                                        | 1,54,56,891.00                                                                                    | Board approval dt. Oct. 28, 2017/ July 29, 2017 for rent. Salary on actual basis |                                        |
| CDSL Commodity Repository Limited Subsidiary Company                                       | Notice Deposit Received                                                                    | On actual basis                                              | 4,00,000.00                                                                                       |                                                                                  |                                        |
| CDSL Commodity Repository Limited Subsidiary Company                                       | Reimbursement of Other Expenses                                                            | On actual basis                                              | 9,80,996.00                                                                                       |                                                                                  |                                        |
| Marketplace Technologies Private Limited Subsidiary of entity having significant influence | Issuer fee and corporate action charges received                                           | On actual basis                                              | 10,620.00                                                                                         |                                                                                  |                                        |

| (a)<br>Name(s) of the related party and nature of relationship                           | (b)<br>Nature of contracts/ arrangements/ transactions | (c)<br>Duration of the contracts/ arrangements/ transactions | (d)<br>Salient terms of the contracts or arrangements or transactions including the value, if any | (e)<br>Date(s) of approval by the Board, if any | (f)<br>Amount paid as advances, if any |
|------------------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------------------------|
| Indian Clearing Corporation Limited<br>Subsidiary of entity having significant influence | Issuer and depository participant charges received     | On actual basis                                              | 7,37,986.00                                                                                       |                                                 |                                        |
| Multi Commodity Exchange Of India Limited                                                | Issuer and depository participant charges received     | On actual basis                                              | 8,53,987.00                                                                                       |                                                 |                                        |

## Annexure F

# REPORT ON CORPORATE GOVERNANCE

## 1) Company's Philosophy on Code of Corporate Governance

CDSL believes that implementation of good corporate governance practices is the fundamental pre-requisite to achieve sustained growth and long-term enhancement of corporate value. The Company is committed to take ethical business decisions and to conduct its operations with a firm commitment to values, while meeting aspirations of all the stakeholders.

As a result, the Company has adopted the best corporate governance practices based on the applicable statutory requirements especially the Companies Act, 2013, the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 and the SEBI (Depositories & Participants) Regulations, 2018. As a Market Infrastructure Intermediary, the policies and business strategies of the Company aims at providing secure and efficient depository services to investors within the prescribed legal framework. Business strategies are framed and implemented within the applicable compliance requirements. The Company endeavors to ensure that highest standards of ethical and responsible conduct are met throughout the organization.

## 2) Board of Directors

### Composition and category of directors

The Company has an active, experienced, diversified 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 constitution of the Governing Board of Directors of the Company is compliant with Regulation 24 of the SEBI (Depositories and Participants) Regulations, 2018 [SEBI (D & P) Regulations 2018] and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 [Listing Regulations].

As on March 31, 2020, the composition of the Governing Board of the Company was as follows:

| Category                 | Name                                    |
|--------------------------|-----------------------------------------|
| Public Interest Director | Shri Balkrishna V Chaudal - Chairperson |
| Public Interest Director | Prof (Dr.) Bimalkumar N Patel           |
| Public Interest Director | Smt. Preeti Saran                       |
| Public Interest Director | Shri Sidhartha Pradhan                  |
| Public Interest Director | Prof. Umesh Bellur                      |
| Shareholder Director     | Shri Masil Jeya Mohan P.                |
| Shareholder Director     | Shri Nayan Chandrakant Mehta            |
| Managing Director & CEO  | Shri Nehal Vora                         |

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

### Change in the composition of the Governing Board of Directors during the FY 2019-2020:

The changes taken place in the constitution of the Board of Directors of CDSL during the FY 2019-20 are as follows:-

| Name of the Director                                    | Date of Appointment | Date of Cessation  | Reason for Cessation                               |
|---------------------------------------------------------|---------------------|--------------------|----------------------------------------------------|
| Smt. Usha Narayanan, Public Interest Director           | -                   | July 1, 2019       | Deceased                                           |
| Shri Aravamudan Krishnakumar, Public Interest Director  | -                   | July 29, 2019      | Expiry of term                                     |
| Shri Rajender Mohan Malla, Public Interest Director     | -                   | July 29, 2019      | Expiry of term                                     |
| Shri Bontha Prasada Rao, Public Interest Director       | -                   | October 20, 2019   | Expiry of term                                     |
| Shri Nehal Vora, Shareholder Director                   | -                   | September 23, 2019 | SEBI approved his candidature as MD & CEO of CDSL. |
| Shri Balkrishna V Chaudal, Public Interest Director#    | July 30, 2019       | -                  | -                                                  |
| Shri Nehal Vora, MD & CEO                               | September 24, 2019  | -                  | -                                                  |
| Prof (Dr.) Bimalkumar N Patel, Public Interest Director | September 27, 2019  | -                  | -                                                  |
| Smt. Preeti Saran, Public Interest Director             | November 29, 2019   | -                  | -                                                  |



| Name of the Director                             | Date of Appointment | Date of Cessation | Reason for Cessation |
|--------------------------------------------------|---------------------|-------------------|----------------------|
| Shri Sidhartha Pradhan, Public Interest Director | November 29, 2019   | -                 | -                    |
| Prof. Umesh Bellur, Public Interest Director     | November 30, 2019   | -                 | -                    |
| Shri Nayan Mehta, Shareholder Director*          | November 28, 2019   | -                 | -                    |
| Shri Masil Jeya Mohan P., Shareholder Director   | October 10, 2019    | -                 | -                    |

#Shri Balkrishna V. Chaubal was appointed as Public Interest Director of the Company w.e.f. July 30, 2019 vide SEBI letter dated July 5, 2019 and was appointed as Chairperson of the Company w.e.f. December 24, 2019 vide SEBI letter dated December 24, 2019.

\*Shri Nayan Mehta, Shareholder Director was originally appointed on November 29, 2016. Shri Nayan Mehta was liable to retire by rotation at the 21<sup>st</sup> AGM of the Company held on September 17, 2019. Accordingly, the members approved his appointment. Further, SEBI had also approved appointment of Shri Nayan Mehta effective December 31, 2019.

#### Number of other Board of Directors or Committees in which the Directors are member or chairperson as on March 31, 2020 are as under:

| Name of the Director          | No. of Directorships in other companies | No. of Board Committee memberships in other companies | No. of Chairpersonships in Board of other companies | No. of Chairpersonships in Committees of other companies |
|-------------------------------|-----------------------------------------|-------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------------|
| Shri Balkrishna V Chaubal     | 01                                      | Nil                                                   | Nil                                                 | Nil                                                      |
| Prof (Dr.) Bimalkumar N Patel | 01                                      | Nil                                                   | Nil                                                 | Nil                                                      |
| Smt. Preeti Saran             | Nil                                     | Nil                                                   | Nil                                                 | Nil                                                      |
| Shri Sidhartha Pradhan        | 01                                      | 02                                                    | Nil                                                 | Nil                                                      |
| Prof. Umesh Bellur            | Nil                                     | Nil                                                   | Nil                                                 | Nil                                                      |
| Shri Masil Jeya Mohan P.      | Nil                                     | Nil                                                   | Nil                                                 | Nil                                                      |
| Shri Nayan Mehta              | 09                                      | Nil                                                   | Nil                                                 | Nil                                                      |
| Shri Nehal Vora               | Nil                                     | Nil                                                   | Nil                                                 | Nil                                                      |

#### 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 Balkrishna V Chaubal     | Nil                            | -                                                                                                      |
| Prof (Dr.) Bimalkumar N Patel | Gujarat State Petronet Limited | Non-Executive - Independent Director                                                                   |
| Smt. Preeti Saran             | Nil                            | -                                                                                                      |
| Shri Sidhartha Pradhan        | Petronet LNG Limited           | Non-Executive - Independent Director<br>He is member in Audit and Nomination & Remuneration Committee. |
| Prof. Umesh Bellur            | Nil                            | -                                                                                                      |
| Shri Masil Jeya Mohan P.      | Nil                            | -                                                                                                      |
| Shri Nayan Mehta              | Nil                            | -                                                                                                      |
| Shri Nehal Vora               | Nil                            | -                                                                                                      |

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

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 ten times i.e. on April 4, 2019, April 5, 2019, May 3, 2019, June 7, 2019, June 20, 2019, July 25, 2019, August 27, 2019, September 23, 2019, October 18, 2019 and January 23, 2020. The gap between any two meetings did not exceed one hundred and twenty days.

The details about attendance of the Directors at the Board Meetings and at the 21<sup>st</sup> Annual General Meeting (AGM) held on September 17, 2019 are given below:

| Name of the Director          | No. of the Board Meetings           |          | Attendance at the last AGM held on September 17, 2019 |
|-------------------------------|-------------------------------------|----------|-------------------------------------------------------|
|                               | Held during the Tenure of Directors | Attended |                                                       |
| Shri Rajender Mohan Malla     | 6                                   | 6        | NA                                                    |
| Shri Aravamudan Krishnakumar  | 6                                   | 6        | NA                                                    |
| Shri Bontha Prasada Rao       | 9                                   | 9        | NO                                                    |
| Smt. Usha Narayanan           | 5                                   | 5        | NA                                                    |
| **Shri Nehal Vora             | 10                                  | 5        | NO                                                    |
| Shri Balkrishna V Chaulal     | 4                                   | 4        | YES                                                   |
| Prof (Dr.) Bimalkumar N Patel | 2                                   | 2        | NA                                                    |
| Smt. Preeti Saran             | 2                                   | 1        | NA                                                    |
| Shri Sidhartha Pradhan        | 2                                   | 1        | NA                                                    |
| Prof. Umesh Bellur            | 2                                   | 1        | NA                                                    |
| Shri Masil Jeya Mohan P.      | 2                                   | 1        | NA                                                    |
| Shri Nayan Mehta              | 10                                  | 7        | YES                                                   |

Note : NA=Not Applicable

\*\* Shri Nehal Vora attended 03 Board meetings as Shareholder Director up to September 23, 2019 and thereafter 02 Board meetings as Managing Director and CEO of CDSL.

**b) Disclosure of relationships between directors inter-se**

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

**c) Number of shares and convertible instruments held by Non- executive Directors as on March 31, 2020**

None of the Non-executive Directors hold shares and convertible instruments of the Company as on March 31, 2020. The Company has not issued any convertible instruments.

**d) 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](http://www.cdslindia.com).

**e) Skills/expertise/competence of the board of directors**

The Company currently has Public Interest Directors and Shareholder Directors on the Governing Board who possess the skills, expertise, qualifications and experience in general corporate management, public administration, taxation, information technology, finance, banking, securities markets, legal and other allied fields. The said skills/expertise/competencies are identified to be essential in the context of the Business of the Company for it to function effectively.

| Sr. No. | Names                         | Skills/ Expertise/ Competence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Shri Balkrishna V Chaubal     | <p>Shri Chaubal retired as Deputy Managing Director of State Bank of India, after serving for more than 38 years with the bank. As Deputy Managing Director, he was overall in-charge of global markets' operations involving bank's investments and forex. His role inter alia included formulation of policy as well as strategy, ensuring regulatory compliance like maintenance of CRR/SLR, managing liquidity through money market operations and contributing to investment decisions, Asset Liability Management and Market Risk Management.</p> <p>Shri Chaubal has also been a visiting professor at the National Institute of Bank Management, Pune, specializing in commercial banking, corporate governance and strategy.</p> <p>He holds a Bachelor's degree in Science from the Institute of Science Nagpur and Master's degree in Physics from the Indian Institute of Technology, (Powai) Mumbai. He is a Fellow of the Indian Institute of Banking &amp; Finance.</p> |
| 2       | Prof (Dr.) Bimalkumar N Patel | <p>Prof. (Dr.) Patel is currently Director-General (Raksha Shakti University), Member of the National Security Advisory Board (the Government of India) and Member of the 21st Law Commission of India (the Government of India). He is also a Member of Financial Sector Regulatory Appointments Search Committee (the Government of India).</p> <p>Prior to joining our Board, he was the Director / Professor of Public International Law at Gujarat National Law University.</p> <p>He holds a PhD (International Law, Leiden University, 2015); PhD (International Law, Jaipur); LLM (International Law, Leiden University, 1999), MA (International Relations, University of Amsterdam, 1996), the Netherlands.</p>                                                                                                                                                                                                                                                              |
| 3       | Smt. Preeti Saran             | <p>Smt. Preeti Saran joined the Indian Foreign Service in 1982. She has spent a career spanning 36 years as a professional diplomat, serving overseas as well as in India. She retired as Secretary (East), Ministry of External Affairs. She also served as India's Ambassador to Vietnam and the Indian Consul General in Toronto. Her professional expertise includes relations with India's neighbourhood, the Americas, East and Southeast Asia. She has experience in multilateral work and in the Indian Council for Cultural Relations. Her other overseas assignments were at the Indian Missions in Moscow, Dhaka, Cairo and Geneva. Currently, Smt. Saran is a Member of the Geneva-based United Nations' Committee on Economic, Social and Cultural Rights. She is a Member of the Governing Board of the Indian Council of World Affairs.</p> <p>Smt. Preeti Saran holds a B.A. (Honours) English and M.A. (English) degree from Delhi University.</p>                    |
| 4       | Shri Sidhartha Pradhan        | <p>Shri Sidhartha Pradhan joined Indian Revenue Service in 1977 batch. He has worked in various capacities, both in Central Government and the State Government of Orissa. He worked as Additional Commissioner and Commissioner, Income Tax (Central), Delhi. He also worked as Secretary, Public Enterprises, Government of Orissa from 1995-2000 and as Special Secretary (Commerce), Government of Orissa. He is Former Vice-Chairperson, Income Tax Settlement Commission and Former Additional Secretary, Department of Disinvestment in the Ministry of Finance. He is Currently Member of a High-Level Committee of Ministry of Petroleum &amp; Natural Gas relating to Petroleum Sector Restructuring.</p> <p>Shri Sidhartha Pradhan did his Senior Cambridge at Stewart School Cuttack; B.A. (Pol Science) from Ravenshaw College Cuttack; M.A. (Pol. Science) from JNU, New Delhi, M.Phil from JNU; LLB from Utkal University and MBA from University of HULL, England.</p> |

| Sr. No. | Names                    | Skills/ Expertise/ Competence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5       | Prof. Umesh Bellur       | <p>Prof. Bellur is Head at Department of Computer Science &amp; Engineering, IIT Bombay, Mumbai.</p> <p>He has completed his PhD, Department of Computer Science and Engineering from Syracuse University, Syracuse, NY USA and B.E., Electronics and Communication Engineering from Bangalore University.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 6       | Shri Masil Jeya Mohan P. | <p>Shri Masil Jeya Mohan P. joined LIC in the year 1986. He has a wide range of experience in different assignments in LIC as Asstt. Branch Manager, Manager(IT), Manager(NB&amp;Actuarial), Manager(HR), Regional Manager(HR), Regional Manager (Estates), Fund Manager of Pension &amp; Group Scheme Fund, Chief (ULIP Operations) and Executive Director (Investment-Operations).</p> <p>Shri Masil Jeya Mohan P. Is Science Graduate with MBA Degree.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 7       | Shri Nayan C Mehta       | <p>Shri Nayan Mehta is the Chief Financial Officer of BSE Ltd. He has extensive experience of over 28 years in financial and securities market, especially in Exchange and its ecosystem businesses. Prior to joining BSE, Mr. Nayan Mehta has worked with National Stock Exchange of India Ltd. (NSE), Multi Commodity Exchange of India Ltd. (MCX) and Credit Analysis &amp; Research Ltd. (CARE Ratings). He was instrumental in setting up accounting and investment processes and controls at NSE.</p> <p>Shri Nayan Mehta is a Chartered Accountant and a Cost &amp; Management Accountant by qualification.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 8       | Shri Nehal Vora          | <p>Shri Nehal Vora is the Managing Director &amp; Chief Executive Officer of CDSL since September 24, 2019.</p> <p>CSDL under his leadership as the MD &amp; CEO, has become the leading depository of India with over 2 crore beneficiary accounts and is the first and the only depository to launch its Branch at the International Financial Services Centre (IFSC) at the GIFT City, Gandhinagar. In addition, he continues to implement strong systems and processes for effective governance.</p> <p>Shri Vora has over 2 decades of experience. In his earlier role as the Chief Regulatory Officer of BSE Limited and the member of the Executive Leadership Team, he drove regulatory excellence through membership compliance, surveillance, inspection, investigation, regulatory communication, investor services, listing compliance and regulatory legal teams.</p> <p>He began his career with Securities and Exchange Board of India (SEBI) in 1996, where, he managed various functions including the Derivatives and New Products Department, covering policy, product and process innovation in areas of derivatives. He also implemented the T+2 rolling settlement and the system of Straight through Processing for the Institutional trades for the Indian Securities Markets.</p> <p>Shri Vora has also headed the Broking and Investment Banking Compliance at DSP Merrill Lynch Ltd, as the Director, Law and Compliance.</p> |

| Sr. No. | Names | Skills/ Expertise/ Competence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |       | <p>He has been felicitated with many Distinguished awards across his career such as NetApp Innovation Award 2019 for Social Media Parsing (using Artificial Intelligence), Compliance Champion award, IDC Digital Transformation Awards, Best New Product in Asia for Market Surveillance, OGC Living the Mission Award amongst many others and latest being recognised as the Distinguished Alumnus. He is a guest speaker at various international forums, conferences and is also a lecturer at the National Institute of Securities Markets (NISM).</p> <p>Shri Vora holds a Commerce degree from H R College, Mumbai and a Master of Management Studies degree in Finance from the Narsee Monjee Institute of Management Studies (NMIMS), University of Mumbai.</p> |

**f) 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.

**3) Committees of the Board**

There are 10 Committees of the Board as prescribed under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI (Depository and Participant) Regulations, 2018 viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Member Committee, Regulatory Oversight Committee, Risk Management Committee, Grievance Redressal Committee, Standing Committee on Technology and Advisory Committee.

**A. 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 listed entity;
- 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:
    - a. management discussion and analysis of financial condition and results of operations;
    - b. statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - c. management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. internal audit reports relating to internal control weaknesses; and
  - e. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - f. Statement of deviations:
    - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (ii) 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.

#### a. Composition of the Committee

The Audit Committee consists of 6 non-executive Directors, out of which two third (4 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 the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 along with Section 177 of the Companies Act, 2013.

The composition of Audit Committee as on March 31, 2020 is as follow:

1. Shri Sidhartha Pradhan, Chairperson, Public Interest Director
2. Shri Balkrishna V Chaubal, Public Interest Director
3. Prof. Umesh Bellur, Public Interest Director
4. Shri Masil Jeya Mohan P., Shareholder Director
5. Shri Nayan Chandrakant Mehta, Shareholder Director

In addition to above, Prof. (Dr.) Bimalkumar N Patel, Public Interest Director, was inducted in the Audit Committee on April 30, 2020 and the current composition of the Committee as on April 30, 2020 stands as:

1. Shri Sidhartha Pradhan, Chairperson, Public Interest Director
2. Shri Balkrishna V Chaubal, Public Interest Director
3. Prof. Umesh Bellur, Public Interest Director
4. Prof. (Dr.) Bimalkumar N Patel, Public Interest Director
5. Shri Masil Jeya Mohan P., Shareholder Director
6. Shri Nayan Chandrakant Mehta, Shareholder Director

#### b. Changes in the Audit Committee during the financial year:

| Name of the Director                                    | Date of Appointment on Committee | Date of Cessation from Committee | Reason for Cessation    |
|---------------------------------------------------------|----------------------------------|----------------------------------|-------------------------|
| Smt. Usha Narayanan, Public Interest Director           | -                                | July 1, 2019                     | Deceased                |
| Shri Aravamudan Krishnakumar, Public Interest Director  | -                                | July 29, 2019                    | Expiry of term          |
| Shri Rajender Mohan Malla, Public Interest Director     | -                                | July 29, 2019                    | Expiry of term          |
| Shri Bontha Prasada Rao, Public Interest Director       | -                                | October 20, 2019                 | Expiry of term          |
| Shri Nehal Vora, MD & CEO                               | September 28, 2019               | January 2, 2020                  | Committee reconstituted |
| Shri Balkrishna V Chaubal, Public Interest Director     | September 28, 2019               | -                                | -                       |
| Prof (Dr.) Bimalkumar N Patel, Public Interest Director | October 7, 2019                  | January 2, 2020                  | Committee reconstituted |
| Prof (Dr.) Bimalkumar N Patel, Public Interest Director | April 30, 2020                   | -                                | -                       |
| Shri Masil Jeya Mohan P., Shareholder Director          | January 2, 2020                  | -                                | -                       |
| Shri Sidhartha Pradhan, Public Interest Director        | January 2, 2020                  | -                                | -                       |
| Prof. Umesh Bellur, Public Interest Director            | January 1, 2020                  | -                                | -                       |

### c. Meetings and Attendance

The Committee met four times during the financial year 2019-20 i.e. on May 3, 2019, July 25, 2019, October 18, 2019 and January 23, 2020. 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 Rajender Mohan Malla     | 2                                      | 2                        |
| 2.      | Smt. Usha Narayanan           | 1                                      | 1                        |
| 3.      | Shri Aravamudan Krishna Kumar | 2                                      | 2                        |
| 4.      | Shri Bontha Prasada Rao       | 3                                      | 3                        |
| 5.      | Shri Nayan Mehta              | 4                                      | 2                        |
| 6.      | Shri Balkrishna V Chaulal     | 2                                      | 2                        |
| 7.      | Prof (Dr.) Bimalkumar N Patel | 1                                      | 1                        |
| 8.      | Shri Nehal Vora*              | 2                                      | 2                        |
| 9.      | Shri Sidhartha Pradhan        | 1                                      | 1                        |
| 10.     | Prof. Umesh Bellur            | 1                                      | 1                        |
| 11.     | Shri Masil Jeya Mohan P.      | 1                                      | 1                        |

\* Shri Nehal Vora attended one meeting as a member of the Committee and one meeting as an invitee.

National Stock Exchange of India Limited (NSE) no. NSE/LIST-SOP/CG/FINES/0468 dated July 02, 2020 informed the Company about levy of fine of ₹ 1,80,000/- plus applicable taxes for being delayed compliant/ non-compliant with Regulation 18(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR). The Company made submission to NSE that the Company had constituted the Audit Committee with 3 Independent Directors and 02 Non-Executive Directors and that the Regulation 18 of the LODR requires that atleast 2/3rd of the members of the Company be independent directors. It was also informed that basis telephonic advice from NSE on April 29, 2020, the Company had immediately reconstituted the Audit Committee on April 30, 2020.

In compliance with the SOPs laid down by SEBI in this regard, the Company paid the amount of fine on 17.07.2020 and requested NSE for personal hearing for the purpose of waiver of the penalty which is yet to take place. It should be noted that the Company believes and promotes the best practices of corporate governance, hence had immediately acted on the advice of NSE to reconstitute the Audit Committee. Also, the Company has paid the aforementioned amount of fine within the given time frame.

### B. 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, regulation 19 of the SEBI (LODR) Regulations, 2015 and regulation 28 of the SEBI (Depositories & Participants) Regulations, 2018.

#### a. Terms of reference for Nomination & Remuneration Committee

- Identifying a Key Management Personnel, other than personnel as specifically provided in its definition under SEBI (D&P) Regulations, 2018.
- Lay down the policy for compensation of Key Management Personnel in terms of the compensation norms prescribed by SEBI.
- Determining the compensation of KMPs in terms of the compensation policy
- Determining the tenure of a Key Management Personnel, other than a director, to be posted in a regulatory department.
- Selecting the Managing Director
- Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director (PID).
- Recommending whether to extend the term of appointment of the PID.
- 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.

#### b. Composition of the Nomination and Remuneration Committee

The composition of Nomination and Remuneration Committee as on March 31, 2020 is as follow:

1. Smt. Preeti Saran, Chairperson, Public Interest Director
2. Prof (Dr.) Bimalkumar N Patel, Public Interest Director
3. Shri Balkrishna V Chaubal, Public Interest Director

#### c. Changes in the Nomination and Remuneration Committee during the financial year:

| Name of the Director                                    | Date of Appointment on Committee | Date of Cessation from Committee | Reason for Cessation |
|---------------------------------------------------------|----------------------------------|----------------------------------|----------------------|
| Smt. Usha Narayanan, Public Interest Director           | -                                | July 1, 2019                     | Deceased             |
| Shri Aravamudan Krishnakumar, Public Interest Director  | -                                | July 29, 2019                    | Expiry of term       |
| Shri Rajender Mohan Malla, Public Interest Director     | -                                | July 29, 2019                    | Expiry of term       |
| Shri Bontha Prasada Rao, Public Interest Director       | -                                | October 20, 2019                 | Expiry of term       |
| Shri Balkrishna V Chaubal, Public Interest Director     | August 24, 2019                  | -                                | -                    |
| Prof (Dr.) Bimalkumar N Patel, Public Interest Director | October 7, 2019                  | -                                | -                    |
| Smt. Preeti Saran, Public Interest Director             | January 1, 2020                  | -                                | -                    |

#### d. Meeting and Attendance

The Committee met seven times during the financial year 2019-20 i.e. on May 3, 2019, May 27, 2019, June 7, 2019, July 25, 2019, August 27, 2019, October 18, 2019 and January 22, 2020

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 Krishna Kumar | 4                                      | 4                        |
| 2       | Shri. Rajender Mohan Malla    | 4                                      | 4                        |
| 3       | Shri. Bontha Prasada Rao      | 6                                      | 6                        |
| 4       | Smt. Usha Narayanan           | 3                                      | 3                        |
| 5       | Shri Balkrishna V Chaubal     | 3                                      | 3                        |
| 6       | Prof (Dr.) Bimalkumar N Patel | 2                                      | 2                        |
| 7       | Smt. Preeti Saran             | 1                                      | 1                        |

#### e. Performance evaluation criteria for Directors:

The Nomination and Remuneration Committee has devised a criteria for evaluation of the performance of the Directors including Independent Directors. The Policy on Evaluation of the Performance of the Board is available on the website of your Company [www.cdslindia.com](http://www.cdslindia.com) under Investor Relation → Corporate Governance → Governance Framework which describes the criteria and process for evaluation in detail.

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 (such as the Board composition and structure, effectiveness of board processes, information and functioning, etc) approved by the Board and based on guidelines given in Schedule IV to the Companies Act, 2013, SEBI circular dated January 5, 2017 which provides further clarity on the process of Board Evaluation ("SEBI Guidance Note") and SEBI circular dated February 5, 2019.

The evaluation of independent directors was 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 did not participate.

#### External Evaluation of Public Interest Directors:

As per SEBI (Depository & Participants) Regulations, 2018, Public Interest Directors shall be nominated by SEBI on the Board of a depository for an initial term of three years, extendable by another term of three years subject to performance review prescribed by SEBI. SEBI vide its circular dated February 5, 2019, has mandated the Public Interest Directors of Depository to be subject to an external evaluation during the last year of their term by a management or a human resource consulting firm.

Accordingly, the external evaluation of retiring Public Interest Directors Shri A. Krishna Kumar, Shri R.M. Malla and Shri B.P. Rao was carried out by the human resource consulting firm.

| 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 required to be taken. |
| 3. Proposed actions based on current year observations        | Since no observations were received, no actions were required to be taken. |

#### C. Stakeholders Relationship Committee:

The Company has complied with the requirements of Section 178(5) of the Act, and Regulation 20 of the SEBI (LODR) Regulations, 2015.

##### a. 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.

##### b. Composition of the Stakeholders Relationship Committee

The following Directors are members of the Committee as on March 31, 2020:

1. Prof. Umesh Bellur, Chairperson, Public Interest Director
2. Prof (Dr) Bimalkumar N Patel, Public Interest Director
3. Shri Nehal Vora, MD & CEO

The Governing Board on April 30, 2020, designated Prof (Dr.) Bimalkumar N Patel as Chairperson of the Committee and the current composition stands as:

1. Prof (Dr.) Bimalkumar N Patel, Public Interest Director – Chairperson
2. Prof. Umesh Bellur, Public Interest Director
3. Shri Nehal Vora, MD & CEO

**c. Changes in the Stakeholders Relationship Committee during the financial year:**

| Name of the Director                                    | Date of Appointment on Committee | Date of Cessation from the Committee | Reason for Cessation    |
|---------------------------------------------------------|----------------------------------|--------------------------------------|-------------------------|
| Shri Aravamudan Krishnakumar, Public Interest Director  | -                                | July 29, 2019                        | Expiry of term          |
| Shri Bontha Prasada Rao, Public Interest Director       | -                                | October 20, 2019                     | Expiry of term          |
| Shri Nayan Mehta, Shareholder Director                  | -                                | October 7, 2019                      | Committee reconstituted |
| Shri Nehal Vora, MD & CEO                               | October 7, 2019                  | -                                    | Committee reconstituted |
| Shri Balkrishna V Chaubal, Public Interest Director     | October 7, 2019                  | January 2, 2020                      | Committee reconstituted |
| Prof (Dr.) Bimalkumar N Patel, Public Interest Director | October 7, 2019                  | -                                    | Committee reconstituted |
| Prof. Umesh Bellur, Public Interest Director            | January 2, 2020                  | -                                    | Committee reconstituted |

**d. Meeting and Attendance**

The Committee met once during the financial year 2019-20 i.e. on July 25, 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 A. Krishnakumar         | 1                                      | 1                        |
| 2       | Shri B. Prasada Rao          | 1                                      | 1                        |
| 3       | Shri Nayan Mehta             | 1                                      | 1                        |
| 4       | Prof. Umesh Bellur           | 0                                      | 0                        |
| 5       | Prof (Dr.) Bimakumar N Patel | 0                                      | 0                        |
| 6       | Shri Nehal Vora              | 0                                      | 0                        |

**e. Disclosures with respect to Stakeholders Relationship Committee**

| Sr. No. | Particulars                                           | Details                      |
|---------|-------------------------------------------------------|------------------------------|
| 1       | Name of non-executive director heading the Committee  | Prof (Dr) Bimalkumar N Patel |
| 2       | Name and designation of Compliance Officer            | Smt. Amita Paunikar          |
| 3       | Number of shareholders' complaints received so far    | Nil                          |
| 4       | Number not solved to the satisfaction of shareholders | Nil                          |
| 5       | Number of pending complaints                          | Nil                          |

**D. 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.

**a. Terms of reference of Corporate Social Responsibility Committee**

To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on the CSR and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

**b. Composition of the Corporate Social Responsibility Committee**

The following Directors are members of the Committee as on March 31, 2020:

1. Smt. Preeti Saran, Chairperson, Public Interest Director
2. Shri Masil Jeya Mohan P., Shareholder Director
3. Shri Nehal Vora, MD & CEO



**c. Changes in the Corporate Social Responsibility Committee during the financial year:**

| Name of the Director                                   | Date of Appointment on Committee | Date of Cessation from the Committee | Reason for Cessation                           |
|--------------------------------------------------------|----------------------------------|--------------------------------------|------------------------------------------------|
| Smt. Usha Narayanan, Public Interest Director          | -                                | July 1, 2019                         | Deceased                                       |
| Shri Aravamudan Krishnakumar, Public Interest Director | -                                | July 29, 2019                        | Expiry of term                                 |
| Shri Rajender Mohan Malla, Public Interest Director    | -                                | July 29, 2019                        | Expiry of term                                 |
| Shri Bontha Prasada Rao, Public Interest Director      | -                                | October 20, 2019                     | Expiry of term                                 |
| Shri Nehal Vora, Shareholder Director                  | -                                | September 23, 2019                   | SEBI approved candidature as MD & CEO of CDSL. |
| Smt. Preeti Saran, Public Interest Director            | January 2, 2020                  | -                                    | Committee reconstituted                        |
| Shri Masil Jeya Mohan P., Shareholder Director         | January 2, 2020                  | -                                    | Committee reconstituted                        |
| Shri Nehal Vora, MD & CEO                              | January 2, 2020                  | -                                    | Committee reconstituted                        |

**d. Meeting and Attendance**

The Committee met three times in the financial year 2019-2020 on May 27, 2019, July 25, 2019 and January 23, 2020.

| Sr. No. | Name of the member                      | No. of meetings held during the tenure | No. of meetings attended |
|---------|-----------------------------------------|----------------------------------------|--------------------------|
| 1       | Smt. Usha Narayanan                     | 1                                      | 1                        |
| 2       | Shri Aravamudan Krishnakumar            | 2                                      | 2                        |
| 3       | Shri Rajender Mohan Malla               | 2                                      | 2                        |
| 4       | Shri Bontha Prasada Rao                 | 2                                      | 2                        |
| 5       | Shri Nehal Vora as Shareholder Director | 2                                      | 1                        |
| 6       | Shri Nehal Vora as MD & CEO             | 1                                      | 1                        |
| 7       | Smt. Preeti Saran                       | 1                                      | 1                        |
| 8       | Shri Masil Jeya Mohan P.                | 1                                      | 0                        |

**E. Meeting of Independent Directors (Public Interest Directors) :**

As prescribed under clause VII of Schedule IV of the Companies Act, 2013 as well clause (ii) of part B of schedule III of SEBI (Depositories and Participants) Regulations, 2018 and Regulation 25 of the SEBI (LODR) Regulations, 2015, the Public Interest Directors have met separately, on July 25, 2019 and January 22, 2020 to exchange their views on critical issues and on the actions points laid down by SEBI.

**a. Terms of reference of Meeting of Independent Directors:**

1. Reviewing the status of compliance with SEBI letters/ circulars.
2. Reviewing the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions, etc.
3. PIDs shall also prepare a report on the working of the committees of which they are member and circulate the same to other PIDs.
4. The consolidated report in this regard shall be submitted to the governing board of the Company.
5. PIDs shall identify the important issues which may involve conflict of interest for the Company or may have significant impact on the market and report the same to SEBI, from time to time.
6. To exchange views on critical issues.

**b. For the Public Interest Directors appointed and ceased to be directors on the Governing Board of CDSL you may refer to the table for changes taken place in the constitution of the Board of Directors of CDSL during the FY 2019-20.**

**c. Meeting and Attendance**

The Public Interest Directors met twice during the financial year 2019-20 i.e on July 25, 2019 and January 22, 2020. The record of attendance of the Public Interest Directors is given hereunder:

| Sr. No. | Name of the Member           | No. of meetings held during the tenure | No. of meetings attended |
|---------|------------------------------|----------------------------------------|--------------------------|
| 1       | Smt. Usha Narayanan          | -                                      | -                        |
| 2       | Shri Aravamudan Krishnakumar | 1                                      | 1                        |
| 3       | Shri Rajender Mohan Malla    | 1                                      | 1                        |
| 4       | Shri Bontha Prasada Rao      | 1                                      | 1                        |
| 5       | Shri Balkrishna V Chaubal    | 1                                      | 1                        |
| 6       | Prof (Dr) Bimalkumar N Patel | 1                                      | 1                        |
| 7       | Smt. Preeti Saran            | 1                                      | 1                        |
| 8       | Shri Sidhartha Pradhan       | 1                                      | 1                        |
| 9       | Prof. Umesh Bellur           | 1                                      | 0                        |

**F. Risk Management Committee**

The Risk Management Committee is constituted as per requirement of the Companies Act 2013, Regulation 21 of the SEBI (LODR) Regulations, 2015, Regulation 30 of SEBI (Depositories & Participants) Regulations, 2018 and SEBI circular dated January 30, 2019.

**a. Terms of Reference of Risk Management Committee**

1. To formulate a detailed risk management policy which shall be approved by the governing board.
2. To review the Risk Management Framework & risk mitigation measures from time to time.
3. To monitor and review enterprise-wide risk management plan and lay down procedures to inform Board members about the risk assessment and minimization procedures.
4. The head of the risk management department shall report to the risk management committee and to the Managing Director of the depository.
5. The risk management committee shall monitor implementation of the risk management policy and keep the Board and the governing board informed about its implementation and deviation, if any.
6. To assess and monitor the risks pertaining to cyber security.
7. To assess and mitigate the risk involved in Depository and Depository Participants
8. Responsibilities and other requirements provided in SEBI Circular dated January 12, 2015.
9. To monitor and review the risk management plan and such other functions as it may deem fit such function shall specifically cover cyber security.

**b. Composition of the Committee**

The composition of Risk Management Committee as on March 31, 2020 is as below:

1. Shri Sidhartha Pradhan, Chairperson, Public Interest Director
2. Prof. Umesh Bellur, Public Interest Director
3. Smt. Preeti Saran, Public Interest Director
4. Shri Nilesh Vikamsey, Independent External Person
5. Shri Viraj Londhe, Independent External Person

**c. Changes in the Risk Management Committee during the financial year:**

| Name of the Director                                    | Date of Appointment on Committee | Date of Cessation from the Committee | Reason for Cessation    |
|---------------------------------------------------------|----------------------------------|--------------------------------------|-------------------------|
| Smt. Usha Narayanan, Public Interest Director           | -                                | July 1, 2019                         | Deceased                |
| Shri Rajender Mohan Malla, Public Interest Director     | -                                | July 29, 2019                        | Expiry of term          |
| Shri Aravamudan Krishnakumar, Public Interest Director  | -                                | July 29, 2019                        | Expiry of term          |
| Shri Bontha Prasada Rao, Public Interest Director       | -                                | October 20, 2019                     | Expiry of term          |
| Shri V. R. Narasimhan                                   | April 1, 2019                    | January 2, 2020                      | Committee reconstituted |
| Shri Viraj Londhe                                       | April 1, 2019                    | -                                    |                         |
| Shri Nilesh Vikamsey                                    | April 1, 2019                    | -                                    |                         |
| Prof (Dr.) Bimalkumar N Patel, Public Interest Director | October 7, 2019                  | January 2, 2020                      | Committee reconstituted |
| Shri Balkrishna V Chaubal                               | October 7, 2019                  | January 2, 2020                      | Committee reconstituted |
| Shri Sidhartha Pradhan                                  | January 2, 2020                  |                                      | Committee reconstituted |
| Prof. Umesh Bellur                                      | January 2, 2020                  |                                      | Committee reconstituted |
| Smt. Preeti Saran                                       | January 2, 2020                  |                                      | Committee reconstituted |

**d. Meetings and Attendance**

The Committee met two times during the financial year 2019-20 i.e. on October 18, 2019 and January 22, 2020. 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.      | Smt. Usha Narayanan           | 0                                      | 0                        |
| 2.      | Shri Rajender Mohan Malla     | 0                                      | 0                        |
| 3.      | Shri Aravamudan Krishnakumar  | 0                                      | 0                        |
| 4.      | Shri Bontha Prasada Rao       | 1                                      | 1                        |
| 5.      | Shri V. R. Narasimhan         | 1                                      | 0                        |
| 6.      | Shri Viraj Londhe             | 2                                      | 2                        |
| 7.      | Shri Nilesh Vikamsey          | 2                                      | 1                        |
| 8.      | Prof (Dr.) Bimalkumar N Patel | 1                                      | 1                        |
| 9.      | Shri Balkrishna V Chaubal     | 1                                      | 1                        |
| 10.     | Shri Sidhartha Pradhan        | 1                                      | 1                        |
| 11.     | Prof. Umesh Bellur            | 1                                      | 0                        |
| 12.     | Smt. Preeti Saran             | 1                                      | 1                        |

**Details on Statutory Committees mandated under Regulation 30 of the SEBI (Depository and Participants) Regulations, 2018 is as follows:**

SEBI vide its circular SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, mandated constitution of the below mentioned committees:

| Sr. No. | Name of the Committee | Committee Members                                                                                                                                                                                                         |
|---------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Member Committee      | 1. Prof (Dr.) Bimalkumar N. Patel, Chairperson, Public Interest Director<br>2. Shri Balkrishna V Chaubal, Public Interest Director<br>3. Shri Sidhartha Pradhan, Public Interest Director<br>4. Shri Nehal Vora, MD & CEO |

| Sr. No. | Name of the Committee            | Committee Members                                                       |
|---------|----------------------------------|-------------------------------------------------------------------------|
|         |                                  | 5. Shri G. Anantharaman, Independent External Person                    |
|         |                                  | 6. Shri J. Ranganayakulu, Independent External Person                   |
| 2       | Standing Committee on Technology | 1. Prof. Umesh Bellur, Chairperson, Public Interest Director            |
|         |                                  | 2. Shri Balkrishna V Chaubal, Public Interest Director                  |
|         |                                  | 3. Smt. Preeti Saran, Public Interest Director                          |
|         |                                  | 4. Shri Nehal Vora, MD & CEO                                            |
|         |                                  | 5. Shri N. Rajendran, Independent External Person                       |
|         |                                  | 6. Shri Murli Nambiar, Independent External Person                      |
| 3       | Advisory Committee               | 1. Shri Balkrishna V Chaubal, Chairperson, Public Interest Director     |
|         |                                  | 2. Shri Naresh Yadav, Independent External Person                       |
|         |                                  | 3. Shri Rakesh Bhandari, Independent External Person                    |
|         |                                  | 4. Shri Nithin Kamath, Independent External Person                      |
|         |                                  | 5. Shri Dhiraj Relli, Independent External Person                       |
|         |                                  | 6. Shri Sriram Krishnan, Independent External Person                    |
|         |                                  | 7. Shri Ajay Menon, Independent External Person                         |
|         |                                  | 8. Shri Nilesh Gokral, Independent External Person                      |
|         |                                  | 9. Shri Neeraj Choksi, Independent External Person                      |
|         |                                  | 10. Shri Ajay Garg, Independent External Person                         |
|         |                                  | 11. Shri Pravin Jadhav, Independent External Person                     |
|         |                                  | 12. Shri Anand Dutt, Independent External Person                        |
|         |                                  | 13. Shri Anuj Rathi, Independent External Person                        |
|         |                                  | 14. Shri Aditya Sharma, Independent External Person                     |
| 4       | Regulatory Oversight Committee   | 1. Prof (Dr.) Bimalkumar N Patel, Chairperson, Public Interest Director |
|         |                                  | 2. Shri Sidhartha Pradhan, Public Interest Director                     |
|         |                                  | 3. Prof. Umesh Bellur, Public Interest Director                         |
|         |                                  | 4. Shri V. R. Narasimhan, Independent External Person                   |
| 5       | Grievance Redressal Committee    | 1. Shri. Sunil Kapadia                                                  |
|         |                                  | 2. Shri. Vithal Dahake                                                  |
|         |                                  | 3. Shri. Nusrat S Hassan                                                |
|         |                                  | 4. Shri Vijay Kumar Gupta                                               |
|         |                                  | 5. Shri Uday Tardalkar                                                  |
|         |                                  | 6. Shri Dhruvkumar Patil                                                |
|         |                                  | 7. Shri Pravin Mulay                                                    |

#### 4) 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 2019-20 are as under:

| Sr. No. | Name of the Director                                              | Director Identification Number | Salary (₹) | Commission (₹) | Sitting fee (₹) | Other compensation (₹) | Total (₹) |
|---------|-------------------------------------------------------------------|--------------------------------|------------|----------------|-----------------|------------------------|-----------|
| 1       | Shri Aravamudan Krishnakumar                                      | 871792                         | 0          | 0              | 18,00,000       | 0                      | 18,00,000 |
| 2       | Shri Rajender Mohan Malla                                         | 136657                         | 0          | 0              | 17,25,000       | 0                      | 17,25,000 |
| 3       | Shri Bontha Prasada Rao                                           | 1705080                        | 0          | 0              | 24,75,000       | 0                      | 24,75,000 |
| 4       | Smt. Usha Narayanan                                               | 07738036                       | 0          | 0              | 8,75,000        | 0                      | 8,75,000  |
| 5       | Shri Balkrishna V Chaubal                                         | 06497832                       | 0          | 0              | 11,50,000       | 0                      | 11,50,000 |
| 6       | Prof (Dr.) Bimalkumar N Patel                                     | 03006605                       | 0          | 0              | 8,00,000        | 0                      | 8,00,000  |
| 7       | Smt. Preeti Saran                                                 | 08606546                       | 0          | 0              | 4,75,000        | 0                      | 4,75,000  |
| 8       | Shri Sidhartha Pradhan                                            | 06938830                       | 0          | 0              | 4,75,000        | 0                      | 4,75,000  |
| 9       | Prof. Umesh Bellur                                                | 08626165                       | 0          | 0              | 3,25,000        | 0                      | 3,25,000  |
| 10      | Shri Masil Jeya Mohan P.                                          | 08502007                       | 0          | 0              | 1,75,000        | 0                      | 1,75,000  |
| 11      | Shri Nayan Mehta                                                  | 03320139                       | 0          | 0              | 9,25,000        | 0                      | 9,25,000  |
| 12      | Shri Nehal Vora (as Shareholder Director upto September 23, 2019) | 02769054                       | 0          | 0              | 3,75,000        | 0                      | 3,75,000  |

**Note:**

- Sitting Fees to the Shareholder Director are paid to the Nominating Institutions.
- The Company has not granted any Stock Options to any of its Directors.
- All the above Non-Executive Directors did not have any other pecuniary relationship or transactions with the Company during FY 2019-20.

**(b) Executive Director:**

The remuneration paid to Shri Nehal Vora, MD & CEO 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 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 Nehal Vora, MD & CEO    |                    |
|---------------------------------------------------|--------------------|
| Salary (₹)                                        | 1,07,53,071        |
| Commission (₹)                                    | Nil                |
| Perquisites (₹)                                   | 19,800             |
| Sitting fee (₹)                                   | Nil                |
| Provident Fund                                    | 6,75,313           |
| Performance Linked Bonus (Other compensation (₹)) | Nil                |
| Severance Pay                                     | Nil                |
| <b>Total (₹)</b>                                  | <b>1,14,48,184</b> |

## 5) General Body Meetings:

### a) Details of Last three AGMs held:

| Meeting number                                | 19 <sup>th</sup> Annual General Meeting                                            | 20 <sup>th</sup> Annual General Meeting                                                                                                            | 21 <sup>st</sup> Annual General Meeting                                                                                                   |
|-----------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Day & Date                                    | Monday, May 29, 2017                                                               | Monday, August 20, 2018                                                                                                                            | Tuesday, September 17, 2019                                                                                                               |
| Time                                          | 2.30 p.m.                                                                          | 4.00 p.m                                                                                                                                           | 3.30 p.m                                                                                                                                  |
| Venue                                         | CDSL Board Room, 16 <sup>th</sup> 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. | Walchand Hirachand Hall, IMC Chamber of Commerce and Industry, 4 <sup>th</sup> Floor, IMC Building, IMC Marg, Churchgate, Mumbai - 400020 |
| Book Closure                                  | - Nil -                                                                            | - Nil -                                                                                                                                            | - Nil -                                                                                                                                   |
| Payment of Dividend                           | ₹ 3.00 per share i.e 30%                                                           | ₹ 3.50 per share i.e 35%                                                                                                                           | ₹ 4.00 per share i.e 40%                                                                                                                  |
| Dividend payment date                         | May 29, 2017                                                                       | August 20, 2018                                                                                                                                    | September 19, 2019                                                                                                                        |
| No. of Special resolutions set out at the AGM | -                                                                                  | 1                                                                                                                                                  | -                                                                                                                                         |
| Details of special resolution                 | -                                                                                  | Approval for Investment in excess of limits stated in section 186 of the Companies Act, 2013                                                       | -                                                                                                                                         |

The special resolution(s) set out in the notice(s) of the Annual General Meeting(s) was passed by the shareholders at the respective Annual General Meeting with requisite majority.

### b) Special resolution passed last year through postal ballot – details of voting pattern

No special resolution was passed in the last year through postal ballot.

### c) Person who conducted the postal ballot exercise

Shri Lalit Sharma, Vice President and Company Secretary, Compliance Officer conducted overall postal ballot exercise. The Company also had appointed Mrs. Dipti Mehta (CP No. 3202/ FCS No. 3667) failing her Mr. Atul Mehta (CP No. 2486/ FCS No. 5782), Practicing Company Secretaries, to act as the Scrutinizers for conducting the Postal Ballot / E-voting process in accordance with the law and in a fair and transparent manner.

### d) whether any special resolution is proposed to be conducted through postal ballot

No

### e) Procedure for postal ballot

During the year under review, the Company had passed the following resolutions as Ordinary Resolutions through postal ballot in accordance with the procedure prescribed in Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 108 and 110 of the Act and Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") for:

Item No. 1 - Recommend a panel of three names for appointment of MD & CEO to SEBI for seeking its prior approval

Item No. 2 - Recommend the name of Shri Masil Jeya Mohan P., Shareholder Director to SEBI for seeking its prior approval

## 6) 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.



## 7) Disclosures under Regulation 31(3) of SEBI (Depositories & Participants) Regulations, 2018

The Company being a recognized listed depository is governed by SEBI and ensures compliance with various regulations and guidelines applicable to the Company including the SEBI (D&P) Regulations, 2018. Your Company aims at implementing the best governance practices and disclosure norms as a Listed Market Infrastructure Intermediary. The Regulatory departments constituted to strengthen the regulatory functions and ensuring compliance with the regulatory requirements, are headed by senior officials of the Company, who report to the MD & CEO.

The Company has incurred direct and indirect expenses for the financial year 2019-20, towards the resources committed for strengthening regulatory functions and ensuring compliance with the regulatory requirements amounted to ₹ 2931.75 Lakhs as per activity-based accounting method.

## 8) 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.     | Nayana Ovalekar    | Executive Vice President | 1,42,76,922           | 13.65                                                                                |
| 2.     | Ramkumar K.        | Executive Vice President | 1,20,39,308           | 11.51                                                                                |
| 3.     | Amit Mahajan       | Executive Vice President | 41,15,712             | 3.93                                                                                 |
| 4.     | Girish Amesara     | Senior Vice President    | 23,59,738             | 2.26                                                                                 |
| 5.     | Yogesh Kundnani    | Vice President           | 61,55,695             | 5.88                                                                                 |
| 6.     | Farokh Patel       | Vice President           | 47,80,711             | 4.57                                                                                 |
| 7.     | Ashish Bhatt       | Vice President           | 44,95,938             | 4.30                                                                                 |
| 8.     | Vishwas Nagle      | Vice President           | 44,73,552             | 4.28                                                                                 |
| 9.     | Prithwijit Dinda   | Vice President           | 44,57,359             | 4.26                                                                                 |
| 10.    | Nitin Ambure       | Vice President           | 38,55,348             | 3.69                                                                                 |
| 11.    | Amita Paunikar     | Vice President           | 15,61,037             | 1.49                                                                                 |
| 12.    | Swaroopkumar Gothi | Vice President           | 1,69,500              | 0.16                                                                                 |
| 13.    | Sunanda Markande   | Vice President           | 38,69,310             | 3.70                                                                                 |
| 14.    | Rajesh Nadkarni    | Vice President           | 21,34,554             | 2.04                                                                                 |

## 9) Means of Communications:

**Your Company focuses on prompt, continuous and efficient communication to all its stakeholders.**

### Financial Results and newspaper publications

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](http://www.cdslindia.com).

During the FY 2019-20, financial results were published in the following newspapers as detailed below:

| Quarter ended      | Date of Board Meeting | Date of Publication                                                                                                | Name of the Newspaper          |
|--------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------|
| June 30, 2019      | July 25, 2019         | July 26, 2019                                                                                                      | Financial Express and Loksatta |
| September 30, 2019 | October 18, 2019      | October 19, 2019                                                                                                   | Financial Express and Loksatta |
| December 31, 2019  | January 23, 2020      | January 24, 2020                                                                                                   | Financial Express and Loksatta |
| March 31, 2020     | May 16, 2020          | In view of COVID-19 pandemic, SEBI had provided relaxation from publishing the financial results in the newspaper. |                                |

**Presentation to Analysts:**

The Company arranged Concalls with analysts on quarterly basis i.e. 4 occasions during FY 19-20 on May 8, 2019, July 29, 2019, October 22, 2019 and January 27, 2020. The transcripts of the said concalls are also submitted to the stock exchange and displayed on Company's website. The presentations made to institutional investors or to the analysts is also 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.

**Annual Reports**

The Company had sent Annual Report for the financial year 2018-19 through emails to the shareholders who have opted for communication in electronic mode. Physical copy of the Annual Report was sent to all shareholders who had not registered their email ids for the purpose of receiving documents/communication from the Company in electronic mode.

**Press Releases**

CDSL disseminates the Press Releases on its website at [www.cdslindia.com](http://www.cdslindia.com)

**10) General Shareholder Information:****a) Twenty-Second Annual General Meeting:**

|                       |                                      |
|-----------------------|--------------------------------------|
| Day & Date            | Tuesday, September 15, 2020          |
| Time                  | 3:30 PM (IST)                        |
| Deemed Venue          | Registered office                    |
| Cut-off date          | September 8, 2020                    |
| Dividend payment date | 30 Days from the date of declaration |

**b) Financial Year:**

The Company's Financial Year commences from April 1 and ends on March 31 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**

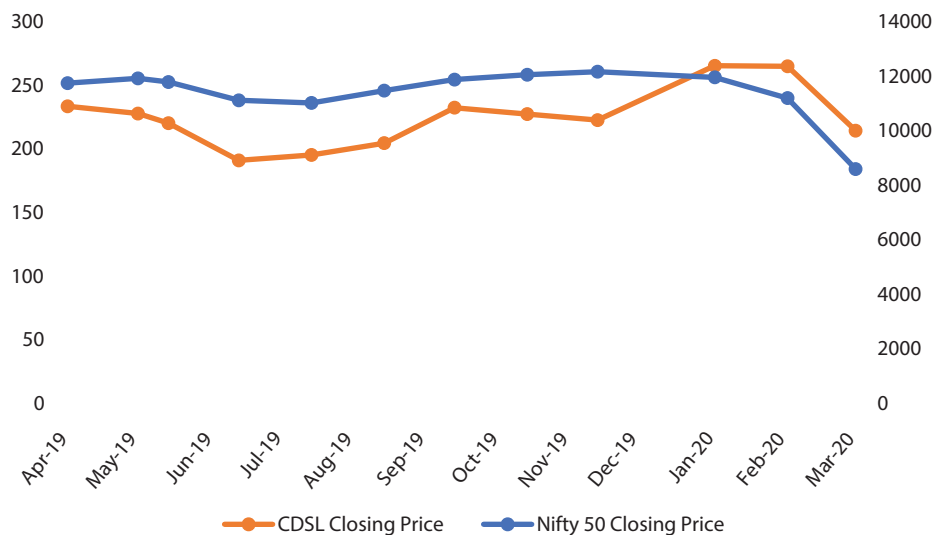
The monthly high and low market price of the shares and the quantities traded during the year 2019-20 on NSE are as follows:

| Month          | Months High Price<br>(in Rs Per Share) | Months Low Price<br>(in Rs Per Share) | No. of Shares Traded |
|----------------|----------------------------------------|---------------------------------------|----------------------|
| April-2019     | 247.95                                 | 229.90                                | 2605538              |
| May-2019       | 236.25                                 | 215.00                                | 3711647              |
| June-2019      | 232.70                                 | 217.00                                | 2878107              |
| July -2019     | 221.20                                 | 190.15                                | 4086610              |
| August-2019    | 201.25                                 | 180.80                                | 2655480              |
| September-2019 | 219.00                                 | 189.00                                | 4040794              |
| October-2019   | 240.00                                 | 200.10                                | 6293584              |
| November-2019  | 242.60                                 | 216.00                                | 11490430             |
| December-2019  | 230.50                                 | 216.05                                | 9348029              |

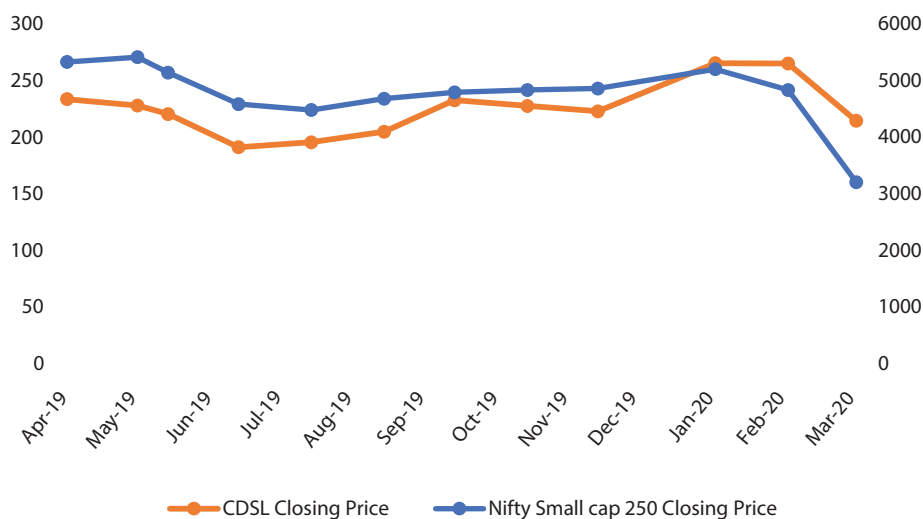
| Month         | Months High Price<br>(in Rs Per Share) | Months Low Price<br>(in Rs Per Share) | No. of Shares Traded |
|---------------|----------------------------------------|---------------------------------------|----------------------|
| January-2020  | 285.50                                 | 221.00                                | 34737864             |
| February-2020 | 301.80                                 | 252.05                                | 23141371             |
| March-2020    | 274.00                                 | 179.80                                | 13429054             |

**f) Performance in comparison to broad based indices**

Performance of share price in comparison to Nifty



Performance of share price in comparison to Nifty smallcap 250



**g) Registrar and Share Transfer Agent**

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

**Link Intime India Pvt. Ltd**

247 Park, C-101, L.B.S. Marg,

Vikhroli (West),

Mumbai 400083.

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

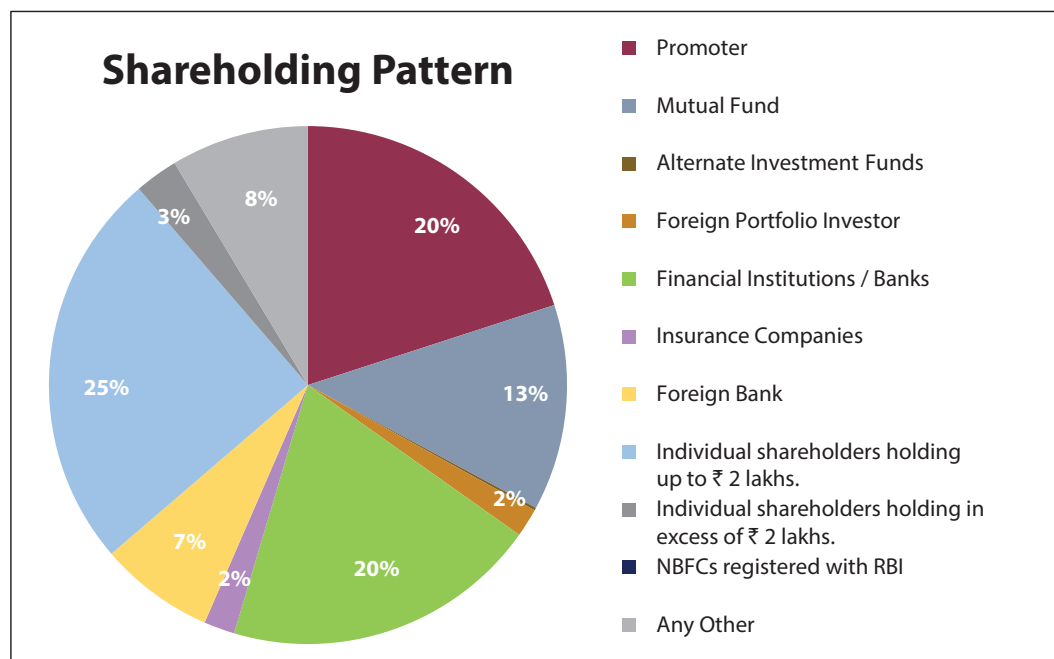
**h) Share Transfer System:**

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 looks 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 March 31, 2020:**

| S/ N | Shareholding of Shares | Number of Shareholders | % of Total Shareholders | Shares           | % of Total Share Capital |
|------|------------------------|------------------------|-------------------------|------------------|--------------------------|
| 1    | Upto 500               | 136844                 | 92.73                   | 12898485         | 12.34                    |
| 2    | 501 to 1000            | 5796                   | 3.93                    | 4434069          | 4.24                     |
| 3    | 1001 to 2000           | 2674                   | 1.81                    | 3896796          | 3.73                     |
| 4    | 2001 to 3000           | 849                    | 0.56                    | 2160631          | 2.07                     |
| 5    | 3001 to 4000           | 378                    | 0.25                    | 1346438          | 1.29                     |
| 6    | 4001 to 5000           | 257                    | 0.17                    | 1207140          | 1.15                     |
| 7    | 5001 to 10000          | 425                    | 0.288                   | 3077979          | 2.95                     |
| 8    | Above 10000            | 346                    | 0.23                    | 75478462         | 72.23                    |
|      | <b>TOTAL</b>           | <b>147569</b>          | <b>100</b>              | <b>104500000</b> | <b>100</b>               |



**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 NSE.

Bifurcation of the category of shares in physical and electronic mode as on March 31, 2020 is given below:

| Category     | No. of shares    | Percentage (%) |
|--------------|------------------|----------------|
| CDSL         | 44990659         | 43.05          |
| NSDL         | 59509031         | 56.95          |
| Physical     | 310              | 0.00           |
| <b>Total</b> | <b>104500000</b> | <b>100%</b>    |

**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 the 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

**11) Other Disclosures**

**a) Disclosures on materially significant related party transactions:**

All related party transactions entered during the financial year 2019-20 were in ordinary course of business and at an arm's length basis. Disclosure of related party transactions has been made in form AOC-2 enclosed as **Annexure E** to the Board's 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](http://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, 2015 for directors and employees to report genuine concerns or grievances. No personnel have been denied access to the audit committee.

The Whistle Blower Policy can be accessed on the website of the Company [www.cdslindia.com](http://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

**(i) 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.

**(ii) Reporting of internal auditor:**

reports directly to the audit committee.

**(iii) 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.

**e) Web link where policy for determining 'material' subsidiaries is disclosed:**

The Company has adopted Policy for Determining Material Subsidiaries which has been displayed on the website of the Company [www.cdslindia.com](http://www.cdslindia.com).

**f) 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 [www.cdslindia.com](http://www.cdslindia.com).

**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 2019-20.

**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 2019-20 amounts to ₹ 19,75,000/-

**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 |

**12) 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 [www.cdslindia.com](http://www.cdslindia.com). The policies are reviewed by the Board as and when required.

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.                                                                                                                                          |
| Dividend Policy                                     | The Company has adopted the Dividend 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. |
| Code of Conduct for Prohibition of Insider Trading. | The Code provides the framework in dealing with securities of the Company.                                                                                                                                                                                                                                                                          |
| 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.                                                                                                                                                                                |
| 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.                                                                                                                                                                       |



| Name of the Policy                     | Brief description                                                                                                                                                                                                                            |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nomination and Remuneration Policy     | The Policy formulates the criteria for appointment, reappointment, removal and remuneration of directors and Key Managerial Personnel.                                                                                                       |
| 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.                                                                                                                                                           |
| 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.      |
| 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 mitigation and strategies to ensure timely evaluation, reporting and monitoring of key business risks. |
| Chinese Wall Policy                    | Chinese Wall Policy is formulated for separating the employees in regulatory areas physically from employees in other departments including with respect to access controls.                                                                 |

### 13) 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.

### 14) 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](http://www.cdslindia.com). All Board members and Key Management Personnel have affirmed compliance with the Code. The declaration to this effect signed by Shri Nehal Vora, MD & CEO is attached to this report.

### 15) Compliance certificate from practicing company secretaries regarding compliance of conditions of Corporate Governance

M/s Ragini Chokshi & Co., Practicing Company Secretary, has furnished a certificate that your Company has complied with the conditions of Corporate Governance. The said certificate is enclosed to this report.

### 16) CEO / CFO Certificate

As required under Schedule V, Regulation 34(3) of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, the CEO/ CFO Certificate for the FY 2019-20 signed by Shri Nehal Vora, MD & CEO and Shri Girish Amesara, CFO forms part of the Annual Report.

### 17) Disclosures with respect to demat suspense account/ unclaimed suspense account

In terms of Regulation 39 of the SEBI (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**

**Balkrishna V Chaulal**  
Chairperson  
(DIN: 06497832)

Place : Mumbai  
Date : July 25, 2020

## DECLARATION AS REQUIRED WITH RESPECT TO THE CODE OF CONDUCT

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2020.

**Nehal Vora**  
MD & CEO

Place : Mumbai  
Date : July 25, 2020

## 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, 2020 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: May 12, 2020

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

## CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED having CIN L67120MH1997PLC112443 having registered office at Unit No. A-2501, Marathon Futurex, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E), Mumbai – 400013 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr.No | Name of Director                      | DIN      | Date of Appointment in Company |
|-------|---------------------------------------|----------|--------------------------------|
| 1.    | Shri Nehal Naleen Vora                | 02769054 | 24/09/2019*                    |
| 2.    | Prof (Dr.) Bimalkumar Natvarlal Patel | 03006605 | 27/09/2019                     |
| 3.    | Shri Nayan Chandrakant Mehta          | 03320139 | 28/11/2016                     |
| 4.    | Shri Balkrishna Vinayak Chaubal       | 06497832 | 30/07/2019                     |
| 5.    | Shri Sidhartha Pradhan                | 06938830 | 29/11/2019                     |
| 6.    | Shri Masil Jeya Mohan                 | 08502007 | 10/10/2019                     |
| 7.    | Smt Preeti Saran                      | 08606546 | 29/11/2019                     |
| 8.    | Shri Umesh Bellur                     | 08626165 | 30/11/2019                     |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

\* As per MCA records Shri Nehal Naleen Vora is Managing Director w.e.f 25/07/2015. Shri Vora was appointed as a Shareholder Director of the Company w.e.f 25/07/2015 and ceased from the position w.e.f 23/09/2019. On 24/09/2019 Shri Vora was appointed as Managing Director & CEO of the Company. However, in the MCA records, the date of his appointment as MD & CEO is shown as 25/07/2015. The Company has requested the MCA to correct there record and request is pending with MCA office

For Ragini Chokshi & Co.

Ragini Chokshi

CP No: 1436

Mem. No: 2390

Partner

Place: Mumbai

Date: May 12, 2020

## CEO AND CFO CERTIFICATE

To,

The Board of Directors

Central Depository Services (India) Ltd.

We, Nehal Vora, Managing Director & Chief Executive Officer and Girish Amesara, Chief Financial Officer certify that:

- (a) We have reviewed financial statements for the year ended March 31, 2020 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.

**Nehal Vora**

MD & CEO

**Girish Amesara**

Chief Financial Officer

Place: Mumbai

Date: May 16, 2020

## Annexure-G

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDIAN ECONOMY

During FY 2019-20, India has witnessed close to 5% 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 77 in 2019 to 63 in 2020. As a result of the continued efforts by the Government, India has improved its ranking.

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 2019-20, the S&P BSE Sensex opened at 38,858 and hit a high of 42,273 on January 20, 2020 and thereafter closed at 29,468 on March 31, 2020. During same period Nifty opened at 11,665 and hit a high of 12,430

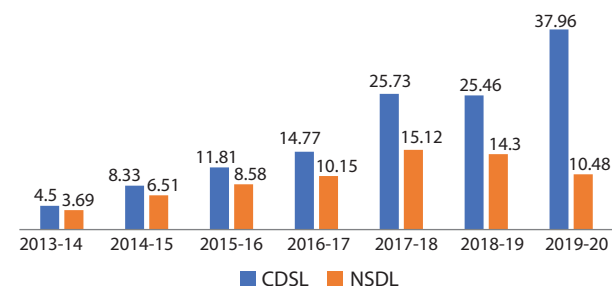
on January 20, 2020 and thereafter closed at 8,597 on March 31, 2020. As per Prime Database, 39 public issues have raised ₹ 37,677 crores in FY 2019-20 as compared to 42 public issues mobilizing ₹ 36,405 crores in FY 2018-19.

### 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 dematerialized securities for all investors.

In terms of cumulative market share of active demat accounts, CDSL has experienced a growth in market share from 40% in FY 2013-14 to 51% in FY 2019-20.

**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, elimination of 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.

### 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 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 that 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 29,468 in FY 2019-20. India's stock market is slipped from 7th to 8th position in the world with market-cap of \$2.13 trillion. Continuous improvement in the rankings of Ease of Doing Business by the World Bank in which India has improved significantly once again from the rank of 77th in 2019 to highly appreciable rank of 63rd in 2020. This is the true reflection of the diligent efforts of the Government to improve India's position in the global rankings. The country has successfully improved its position from 142nd in 2014 to the rank of 63 in 2020. Whereas, CPI inflation has come down from 9.4% in FY 2013-14 to 4.1% in FY 2019-20. According to the IMF's World Economic Outlook (WEO) update revised India's 2020 growth forecast to 5.8%.

**Initial Public Offerings:** According to Prime Database, total equity capital raised during FY 2019-20 was ₹ 37,677 crores as against ₹ 36,405 crores raised during FY 2018-19. After a slowdown in the FY 2019-20, analysts expect a further slowdown in the FY 2020-21, due to global issues prevailing in the market. In the Union Budget 2020-21, the Finance Minister Smt. Nirmala Sitharaman told that Government is looking to list LIC (Life Insurance Corporation) in the FY 2020-21.

**Increase in trading volumes and retail participation:** CDSL has experienced a substantial growth in the number of companies / Issuers admitted in demat from 541 in FY 1999-00 to 14,018 in FY 2019-20, a growth of 18% CAGR. The active participation of retail investors was demonstrated with the increase in the turnover of shares traded on BSE rising from 5.21 lakh crores in FY 2013-14, to 6.61 lakh crore in FY 2019-20 at CAGR of 4.05%, while trading on NSE increased from 28.08 lakh crore in FY 2013-14, to 89.99 lakh crore in FY 2019-20 at CAGR of 21.42%.

**Digital Account Opening & Online Initiatives:** Many Depository participant who conduct their business through the online mode of operations have started opening digital account in online mode which has helped CDSL to improve its account opening count and became the number ONE depository in India and to cross the milestone of 2 crore (20 Million) demat accounts. Bank Details of the investors can be verified online using Rupee Drop facility of any scheduled bank which many of the depository participants are using.

## BUSINESS OVERVIEW

CDSL 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 BSE Limited. (BSE), National Stock Exchange of India Limited (NSE) and Metropolitan Stock Exchange of India Limited (MSE) and the leading clearing corporations like Indian Clearing Corporation Limited (ICCL), National Clearing Corporation Limited (NCCL) and Metropolitan Clearing Corporation of India Limited (MCCIL) have established connectivity with CDSL. Your 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 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.

## Clientele

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

- **Depository Participants (DPs):** An investor opens an account through the agent of depository known as Depository Participant (DP). After opening the account, the investor can convert the physical shares issued by Issuer companies into electronic form through the DP. An investor can transfer such electronically held securities from his account to any other account by submitting the delivery instruction slip (DIS) 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 applicant's demat account.
- **Capital Market Intermediaries:** CDSL provides facility of holding and managing settlements of trades undertaken in the stock exchanges by the various capital market intermediaries for their clients.
- **Insurance Companies:** Through its subsidiary, CDSL Insurance Repository Limited, the Company offers facilities for holding of insurance policies in electronic form.
- **Warehouse Service Providers / Warehouses:** Through its subsidiary, CDSL Commodity Repository Limited, the company offers facilities for holding and transacting of electronic negotiable warehouse receipts (eNWRs).
- CDSL offers other online services such as
  - ❖ Easi (Electronic Access to Security Information)
  - ❖ Easiest (Electronic Access to Securities Information and Execution of Secured Transaction)



- ❖ e-Voting
- ❖ e-Locker
- ❖ 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 Trading Member / Clearing Member only needs to submit his Power of Attorney ("PoA") and is no longer required to contact the DP and authorise each and every trade.

##### **Continue to introduce new offerings and scale up recently started businesses**

You company endeavors to provide the investors with a comprehensive range of services at competitive prices and to maintain optimal service standards. In order to maintain and enhance the competitive position, your company will continue to offer the services at aggressive prices achieved through our low operational costs driven by operational efficiency, high economies of scale and innovative service implementation. Your company plans to further improve its operating efficiency through:

- Offering single demat account to our investors which will hold all financial assets across regulators (SEBI, RBI, IRDAI, PFRDA, etc). subject to all regulatory approvals based on the announcements made by the Finance Minister in Union Budget;
- 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 to cater better to our investors' needs, enhance their user experience and maximize 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 will focus towards the improvement in our cyber-security framework and information security management systems. We were identified as a part of National Critical Information Infrastructure by National Critical Information Infrastructure Protection Centre.

Our Standing Committee on Technology (formerly IT Strategy committee) consists of external IT experts and professionals who advise 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 mandate 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.

##### **Investor Awareness Drive in Tier 2, Tier 3 and Tier 4 Cities to increase number of potential new investors.**

This year, SEBI has given us ambitious target of doing 272 Regional Seminars, mostly in Tier 2, Tier 3 and Tier 4 cities, across the country.

These are organized with BSE-IPF, MSE-IPF & SEBI. The purpose was to focus on financial inclusion & to reach the retail investors, who never had any opportunity to invest in Capital Market. We have conducted over 240 Regional Seminars in FY 2019-20 so far, allowing investors across geographies, professions and age groups to come together and learn about the advantages of opening Demat, Trading account, SEBI's role for retail investors & do's & don't of investing in Capital Market.

We have actively participated in World Investor Week (WIW) i.e. September 30, 2019 to October 6, 2019 under the aegis of SEBI & International Organization of Securities Commission (IOSCO) & organized 36 IAPs during the week, across India. We

have done 12 programs across the country for promotion of the concept of e-voting, with NISM (educational subsidiary of SEBI). Further, we have conducted more than 465 Investor Awareness Programs in association with our DPs, Corporates, educational institutions such as ICSI and also for various colleges.

We have initiated steps for social media promotions such as information about IAPs on Facebook, Linked In & also organizing

webinars giving wealth of information about capital market to reach masses, to introduce and explain the benefits of investing in securities. We are in process of preparing small educational films and videos giving information about depository services and capital market for the benefit of retail investors besides traditional ways of doing IAPs. With the help of all market intermediaries, SEBI has prepared Securities Market Booklet. These are distributed at present across the country.

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

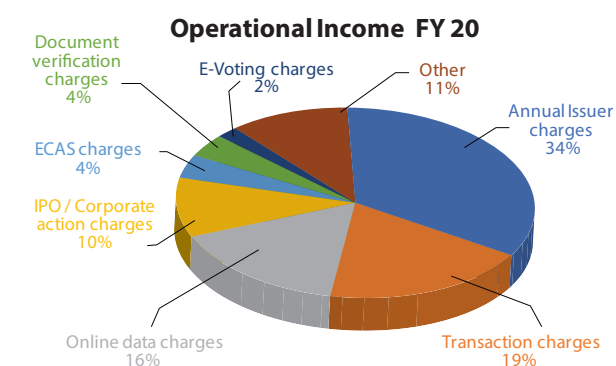
|                                                                      |                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 a greater 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, tier-3 and tier 4 cities in India to introduce and explain the benefits of investing in securities. We plan to conduct approximately 450 programs in financial year 2020-21.                                                                            |

## 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.

Annual Issuer charges for FY 2019-20 are at ₹ 7,748.47 lakhs as compared to ₹ 6,715.69 lakhs for FY 2018-19, which has increased by 15%. Transaction charges are at ₹ 4,290.69 lakhs

in FY 2019-20 as compared to ₹ 3,927.78 lakhs for FY 2018-19, increased by 9%. IPO and Corporate Action charges increased by 14% to ₹ 2,257.37 lakhs in FY 2019-20 as compared to ₹ 1,987.91 lakhs for FY 2018-19. Online Data charges increased by 16% to ₹ 3,678.59 lakhs in FY 2019-20 as compared to ₹ 3,167.80 lakhs in FY 2018-19. Document verification charges for FY 2019-20 are at ₹ 940.49 lakhs as compared to ₹ 285.10 lakhs for FY 2018-19, increased by 230%. ECAS charges increased by 17% to ₹ 930.63 lakhs for FY 2019-20 as compared to ₹ 796.21 lakhs for FY 2018-19. E voting charges decreased by 28% to ₹ 365.33 lakhs for FY 2019-20 as compared to ₹ 506.23 lakhs for FY 2018-19. Income from others increased by 3% to ₹ 2,294.36 lakhs for FY 2019-20 as compared to ₹ 2,238.45 lakhs for FY 2018-19.

### **Depository Participant Network:**

The Company is the leading securities depository in India by incremental growth of Beneficial Owner (BO) accounts of over 1.16 crore from FY 2015-16 to 2.12 crore FY 2019-20. Further, the total number of registered Depository Participants (DPs) is 599 at the end of FY 2019-20.

The Company has a wide network of DPs, who act as points of service. CDSL had 599 registered DPs with over 20,350 service centres across India. The DPs are spread across 28 states and 8 union territories.

As on March 31, 2020, CDSL had over 45,573 crore securities representing a total value of INR ₹ 16,71,972 crore.

## **OPPORTUNITIES**

### **Growth Drivers**

#### **Enablement of e-KYC for capital market intermediaries:**

Ministry of Finance (Department of Revenue) has recognized CDSL and CVL as a reporting entity to perform Aadhaar Authentication via the gazette notification No. CG-DL-E-22042020-219106 dated April 22, 2020. Also, Securities Exchange Board of India (SEBI) came out with a Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/73 dated April 24, 2020 regarding Clarification on Know Your Client (KYC) Process and Use of Technology for KYC. In the circular, SEBI has given clarification on Online KYC process for establishing account-based relationship with registered intermediary (RI), Investor's KYC can be completed through Online / App based KYC, In-Person Verification through Video, Online submission of Officially Valid Document (OVD) / other documents using e-sign of the investors. The above Initiative by SEBI & MoF will help registered capital market intermediaries to open trading and demat accounts digitally. Many large broking houses & discount broking firms are likely to get benefits due to the same.

### **Change in FDI rules:**

India changed its foreign direct investment (FDI) policy to curb "opportunistic takeovers/acquisitions" of Indian companies due to the current pandemic, according to the Department for Promotion of Industry and Internal Trade. With the fall in global

share prices, there is concern that China may take advantage of the situation, leading to hostile takeovers. While the new FDI policy does not restrict markets, the policy ensures that all FDIs from individuals or entities based in countries that share a land border with India i.e. Afghanistan, Bangladesh, Bhutan, China (including Hongkong), Myanmar, Nepal and Pakistan will come through the Ministry of Commerce and Industry.

Global Multinational Corporations (Global MNCs) may shift their manufacturing base from China to countries like India, Taiwan, Thailand, Vietnam, etc. This may result in Government's "Make in India" Programme likely to get support from the global community, global industrial bodies, Governments, etc. to look at India. Global MNCs who set up shop here in India will result in jobs getting created here locally. Further, these Companies may get listed here on Indian Stock Exchanges to raise Capital which may lead to Business Opportunities for us. Additionally, such companies may require raw materials, support services, etc. from existing companies in India, which may result in such Indian companies to raise capital.

## **THREATS**

### **Global Recession due to Coronavirus (COVID-19):**

The coronavirus recession, also known as the Great Lockdown, is an ongoing severe global economic recession which began affecting the world economy in early 2020. The recession is considered to be the steepest economic downturn since the Great Depression of 1929. On April 14, 2020, the International Monetary Fund (IMF) reported that all of the G7 nations had already entered or were entering into what was called a 'deep recession', alongside most of the western world with significant slowdown of growth across developing and emerging economies. The IMF has stated that the economic decline is 'far worse' than that of the Great Recession of 2009.

Many large listed companies in India have temporarily suspended or significantly reduced operations and hence the production. Based on recent media report in the month of April 2020, not even a single automobile was sold in the country. Young startups have been impacted as funding has fallen due to Global Economies including India going into Recession. This is likely to lead to weak and volatile stock markets in India. This may result in Volatility in Operational Revenues for us.

### **E-Commerce:**

In the third week of March, following the government's directive, Amazon announced that it would stop sale of non-essential items in India so that it can focus on essential needs. Amazon has followed a similar strategy in Italy and France. On March 25, Walmart-owned Flipkart temporarily suspended some of its services on its e-commerce platform and will only be selling and distributing essentials. BigBasket and Grofers also run restricted services, facing disruptions in services due to the lockdown.

**Stock markets:**

On March 23, 2020, stock markets in India posted worst losses in history. SENSEX fell 4000 points (13.15%) and NSE NIFTY fell 1150 points (12.98%). However, on March 25, 2020 one day after a complete 21-day lock-down was announced by the Prime Minister, SENSEX posted its biggest gains in 11 years, adding a value of ₹4.7 lakh crore (US\$66 billion) crore for investors. On April 8, 2020 following positive indication from the Wall Street that the pandemic may have reached its peak in the US, the stock markets in India rose steeply once again.

**CDSL Tariff control by SEBI:**

CDSL Tariff charges for Depository Participants (DPs) as well as Issuers are approved by SEBI. Our operational income is dependent on the capital market activities. If the markets remain volatile due to COVID – 19 effects then our market driven revenues are likely to go down.

**Oil prices:**

Cheaper oil can hurt the government's exchequer, too. Close to 90 per cent of the total excise duty is generated by the government from sale of oil. Excluding customs, oil revenue accounted for Rs 2,63,812 crore in 2018-19. While the government on March 14, 2020 raised excise duty on petrol and diesel @ Rs 3/- per litre, the receipts for 2019-20 would still possibly be about Rs 14,000 crore lower than last year. As demand falls further, the government's receipts in 2020-21 could decline more and fall way short of the estimated figure of Rs 2.4 trillion. Cheap oil is unlikely to ease the government's fuel subsidy burden, as it has committed itself to providing free cooking gas refills to about 83 million people. The pricing power of global oil companies was declining when the coronavirus pandemic hit the world economy. Global oil demand was expected to fall in 2020 — the first full-year decline in more than a decade — but now the world has more refining capacity than it needs and storage capacity is filled to the brim. The prices of all petroleum products have begun to sink, hurting the revenue of companies like IOCL, BPCL and HPCL, as inventory costs shoot up. The companies are unlikely to find fresh storage space soon and may have to lower their production. IOCL has a refining capacity of 80.7 million tonnes per annum, but it had to declare a force majeure on its supplies from Saudi Arabia, UAE, Kuwait and Iraq. India, along with Japan, China and South Korea, forms the largest demand block in the world for oil.

**Cyber security:**

The financial sector has always faced major risk of cyber security attacks due to the amount of money involved. These cyber-attacks can shut down the Organization causing business and reputational loss. Also due to the COVID-19 lockdown majority of the employees are working from home (WFH). Though adequate security controls have been put in place before enabling the WFH for the users, the attack landscape has increased. This makes it all the more critical to be proactive

when it comes to cybersecurity issues. Constant enhancement in the Cyber Security Framework and Information Security Management System has been the Company's top priority.

Some of the types of cyber threats that the Company could face:

- **Malware** - Malware includes computer viruses, worms, trojans, ad-wares, spywares and spam.
- **Ransomware** - This type of malicious software that carries out a crypto extortion attack blocking access to data until a ransom is paid.
- **Phishing** - Phishing is a form of fraud in which the attacker tries to learn information such as login credentials or account information by masquerading as a reputable entity or person in an email, Instant Messaging or other communication channels.
- **Distributed denial of service (DDoS)** - A sustained DDoS attack can flood websites, other applications and systems with unwanted traffic causing accessibility issues and network unavailability.
- **Application based attacks** such as SQL Injection, XSS, Broken Authentication, etc. For e.g. In a SQL injection attack unauthorized access is gained to the database and the attacker can retrieve valuable information.

**OUTLOOK**

India's GDP is expected to fall to 1.9 % in FY2020-21 as against 5.8 % estimated in January amid the ongoing lockdown due to coronavirus pandemic, a global report said. The Indian economy may grow at 4.2 % in FY20 as against 5 % estimated by the statistics department, the International Monetary Fund (IMF) also said in its bi-annual World Economic Outlook. However, India is the only country other than China to register a positive growth rate in 2020, it added.

Global growth will see its worst recession this year since the Great Depression of 1929, the IMF also said, adding that partial recovery is expected in 2021. "A partial recovery is projected for 2021, with above trend growth rates, but the level of GDP will remain below the pre-virus trend, with considerable uncertainty about the strength of the rebound," Gita Gopinath, the IMF's chief economist, said.

In January, the IMF had estimated 3.4 % growth for global GDP in 2021. The global economy is likely to fall sharply by 3 % in 2020, much worse than during the FY09 financial crisis. However, India may see a sharp economic recovery in FY22 at 7.4 %, it added. Meanwhile, foreign brokerage Barclays cut India's calendar year (CY) 2020 GDP forecast to 0 % from 2.5 % earlier and 0.8 % for the financial year 2020-21 from 3.5 % earlier. The brokerage has also lowered its CY21 GDP growth forecast to 7.5 % from 8 %, previously.



## VALUE ADDED SERVICE OFFERINGS

Your 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.

You company is on the continuous lookout to engage itself in new projects / new initiatives, etc. which will ensure that your company, which is presently over leveraged on the performance of the stock exchanges by way of having demat accounts of investors in the Securities markets and the securities delivery behavioral pattern, is reduced thereby ensuring that your company continues to be profitable / income generating even in situations where poor / weak market conditions exist for a prolonged period.

## 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 through a secure channel using multi-factor user authentication. The Company has deployed state-of-the-art server hardware, enterprise flash storages and highly resilient network infrastructure.

CDSL has been certified for 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 INR 16,815.16 lakhs in FY 2019-20 as against INR 15,234.12 lakhs in FY 2018-19, up 10%. Other Income increased by 20% to INR 4,323.78 lakhs in FY 2019-20 as against INR 3,612.88 lakhs in FY 2018-19 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 2019-20 stood at ₹ 1,1421.80 lakhs against ₹ 7,881.05 in FY 2018-19, up 45% as compared to the previous year. Other Expense increased by 26% as compared to previous year. EBITDA reduced to ₹ 10,588.77 lakhs in FY 2019-20 as against ₹ 1,1791.46 lakhs in FY 2018-19. PAT reduced to ₹ 7,731.81 lakhs, down 8% over the previous year. The Net Worth of the Company stood at ₹ 56,961 lakhs as on March 31, 2020 as compared to ₹ 54,253 lakhs as on March 31, 2019. The Cash Generated from operations stood at ₹ 7,888.43 lakhs during FY2019-20. There is net cash generated from Operating Activities of ₹ 6,350.92 lakhs as on March 31, 2020.

## FINANCIAL PERFORMANCE (Consolidated)

Revenue from operations includes transaction charges, account maintenance charges and settlement charges paid by DP's 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 ₹ 22,505.93 lakhs in FY 2019-20 as against ₹ 19,625.17 lakhs in FY 2018-19, up 15%. As compared to the previous year Annual Issuer Charges increased by 15%, transaction Charges increased by 9%, IPO Corporate Action Charges increased by 14% and Online Data Charges that is income from KYC increased by 16%. The increase in revenues is attributable to higher number of transactions and corporate actions despite volatile financial market conditions and increase in admission of number of unlisted companies as compared to previous year.

Other Income increased by 20% to ₹ 5,919.06 lakhs in FY 2019-20 as against ₹ 4,919.38 lakhs in FY 2018-19 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 2019-20 stood at ₹ 14,780.21 lakhs against ₹ 9,723.82 in FY 2018-19, up by 52% as compared to the previous year. Other Expense is up by 41% as compared to previous year.

EBITDA reduced to ₹ 14,818.02 lakhs in FY 2019-20 as against ₹ 15,812.26 lakhs in FY 2018-19. PAT reduced to ₹ 10,671.82 lakhs, down 7% over the previous year.

The Net Worth of the Company stood at ₹ 76,585 lakhs as on March 31, 2020 as compared to ₹ 70,943 lakhs as on March 31, 2019. The Cash Generated from operations stood at ₹ 10,616 lakhs during FY 2019-20. There is net cash from Operating Activities of ₹ 8,214 lakhs as on March 31, 2020.

| Name of the entity in the Group                             | For the year ended March 31, 2020        |                     | For the year ended March 31, 2019        |                     |
|-------------------------------------------------------------|------------------------------------------|---------------------|------------------------------------------|---------------------|
|                                                             | Share in profit or loss                  |                     |                                          |                     |
|                                                             | As % of Consolidated net Profit and Loss | Amount (₹ in Lakhs) | As % of Consolidated net Profit and Loss | Amount (₹ in Lakhs) |
| Parent Company- Central Depository Services (India) Limited | 73%                                      | 7,746.78            | 73%                                      | 8,438.30            |
| CDSL Ventures Limited                                       | 26%                                      | 2,812.22            | 24%                                      | 2,733.40            |
| CDSL Insurance Repository Limited                           | 1%                                       | 56.89               | 1%                                       | 107.77              |
| CDSL Commodity Repository Limited                           | 0%                                       | 8.80                | 1%                                       | 72.26               |
| Non-controlling Interest in subsidiary                      | 1%                                       | 56.10               | 1%                                       | 131.29              |
| <b>Total</b>                                                | <b>100%</b>                              | <b>10,680.79</b>    | <b>100%</b>                              | <b>11,483.02</b>    |

### Change in key financial ratios

| Sr. No. | Ratios                                            | FY 2019-20 | FY 2018-19 | % Change |
|---------|---------------------------------------------------|------------|------------|----------|
| (i)     | Debtors Turnover                                  | 8.65       | 10.26      | -16%     |
| (ii)    | Inventory Turnover                                | N.A.       | N.A.       |          |
| (iii)   | Interest Coverage Ratio                           | N.A.       | N.A.       |          |
| (iv)    | Current Ratio                                     | 5.17       | 2.87       | 80%      |
| (v)     | Debt Equity Ratio                                 | N.A.       | N.A.       |          |
| (vi)    | Operating Profit Margin (%)                       | 48.01%     | 60.38%     | -20%     |
| (vii)   | Net Profit Margin (%)                             | 37.35%     | 47.09%     | -21%     |
| (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 2019-20 | FY 2018-19 |
|-------|------------|------------|
| RONW  | 14.66%     | 16.99%     |

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

### Internal Financial Control Systems and its 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 on the financial statements.

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.

## RISKS AND CONCERNS

The Company's securities depository business competes closely with its competitor for DPs, investor accounts and number of securities pertaining to various instruments on its depository 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 online feed from / to depositories / stock exchanges / KRAs. Any changes to the mode of exchange of information from / to these entities enforced due to regulatory directions from SEBI, etc., 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 system 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 Risk Management Committee. 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 the 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.

## 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 2019-20. 18 employees were hired and 9 employees left the Company during the financial year 2019-20. There were 220 employees on the payrolls of the Company as on March 31, 2020.

## 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. 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

**Balkrishna V Chaulal**  
Chairperson  
(DIN: 06497832)

Place : Mumbai  
Date : July 25, 2020

## 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 2019-20 is 10.11
2. The remuneration of MD & CEO saw a decrease of -20.66% and the remuneration of CFO saw an increase of 166.55% during the financial year. The same is explained in the table below:

**Remuneration of Managing Director & Chief Executive Officer (MD & CEO):**

| Sr. No. | Particulars                                                                                |    | Year    |             | Amount (₹)  |
|---------|--------------------------------------------------------------------------------------------|----|---------|-------------|-------------|
| 1       | Shri P.S. Reddy, MD & CEO, Remuneration paid (last working day March 31, 2019)             | #  | 2018-19 | A           | 2,24,74,839 |
| 2       | Shri P. S. Reddy, MD & CEO, Remuneration paid (retirals) (last working day March 31, 2019) | @  | 2019-20 | B           | 70,58,376   |
| 3       | Shri Nehal Vora, MD & CEO (w.e.f. September 24, 2019), Remuneration paid                   | \$ | 2019-20 | C           | 1,07,72,871 |
| 4       | Total remuneration paid to MD & CEO during 2019-20                                         |    | 2019-20 | D = [B+C]   | 1,78,31,247 |
| 5       | Difference in remuneration to MD & CEO between 2018-19 and 2019-20                         |    | 2019-20 | E = (D - A) | -46,43,952  |
| 6       | Increase in remuneration of MD & CEO                                                       |    | 2019-20 | E/A*100     | -20.66%     |

**Note:**

# The total remuneration paid to Shri P. S. Reddy during the F.Y. 2018-19 of ₹ 2,24,74,839/- includes retirals amounting to ₹ 64,80,816/- and regular salary amount of ₹1,59,94,023.

@ Similarly, the remuneration paid to him during the F.Y. 2019-20 is towards Gratuity paid by CDSL over and above the maximum prescribed limit as per the Gratuity Act and the payment of deferred PLB for the F.Y. 2015-16 as per SEBI (Depository & Participant) Regulations for Key Managerial Personnel.

\$ The post of Managing Director & CEO was vacant for the period April 1, 2019 to September 23, 2019. Shri Nehal Vora joined CDSL as Managing Director & CEO w.e.f September 24, 2019 and accordingly, the remuneration paid during FY 2019-20 is from September 24, 2019 to March 31, 2020.

**Remuneration of Chief Financial Officer (CFO):**

| Sr. No. | Particulars                                                                                         |   | Year    |             | Amount (₹)  |
|---------|-----------------------------------------------------------------------------------------------------|---|---------|-------------|-------------|
| 1       | Shri Bharat Sheth, CFO, Remuneration paid                                                           |   | 2018-19 | A           | 81,09,527   |
| 2       | Shri Bharat Sheth, CFO, Remuneration paid (including retirals) (upto December 31, 2019)             | * | 2019-20 | B           | 2,00,87,475 |
| 3       | Shri Girish Amesara, CFO Remuneration paid (CFO w.e.f. January 1, 2020) (joined CDSL on 07/11/2019) | ^ | 2019-20 | C           | 15,28,836   |
| 4       | Total payment of remuneration to CFO                                                                |   | 2019-20 | D = [B+C]   | 2,16,16,311 |
| 5       | Difference in remuneration paid to CFO between 2018-19 and 2019-20                                  |   | 2019-20 | E = (D - A) | 1,35,06,784 |
| 6       | Increase in remuneration of CFO                                                                     |   | 2019-20 | E/A*100     | 166.55%     |

**Notes:**

\* The total remuneration paid to Shri Bharat Sheth during the F.Y. 2019-20 of ₹ 2,00,87,475/- includes retirals amounting to ₹ 97,58,321/- and regular salary amount of ₹1,03,29,154/-.

^ The erstwhile CFO, Shri Bharat Sheth retired on December 31, 2019. Shri Girish Amesara joined CDSL w.e.f November 7, 2019 and was designated as CFO w.e.f January 1, 2020. Accordingly, the remuneration paid to Shri Girish Amesara during the FY2019-20 is from January 1, 2020 to March 31, 2020.

**Remuneration of Company Secretary:**

| Sr. No. | Particulars                                                                    |   | Year    |               | Amount (₹) |
|---------|--------------------------------------------------------------------------------|---|---------|---------------|------------|
| 1       | Mr. Amol Purandare, Company Secretary, Remuneration paid (upto 26/06/2018)     |   | 2018-19 | A             | 7,45,648   |
| 2       | Mr. Lalit Sharma, Company Secretary (w.e.f. 01/10/2018)                        |   | 2018-19 | B             | 13,04,776  |
| 3       | Total remuneration paid to Company Secretary                                   |   | 2018-19 | C             | 20,50,424  |
| 4       | Mr. Lalit Sharma, Company Secretary (upto 29/10/2019)                          | & | 2019-20 | D             | 24,72,229  |
| 5       | Smt. Amita Paunikar, Company Secretary (w.e.f. 18/11/2019)                     | ~ | 2019-20 | E             | 15,61,037  |
| 6       | Total remuneration paid to Company Secretary                                   |   | 2019-20 | F = [D+E]     | 40,33,266  |
| 7       | Difference in remuneration paid to Company Secretary between 2018-19 & 2019-20 |   | 2019-20 | G = [F-C]     | 19,82,842  |
| 8       | Increase in remuneration of Company Secretary                                  |   | 2019-20 | H = [G/C*100] | 96.70%     |

**Notes:**

& Shri Lalit Sharma, (Vice President) Company Secretary, Head Legal and Compliance Officer had joined w.e.f. October 1, 2018 and resigned w.e.f. September 30, 2019

~ Smt. Amita Paunikar, (Vice President) Company Secretary, Head Legal and Compliance Officer was appointed w.e.f. November 18, 2019. Accordingly, the remuneration paid to Smt. Amita Paunikar during FY 2019-20 is from November 18, 2019 to March 31, 2020.

- In the financial year, there was an increase of 36.64% in the median remuneration of employees.
- There were 220 employees on the rolls of the company as on March 31, 2020.
- There has been 53.05 percentile increase in the salaries of employees other than the managerial remuneration in the last financial year and there has been 84.28 percentile increase in the managerial remuneration in the last financial year. Percentile increase in managerial remuneration is more than percentile increase in the salaries of other employees because Managerial Personnel's remuneration includes performance linked bonus which is a major component.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.
- 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              | Designation                                                        | Date of Joining | Date of Separation | Total Cost                  | Qualification                   | Age | Experience in Years | Last Employment and Designation                                   |
|-------------------|--------------------------------------------------------------------|-----------------|--------------------|-----------------------------|---------------------------------|-----|---------------------|-------------------------------------------------------------------|
| Nehal Naleen Vora | MD & CEO                                                           | 24/09/2019      | --                 | 1,14,48,184                 | B. Com, MMS (Finance)           | 46  | 24                  | BSE Limited, Chief Regulatory Officer                             |
| Ramkumar K        | Executive Vice President, Head Business Development & New Projects | 27/09/2000      | --                 | 1,25,54,684                 | B.Sc., MBA                      | 48  | 26                  | Tata Share Registry Ltd. – Executive                              |
| Nayana Ovalekar   | Executive Vice President, Chief Operating Officer                  | 13/10/2003      | --                 | 1,47,88,902                 | B. Com, CS                      | 51  | 30                  | Stock Holding Corporation of India Ltd. - Officer on Special Duty |
| Bharat Sheth      | Executive Vice President – Chief Financial Officer                 | 27/05/1998      | 31/12/2019         | 2,04,84,186 (Refer Note: 2) | B. Sc., CA                      | 60  | 30                  | Practicing CA                                                     |
| Joydeep Dutta     | Executive Director – Chief Technology Officer                      | 7/7/2014        | 31/12/2019         | 1,93,05,449 (Refer Note: 3) | BE (EE), MS (EE), MS (Comp. Sc) | 60  | 38                  | Advisory & IT Consultant - CIO                                    |

### Notes:

1. Remuneration includes basic salary, performance linked incentive, other allowances, company's contribution to provident fund and taxable value of perquisites.
2. The total remuneration paid to Shri Bharat Sheth during the F.Y. 2019-20 of ₹ 2,04,84,186/- includes retirals amounting to ₹ 97,58,321/- and regular salary amount along with Company PF contribution (of ₹ 3,96,711) of ₹1,56,51,964.
3. The total remuneration paid to Shri Joydeep Dutta during the F.Y. 2019-20 of ₹1,93,05,449/- includes retirals amounting to ₹ 36,53,485/- and regular salary amount along with Company PF contribution of ₹1,56,51,964.
4. Nature of employment in all cases is contractual in accordance with their respective employment terms and Company's Service Rules.
5. None of the above is covered under Rule 5(3)(viii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
6. 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                                                          | December 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                       | Unit No. A-2501, Marathon Futurex, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E) Mumbai - 400013<br>Email ID - amitap@cdslindia.com |
| vi)  | Whether listed company                                                     | Yes                                                                                                                                             |
| vii) | Name , Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Pvt. Ltd<br>247 Park, C-101, L.B.S. Marg, Vikhroli (West), Mumbai 400083.                                                     |

### II. Principal Business Activities of the Company

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

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--------------------------------------------------|----------------------------------|------------------------------------|
| 1       | Depository Services                              | 64990                            | 81%                                |

### III. Particulars of Holding, Subsidiary and Associate Companies

| Sr. No. | Name and Address of the Company                                                                                                                                    | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held held | Applicable Section               |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------|-----------------------|----------------------------------|
| 1       | <b>CDSL Ventures Limited</b><br>Marathon Futurex,<br>25th floor, A-Wing,<br>Mafatlal Mills Compound,<br>N.M Joshi Marg, Lower Parel,<br>Mumbai 400013.             | U93090MH2006PLC164885 | Subsidiary                     | 100.00                | 2(87) of the Companies Act, 2013 |
| 2       | <b>CDSL Insurance Repository Limited</b><br>Marathon Futurex,<br>25th floor, A-Wing,<br>Mafatlal Mills Compound,<br>N.M Joshi Marg, Lower Parel,<br>Mumbai 400013. | U74120MH2011PLC219665 | Subsidiary                     | 54.25                 | 2(87) of the Companies Act, 2013 |
| 3       | <b>CDSL Commodity Repository Limited</b><br>Marathon Futurex,<br>25th floor, A-Wing,<br>Mafatlal Mills Compound,<br>N.M Joshi Marg, Lower Parel,<br>Mumbai 400013. | U74999MH2017PLC292113 | Subsidiary                     | 52.00                 | 2(87) of the Companies Act, 2013 |

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

## i) Category-wise Share Holding

| Sr. No. | Category of Shareholders                                           | Shareholding at the beginning of the year - 2019 |          |          | Shareholding at the end of the year - 2020 |       |          | % Change during the year |         |
|---------|--------------------------------------------------------------------|--------------------------------------------------|----------|----------|--------------------------------------------|-------|----------|--------------------------|---------|
|         |                                                                    | Demat                                            | Physical | Total    | % of Total Shares                          | Demat | Physical |                          | Total   |
| (A)     | Shareholding of Promoter and Promoter Group                        |                                                  |          |          |                                            |       |          |                          |         |
| [1]     | Indian                                                             |                                                  |          |          |                                            |       |          |                          |         |
| (a)     | Individuals / Hindu Undivided Family                               | 0                                                | 0        | 0.0000   | 0                                          | 0     | 0        | 0.0000                   | 0.0000  |
| (b)     | Central Government / State Government(s)                           | 0                                                | 0        | 0.0000   | 0                                          | 0     | 0        | 0.0000                   | 0.0000  |
| (c)     | Financial Institutions / Banks                                     | 0                                                | 0        | 0.0000   | 0                                          | 0     | 0        | 0.0000                   | 0.0000  |
| (d)     | Any Other (Specify)                                                |                                                  |          |          |                                            |       |          |                          |         |
|         | Bodies Corporate                                                   | 25080000                                         | 0        | 25080000 | 20900000                                   | 0     | 20900000 | 20.0000                  | -4.0000 |
|         | Sub Total (A)(1)                                                   | 25080000                                         | 0        | 25080000 | 20900000                                   | 0     | 20900000 | 20.0000                  | -4.0000 |
| [2]     | Foreign                                                            |                                                  |          |          |                                            |       |          |                          |         |
| (a)     | Individuals (Non-Resident Individuals / Foreign Individuals)       | 0                                                | 0        | 0.0000   | 0                                          | 0     | 0        | 0.0000                   | 0.0000  |
| (b)     | Government                                                         | 0                                                | 0        | 0.0000   | 0                                          | 0     | 0        | 0.0000                   | 0.0000  |
| (c)     | Institutions                                                       | 0                                                | 0        | 0.0000   | 0                                          | 0     | 0        | 0.0000                   | 0.0000  |
| (d)     | Foreign Portfolio Investor                                         | 0                                                | 0        | 0.0000   | 0                                          | 0     | 0        | 0.0000                   | 0.0000  |
| (e)     | Any Other (Specify)                                                |                                                  |          |          |                                            |       |          |                          |         |
|         | Sub Total (A)(2)                                                   | 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 | 20900000                                   | 0     | 20900000 | 20.0000                  | -4.0000 |
| (B)     | Public Shareholding                                                |                                                  |          |          |                                            |       |          |                          |         |
| [1]     | Institutions                                                       |                                                  |          |          |                                            |       |          |                          |         |
| (a)     | Mutual Funds / UTI                                                 | 7778123                                          | 0        | 7778123  | 13445525                                   | 0     | 13445525 | 12.8665                  | 5.4233  |
| (b)     | Venture Capital Funds                                              | 0                                                | 0        | 0.0000   | 0                                          | 0     | 0        | 0.0000                   | 0.0000  |
| (c)     | Alternate Investment Funds                                         | 776768                                           | 0        | 776768   | 174337                                     | 0     | 174337   | 0.1668                   | -0.5765 |
| (d)     | Foreign Venture Capital Investors                                  | 0                                                | 0        | 0.0000   | 0                                          | 0     | 0        | 0.0000                   | 0.0000  |
| (e)     | Foreign Portfolio Investor                                         | 3247211                                          | 0        | 3247211  | 1855502                                    | 0     | 1855502  | 1.7756                   | -1.3318 |
| (f)     | Financial Institutions / Banks                                     | 28279298                                         | 0        | 28279298 | 20679852                                   | 0     | 20679852 | 19.7893                  | -7.2722 |
| (g)     | Insurance Companies                                                | 0                                                | 0        | 0.0000   | 2016729                                    | 0     | 2016729  | 1.9299                   | 1.9299  |
| (h)     | Provident Funds/ Pension Funds                                     | 0                                                | 0        | 0.0000   | 0                                          | 0     | 0        | 0.0000                   | 0.0000  |
| (i)     | Any Other (Specify)                                                |                                                  |          |          |                                            |       |          |                          |         |
|         | Foreign Bank                                                       | 7500000                                          | 0        | 7500000  | 7500000                                    | 0     | 7500000  | 7.1770                   | 0.0000  |
|         | Sub Total (B)(1)                                                   | 47581400                                         | 0        | 47581400 | 45671945                                   | 0     | 45671945 | 43.7052                  | -1.8272 |
| [2]     | Central Government/ State Government(s)/ President of India        |                                                  |          |          |                                            |       |          |                          |         |
|         | Sub Total (B)(2)                                                   | 0                                                | 0        | 0.0000   | 0                                          | 0     | 0        | 0.0000                   | 0.0000  |



| Sr. No. | Category of Shareholders                                                             | Shareholding at the beginning of the year - 2019 |            |                  | Shareholding at the end of the year - 2020 |            |                  | % Change during the year |
|---------|--------------------------------------------------------------------------------------|--------------------------------------------------|------------|------------------|--------------------------------------------|------------|------------------|--------------------------|
|         |                                                                                      | Demat                                            | Physical   | Total            | Demat                                      | Physical   | Total            |                          |
| [3]     | <b>Non-Institutions</b>                                                              |                                                  |            |                  |                                            |            |                  |                          |
| (a)     | Individuals                                                                          |                                                  |            |                  |                                            |            |                  |                          |
| (i)     | Individual shareholders holding nominal share capital upto ₹ 1 lakh.                 | 22041891                                         | 410        | 22042301         | 21.0931                                    | 310        | 24712906         | 23.6487                  |
| (ii)    | Individual shareholders holding nominal share capital in excess of ₹ 1 lakh          | 2529154                                          | 0          | 2529154          | 2.4202                                     | 0          | 4199466          | 4.0186                   |
| (b)     | NBFCs registered with RBI                                                            | 68698                                            | 0          | 68698            | 0.0657                                     | 0          | 12400            | 0.0119                   |
| (d)     | Overseas Depositories(holding DRs) (balancing figure)                                | 0                                                | 0          | 0                | 0.0000                                     | 0          | 0                | 0.0000                   |
| (e)     | <b>Any Other (Specify)</b>                                                           |                                                  |            |                  |                                            |            |                  |                          |
|         | Trusts                                                                               | 10922                                            | 0          | 10922            | 0.0105                                     | 0          | 3288             | 0.0031                   |
|         | Foreign Nationals                                                                    | 41                                               | 0          | 41               | 0.0000                                     | 0          | 41               | 0.0000                   |
|         | Hindu Undivided Family                                                               | 1158255                                          | 0          | 1158255          | 1.1084                                     | 0          | 1328268          | 1.2711                   |
|         | Non Resident Indians (Non Repat)                                                     | 483584                                           | 0          | 483584           | 0.4628                                     | 0          | 785167           | 0.7514                   |
|         | Non Resident Indians (Repat)                                                         | 933605                                           | 0          | 933605           | 0.8934                                     | 0          | 1592847          | 1.5243                   |
|         | Foreign Portfolio Investor (Individual)                                              | 140                                              | 0          | 140              | 0.0001                                     | 0          | 140              | 0.0001                   |
|         | Clearing Member                                                                      | 441677                                           | 0          | 441677           | 0.4227                                     | 0          | 244671           | 0.2341                   |
|         | Bodies Corporate                                                                     | 4170223                                          | 0          | 4170223          | 3.9906                                     | 0          | 5048861          | 4.8314                   |
|         | <b>Sub Total (B)(3)</b>                                                              | <b>31838190</b>                                  | <b>410</b> | <b>31838600</b>  | <b>30.4676</b>                             | <b>310</b> | <b>37927745</b>  | <b>36.2948</b>           |
|         | <b>Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)</b>                             | <b>79419590</b>                                  | <b>410</b> | <b>79420000</b>  | <b>76.0000</b>                             | <b>310</b> | <b>83600000</b>  | <b>80.0000</b>           |
|         | <b>Total (A)+(B)</b>                                                                 | <b>104499590</b>                                 | <b>410</b> | <b>104500000</b> | <b>100.0000</b>                            | <b>310</b> | <b>104500000</b> | <b>100.0000</b>          |
| (C)     | <b>Non Promoter - Non Public</b>                                                     |                                                  |            |                  |                                            |            |                  |                          |
| [1]     | Custodian/DR Holder                                                                  | 0                                                | 0          | 0                | 0.0000                                     | 0          | 0                | 0.0000                   |
| [2]     | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0                                                | 0          | 0                | 0.0000                                     | 0          | 0                | 0.0000                   |
|         | <b>Total (A)+(B)+(C)</b>                                                             | <b>104499590</b>                                 | <b>410</b> | <b>104500000</b> | <b>100.0000</b>                            | <b>310</b> | <b>104500000</b> | <b>100.0000</b>          |

#### (ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year - 2019 |                                  |                                                | Shareholding at the end of the year - 2020 |                                  |                                                | % change in shareholding during the year |
|---------|--------------------|--------------------------------------------------|----------------------------------|------------------------------------------------|--------------------------------------------|----------------------------------|------------------------------------------------|------------------------------------------|
|         |                    | No. of Shares Held                               | % of total shares of the company | % of Shares pledged/encumbered to total shares | No. of Shares Held                         | % of total shares of the company | % of Shares pledged/encumbered to total shares |                                          |
| 1       | BSE LIMITED        | 25080000                                         | 24.0000                          | 0.0000                                         | 20900000                                   | 20.0000                          | 0.0000                                         | -4.0000                                  |
|         | <b>Total</b>       | <b>25080000</b>                                  | <b>24.0000</b>                   | <b>0.0000</b>                                  | <b>20900000</b>                            | <b>20.0000</b>                   | <b>0.0000</b>                                  | <b>-4.0000</b>                           |

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

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2019 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2020 |                                  |
|---------|----------------------------|--------------------------------------------------|----------------------------------|------------------------------|---------------|-------------------------------------------------------|----------------------------------|
|         |                            | 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       | BSE Limited                | 25080000                                         | 24.0000                          |                              |               | 25080000                                              | 24.0000                          |
|         | Transfer                   |                                                  |                                  | 29 Nov 2019                  | (4180000)     | 20900000                                              | 20.0000                          |
|         | At the end of the year     |                                                  |                                  |                              |               | 20900000                                              | 20.0000                          |

Note :

- 1 Paid up Share Capital of the Company (Face Value ₹ 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.

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

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2019 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2020 |                                  |
|---------|----------------------------|--------------------------------------------------|----------------------------------|------------------------------|---------------|-------------------------------------------------------|----------------------------------|
|         |                            | 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       | HDFC Bank Ltd.             | 7500000                                          | 7.1770                           |                              |               | 7500000                                               | 7.1770                           |
|         | Transfer                   |                                                  |                                  | 05 Apr 2019                  | 7500          | 7507500                                               | 7.1842                           |
|         | Transfer                   |                                                  |                                  | 12 Apr 2019                  | (7500)        | 7500000                                               | 7.1770                           |
|         | Transfer                   |                                                  |                                  | 03 May 2019                  | 282           | 7500282                                               | 7.1773                           |
|         | Transfer                   |                                                  |                                  | 10 May 2019                  | (282)         | 7500000                                               | 7.1770                           |
|         | Transfer                   |                                                  |                                  | 14 Jun 2019                  | 30000         | 7530000                                               | 7.2057                           |
|         | Transfer                   |                                                  |                                  | 21 Jun 2019                  | (8176)        | 7521824                                               | 7.1979                           |
|         | Transfer                   |                                                  |                                  | 29 Jun 2019                  | 6165          | 7527989                                               | 7.2038                           |
|         | Transfer                   |                                                  |                                  | 05 Jul 2019                  | (27989)       | 7500000                                               | 7.1770                           |
|         | Transfer                   |                                                  |                                  | 06 Sep 2019                  | 20348         | 7520348                                               | 7.1965                           |
|         | Transfer                   |                                                  |                                  | 13 Sep 2019                  | (20298)       | 7500050                                               | 7.1771                           |
|         | Transfer                   |                                                  |                                  | 20 Sep 2019                  | (50)          | 7500000                                               | 7.1770                           |
|         | Transfer                   |                                                  |                                  | 27 Sep 2019                  | 50            | 7500050                                               | 7.1771                           |
|         | Transfer                   |                                                  |                                  | 30 Sep 2019                  | 100           | 7500150                                               | 7.1772                           |
|         | Transfer                   |                                                  |                                  | 04 Oct 2019                  | (50)          | 7500100                                               | 7.1771                           |
|         | Transfer                   |                                                  |                                  | 11 Oct 2019                  | (100)         | 7500000                                               | 7.1770                           |
|         | Transfer                   |                                                  |                                  | 18 Oct 2019                  | 10633         | 7510633                                               | 7.1872                           |
|         | Transfer                   |                                                  |                                  | 25 Oct 2019                  | 1760          | 7512393                                               | 7.1889                           |
|         | Transfer                   |                                                  |                                  | 01 Nov 2019                  | 73240         | 7585633                                               | 7.2590                           |
|         | Transfer                   |                                                  |                                  | 08 Nov 2019                  | 225600        | 7811233                                               | 7.4749                           |
|         | Transfer                   |                                                  |                                  | 15 Nov 2019                  | (311233)      | 7500000                                               | 7.1770                           |
|         | Transfer                   |                                                  |                                  | 22 Nov 2019                  | 44442         | 7544442                                               | 7.2196                           |
|         | Transfer                   |                                                  |                                  | 29 Nov 2019                  | (43034)       | 7501408                                               | 7.1784                           |
|         | Transfer                   |                                                  |                                  | 06 Dec 2019                  | (833)         | 7500575                                               | 7.1776                           |
|         | Transfer                   |                                                  |                                  | 13 Dec 2019                  | (575)         | 7500000                                               | 7.1770                           |
|         | Transfer                   |                                                  |                                  | 03 Jan 2020                  | 2             | 7500002                                               | 7.1770                           |
|         | Transfer                   |                                                  |                                  | 10 Jan 2020                  | 9998          | 7510000                                               | 7.1866                           |
|         | Transfer                   |                                                  |                                  | 17 Jan 2020                  | (9000)        | 7501000                                               | 7.1780                           |
|         | Transfer                   |                                                  |                                  | 24 Jan 2020                  | (34)          | 7500966                                               | 7.1780                           |

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

| Sr. No. | Name & Type of Transaction                  | Shareholding at the beginning of the year - 2019 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2020 |                                  |
|---------|---------------------------------------------|--------------------------------------------------|----------------------------------|------------------------------|---------------|-------------------------------------------------------|----------------------------------|
|         |                                             | 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 |
|         | Transfer                                    |                                                  |                                  | 31 Jan 2020                  | 2059          | 7503025                                               | 7.1799                           |
|         | Transfer                                    |                                                  |                                  | 07 Feb 2020                  | 8683          | 7511708                                               | 7.1882                           |
|         | Transfer                                    |                                                  |                                  | 14 Feb 2020                  | (10940)       | 7500768                                               | 7.1778                           |
|         | Transfer                                    |                                                  |                                  | 21 Feb 2020                  | (569)         | 7500199                                               | 7.1772                           |
|         | Transfer                                    |                                                  |                                  | 28 Feb 2020                  | 134           | 7500333                                               | 7.1774                           |
|         | Transfer                                    |                                                  |                                  | 06 Mar 2020                  | (333)         | 7500000                                               | 7.1770                           |
|         | Transfer                                    |                                                  |                                  | 13 Mar 2020                  | 200           | 7500200                                               | 7.1772                           |
|         | Transfer                                    |                                                  |                                  | 20 Mar 2020                  | 100           | 7500300                                               | 7.1773                           |
|         | Transfer                                    |                                                  |                                  | 27 Mar 2020                  | (300)         | 7500000                                               | 7.1770                           |
|         | At the end of the year                      |                                                  |                                  |                              |               | 7500000                                               | 7.1770                           |
| 2       | Standard Chartered Bank - Corporate Banking | 7500000                                          | 7.1770                           |                              |               | 7500000                                               | 7.1770                           |
|         | Transfer                                    |                                                  |                                  | 25 Oct 2019                  | 2488          | 7502488                                               | 7.1794                           |
|         | Transfer                                    |                                                  |                                  | 01 Nov 2019                  | (2488)        | 7500000                                               | 7.1770                           |
|         | Transfer                                    |                                                  |                                  | 21 Feb 2020                  | 563           | 7500563                                               | 7.1776                           |
|         | Transfer                                    |                                                  |                                  | 28 Feb 2020                  | (563)         | 7500000                                               | 7.1770                           |
|         | At the end of the year                      |                                                  |                                  |                              |               | 7500000                                               | 7.1770                           |
| 3       | Canara Bank                                 | 6744600                                          | 6.4542                           |                              |               | 6744600                                               | 6.4542                           |
|         | Transfer                                    |                                                  |                                  | 14 Jun 2019                  | (54600)       | 6690000                                               | 6.4019                           |
|         | Transfer                                    |                                                  |                                  | 21 Jun 2019                  | (173538)      | 6516462                                               | 6.2358                           |
|         | Transfer                                    |                                                  |                                  | 29 Jun 2019                  | (191136)      | 6325326                                               | 6.0529                           |
|         | Transfer                                    |                                                  |                                  | 05 Jul 2019                  | (27997)       | 6297329                                               | 6.0262                           |
|         | Transfer                                    |                                                  |                                  | 12 Jul 2019                  | (1104)        | 6296225                                               | 6.0251                           |
|         | Transfer                                    |                                                  |                                  | 01 Nov 2019                  | (166225)      | 6130000                                               | 5.8660                           |
|         | Transfer                                    |                                                  |                                  | 08 Nov 2019                  | (130000)      | 6000000                                               | 5.7416                           |
|         | Transfer                                    |                                                  |                                  | 15 Nov 2019                  | (8317)        | 5991683                                               | 5.7337                           |
|         | Transfer                                    |                                                  |                                  | 22 Nov 2019                  | (19000)       | 5972683                                               | 5.7155                           |
|         | Transfer                                    |                                                  |                                  | 10 Jan 2020                  | (10000)       | 5962683                                               | 5.7059                           |
|         | Transfer                                    |                                                  |                                  | 17 Jan 2020                  | (61333)       | 5901350                                               | 5.6472                           |
|         | Transfer                                    |                                                  |                                  | 24 Jan 2020                  | (35786)       | 5865564                                               | 5.6130                           |
|         | Transfer                                    |                                                  |                                  | 07 Feb 2020                  | (11708)       | 5853856                                               | 5.6018                           |
|         | Transfer                                    |                                                  |                                  | 14 Feb 2020                  | (19724)       | 5834132                                               | 5.5829                           |
|         | Transfer                                    |                                                  |                                  | 28 Feb 2020                  | (5000)        | 5829132                                               | 5.5781                           |
|         | At the end of the year                      |                                                  |                                  |                              |               | 5829132                                               | 5.5781                           |
| 4       | Life Insurance Corporation of India         | 4336750                                          | 4.1500                           |                              |               | 4336750                                               | 4.1500                           |
|         | At the end of the year                      |                                                  |                                  |                              |               | 4336750                                               | 4.1500                           |
| 5       | ITPL - Invesco India Contra Fund            | 1162910                                          | 1.1128                           |                              |               | 1162910                                               | 1.1128                           |
|         | Transfer                                    |                                                  |                                  | 05 Apr 2019                  | (48703)       | 1114207                                               | 1.0662                           |
|         | Transfer                                    |                                                  |                                  | 19 Apr 2019                  | (42295)       | 1071912                                               | 1.0258                           |
|         | Transfer                                    |                                                  |                                  | 26 Apr 2019                  | 17717         | 1089629                                               | 1.0427                           |

## IV. Shareholding Pattern of Top Ten Shareholders

| Sr. No. | Name & Type of Transaction                                     | Shareholding at the beginning of the year - 2019 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2020 |                                  |
|---------|----------------------------------------------------------------|--------------------------------------------------|----------------------------------|------------------------------|---------------|-------------------------------------------------------|----------------------------------|
|         |                                                                | 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 |
|         | Transfer                                                       |                                                  |                                  | 03 May 2019                  | 18268         | 1107897                                               | 1.0602                           |
|         | Transfer                                                       |                                                  |                                  | 17 May 2019                  | 113361        | 1221258                                               | 1.1687                           |
|         | Transfer                                                       |                                                  |                                  | 24 May 2019                  | 16186         | 1237444                                               | 1.1842                           |
|         | Transfer                                                       |                                                  |                                  | 07 Jun 2019                  | 230195        | 1467639                                               | 1.4044                           |
|         | Transfer                                                       |                                                  |                                  | 14 Jun 2019                  | 462913        | 1930552                                               | 1.8474                           |
|         | Transfer                                                       |                                                  |                                  | 21 Jun 2019                  | 184342        | 2114894                                               | 2.0238                           |
|         | Transfer                                                       |                                                  |                                  | 11 Oct 2019                  | 100405        | 2215299                                               | 2.1199                           |
|         | Transfer                                                       |                                                  |                                  | 06 Dec 2019                  | 201285        | 2416584                                               | 2.3125                           |
|         | Transfer                                                       |                                                  |                                  | 27 Dec 2019                  | 706000        | 3122584                                               | 2.9881                           |
|         | At the end of the year                                         |                                                  |                                  |                              |               | 3122584                                               | 2.9881                           |
| 6       | 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                           |
| 7       | SBI Banking & Financial Services Fund                          | 0                                                | 0.0000                           |                              |               | 0                                                     | 0.0000                           |
|         | Transfer                                                       |                                                  |                                  | 17 Jan 2020                  | 581915        | 581915                                                | 0.5569                           |
|         | Transfer                                                       |                                                  |                                  | 24 Jan 2020                  | 533085        | 1115000                                               | 1.0670                           |
|         | Transfer                                                       |                                                  |                                  | 31 Jan 2020                  | 649362        | 1764362                                               | 1.6884                           |
|         | Transfer                                                       |                                                  |                                  | 07 Feb 2020                  | 250638        | 2015000                                               | 1.9282                           |
|         | At the end of the year                                         |                                                  |                                  |                              |               | 2015000                                               | 1.9282                           |
| 8       | PPFAS Mutual Fund - Parag Parikh Long Term Equity Fund         | 0                                                | 0.0000                           |                              |               | 0                                                     | 0.0000                           |
|         | Transfer                                                       |                                                  |                                  | 02 Aug 2019                  | 739845        | 739845                                                | 0.7080                           |
|         | Transfer                                                       |                                                  |                                  | 09 Aug 2019                  | 168336        | 908181                                                | 0.8691                           |
|         | Transfer                                                       |                                                  |                                  | 16 Aug 2019                  | 186411        | 1094592                                               | 1.0475                           |
|         | Transfer                                                       |                                                  |                                  | 23 Aug 2019                  | 103236        | 1197828                                               | 1.1462                           |
|         | Transfer                                                       |                                                  |                                  | 30 Aug 2019                  | 102772        | 1300600                                               | 1.2446                           |
|         | Transfer                                                       |                                                  |                                  | 06 Sep 2019                  | 43559         | 1344159                                               | 1.2863                           |
|         | Transfer                                                       |                                                  |                                  | 27 Sep 2019                  | 4200          | 1348359                                               | 1.2903                           |
|         | Transfer                                                       |                                                  |                                  | 04 Oct 2019                  | 58560         | 1406919                                               | 1.3463                           |
|         | Transfer                                                       |                                                  |                                  | 11 Oct 2019                  | 4150          | 1411069                                               | 1.3503                           |
|         | Transfer                                                       |                                                  |                                  | 25 Oct 2019                  | 55282         | 1466351                                               | 1.4032                           |
|         | Transfer                                                       |                                                  |                                  | 01 Nov 2019                  | 164           | 1466515                                               | 1.4034                           |
|         | Transfer                                                       |                                                  |                                  | 13 Mar 2020                  | 51979         | 1518494                                               | 1.4531                           |
|         | Transfer                                                       |                                                  |                                  | 20 Mar 2020                  | 475433        | 1993927                                               | 1.9081                           |
|         | Transfer                                                       |                                                  |                                  | 27 Mar 2020                  | 7441          | 2001368                                               | 1.9152                           |
|         | Transfer                                                       |                                                  |                                  | 31 Mar 2020                  | 6682          | 2008050                                               | 1.9216                           |
|         | At the end of the year                                         |                                                  |                                  |                              |               | 2008050                                               | 1.9216                           |

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

| Sr. No. | Name & Type of Transaction                                      | Shareholding at the beginning of the year - 2019 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2020 |                                  |
|---------|-----------------------------------------------------------------|--------------------------------------------------|----------------------------------|------------------------------|---------------|-------------------------------------------------------|----------------------------------|
|         |                                                                 | 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 |
| 9       | Reliance Capital Trustee Co Ltd-A/C Nippon India Small Cap Fund | 1853598                                          | 1.7738                           |                              |               | 1853598                                               | 1.7738                           |
|         | Transfer                                                        |                                                  |                                  | 29 Jun 2019                  | 146402        | 2000000                                               | 1.9139                           |
|         | Transfer                                                        |                                                  |                                  | 26 Jul 2019                  | 200000        | 2200000                                               | 2.1053                           |
|         | Transfer                                                        |                                                  |                                  | 02 Aug 2019                  | 25000         | 2225000                                               | 2.1292                           |
|         | Transfer                                                        |                                                  |                                  | 13 Sep 2019                  | 89859         | 2314859                                               | 2.2152                           |
|         | Transfer                                                        |                                                  |                                  | 20 Sep 2019                  | (187526)      | 2127333                                               | 2.0357                           |
|         | Transfer                                                        |                                                  |                                  | 27 Sep 2019                  | (162474)      | 1964859                                               | 1.8802                           |
|         | At the end of the year                                          |                                                  |                                  |                              |               | 1964859                                               | 1.8802                           |
| 10      | Union Bank of India                                             | 2000000                                          | 1.9139                           |                              |               | 2000000                                               | 1.9139                           |
|         | Transfer                                                        |                                                  |                                  | 24 Jan 2020                  | (100000)      | 1900000                                               | 1.8182                           |
|         | Transfer                                                        |                                                  |                                  | 07 Feb 2020                  | (96384)       | 1803616                                               | 1.7259                           |
|         | Transfer                                                        |                                                  |                                  | 14 Feb 2020                  | (103616)      | 1700000                                               | 1.6268                           |
|         | Transfer                                                        |                                                  |                                  | 21 Feb 2020                  | (25000)       | 1675000                                               | 1.6029                           |
|         | Transfer                                                        |                                                  |                                  | 28 Feb 2020                  | (100000)      | 1575000                                               | 1.5072                           |
|         | At the end of the year                                          |                                                  |                                  |                              |               | 1575000                                               | 1.5072                           |
| 11      | State Bank of India                                             | 3569515                                          | 3.4158                           |                              |               | 3569515                                               | 3.4158                           |
|         | Transfer                                                        |                                                  |                                  | 05 Apr 2019                  | (2426)        | 3567089                                               | 3.4135                           |
|         | Transfer                                                        |                                                  |                                  | 26 Apr 2019                  | (146702)      | 3420387                                               | 3.2731                           |
|         | Transfer                                                        |                                                  |                                  | 03 May 2019                  | (77239)       | 3343148                                               | 3.1992                           |
|         | Transfer                                                        |                                                  |                                  | 10 May 2019                  | (122179)      | 3220969                                               | 3.0823                           |
|         | Transfer                                                        |                                                  |                                  | 17 May 2019                  | (291481)      | 2929488                                               | 2.8033                           |
|         | Transfer                                                        |                                                  |                                  | 24 May 2019                  | (122779)      | 2806709                                               | 2.6858                           |
|         | Transfer                                                        |                                                  |                                  | 31 May 2019                  | (107736)      | 2698973                                               | 2.5827                           |
|         | Transfer                                                        |                                                  |                                  | 07 Jun 2019                  | (460000)      | 2238973                                               | 2.1426                           |
|         | Transfer                                                        |                                                  |                                  | 14 Jun 2019                  | (264658)      | 1974315                                               | 1.8893                           |
|         | Transfer                                                        |                                                  |                                  | 13 Sep 2019                  | (40000)       | 1934315                                               | 1.8510                           |
|         | Transfer                                                        |                                                  |                                  | 20 Sep 2019                  | (3108)        | 1931207                                               | 1.8480                           |
|         | Transfer                                                        |                                                  |                                  | 27 Sep 2019                  | (121791)      | 1809416                                               | 1.7315                           |
|         | Transfer                                                        |                                                  |                                  | 18 Oct 2019                  | (14200)       | 1795216                                               | 1.7179                           |
|         | Transfer                                                        |                                                  |                                  | 25 Oct 2019                  | (34342)       | 1760874                                               | 1.6850                           |
|         | Transfer                                                        |                                                  |                                  | 01 Nov 2019                  | (102644)      | 1658230                                               | 1.5868                           |
|         | Transfer                                                        |                                                  |                                  | 08 Nov 2019                  | (40066)       | 1618164                                               | 1.5485                           |
|         | Transfer                                                        |                                                  |                                  | 15 Nov 2019                  | (33000)       | 1585164                                               | 1.5169                           |
|         | Transfer                                                        |                                                  |                                  | 22 Nov 2019                  | (11000)       | 1574164                                               | 1.5064                           |
|         | Transfer                                                        |                                                  |                                  | 29 Nov 2019                  | (35000)       | 1539164                                               | 1.4729                           |
|         | Transfer                                                        |                                                  |                                  | 06 Dec 2019                  | (55000)       | 1484164                                               | 1.4203                           |
|         | Transfer                                                        |                                                  |                                  | 13 Dec 2019                  | (25000)       | 1459164                                               | 1.3963                           |
|         | Transfer                                                        |                                                  |                                  | 20 Dec 2019                  | (10000)       | 1449164                                               | 1.3868                           |
|         | Transfer                                                        |                                                  |                                  | 27 Dec 2019                  | (10000)       | 1439164                                               | 1.3772                           |
|         | Transfer                                                        |                                                  |                                  | 03 Jan 2020                  | (20000)       | 1419164                                               | 1.3581                           |
|         | Transfer                                                        |                                                  |                                  | 10 Jan 2020                  | (35381)       | 1383783                                               | 1.3242                           |

## IV. Shareholding Pattern of Top Ten Shareholders

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2019 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2020 |                                  |
|---------|----------------------------|--------------------------------------------------|----------------------------------|------------------------------|---------------|-------------------------------------------------------|----------------------------------|
|         |                            | 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 |
|         | Transfer                   |                                                  |                                  | 17 Jan 2020                  | (50000)       | 1333783                                               | 1.2763                           |
|         | Transfer                   |                                                  |                                  | 24 Jan 2020                  | (11006)       | 1322777                                               | 1.2658                           |
|         | Transfer                   |                                                  |                                  | 07 Feb 2020                  | (45909)       | 1276868                                               | 1.2219                           |
|         | Transfer                   |                                                  |                                  | 14 Feb 2020                  | (39200)       | 1237668                                               | 1.1844                           |
|         | Transfer                   |                                                  |                                  | 28 Feb 2020                  | (35000)       | 1202668                                               | 1.1509                           |
|         | At the end of the year     |                                                  |                                  |                              |               | 1202668                                               | 1.1509                           |
| 12      | Bank of Baroda             | 2609547                                          | 2.4972                           |                              |               | 2609547                                               | 2.4972                           |
|         | Transfer                   |                                                  |                                  | 05 Apr 2019                  | (38000)       | 2571547                                               | 2.4608                           |
|         | Transfer                   |                                                  |                                  | 10 May 2019                  | (47498)       | 2524049                                               | 2.4154                           |
|         | Transfer                   |                                                  |                                  | 31 May 2019                  | (125718)      | 2398331                                               | 2.2951                           |
|         | Transfer                   |                                                  |                                  | 07 Jun 2019                  | (48331)       | 2350000                                               | 2.2488                           |
|         | Transfer                   |                                                  |                                  | 14 Jun 2019                  | (22830)       | 2327170                                               | 2.2270                           |
|         | Transfer                   |                                                  |                                  | 26 Jul 2019                  | (116122)      | 2211048                                               | 2.1158                           |
|         | Transfer                   |                                                  |                                  | 16 Aug 2019                  | (52500)       | 2158548                                               | 2.0656                           |
|         | Transfer                   |                                                  |                                  | 23 Aug 2019                  | (54600)       | 2103948                                               | 2.0133                           |
|         | Transfer                   |                                                  |                                  | 30 Aug 2019                  | (110000)      | 1993948                                               | 1.9081                           |
|         | Transfer                   |                                                  |                                  | 06 Sep 2019                  | (112128)      | 1881820                                               | 1.8008                           |
|         | Transfer                   |                                                  |                                  | 13 Sep 2019                  | (211730)      | 1670090                                               | 1.5982                           |
|         | Transfer                   |                                                  |                                  | 20 Sep 2019                  | (165000)      | 1505090                                               | 1.4403                           |
|         | Transfer                   |                                                  |                                  | 27 Sep 2019                  | (235000)      | 1270090                                               | 1.2154                           |
|         | Transfer                   |                                                  |                                  | 04 Oct 2019                  | (155000)      | 1115090                                               | 1.0671                           |
|         | Transfer                   |                                                  |                                  | 11 Oct 2019                  | (75000)       | 1040090                                               | 0.9953                           |
|         | Transfer                   |                                                  |                                  | 18 Oct 2019                  | (146050)      | 894040                                                | 0.8555                           |
|         | Transfer                   |                                                  |                                  | 25 Oct 2019                  | (85000)       | 809040                                                | 0.7742                           |
|         | Transfer                   |                                                  |                                  | 01 Nov 2019                  | (168000)      | 641040                                                | 0.6134                           |
|         | Transfer                   |                                                  |                                  | 08 Nov 2019                  | (125000)      | 516040                                                | 0.4938                           |
|         | Transfer                   |                                                  |                                  | 15 Nov 2019                  | (81040)       | 435000                                                | 0.4163                           |
|         | Transfer                   |                                                  |                                  | 22 Nov 2019                  | (120000)      | 315000                                                | 0.3014                           |
|         | Transfer                   |                                                  |                                  | 29 Nov 2019                  | (115000)      | 200000                                                | 0.1914                           |
|         | Transfer                   |                                                  |                                  | 06 Dec 2019                  | (150000)      | 50000                                                 | 0.0478                           |
|         | Transfer                   |                                                  |                                  | 13 Dec 2019                  | (50000)       | 0                                                     | 0.0000                           |
|         | At the end of the year     |                                                  |                                  |                              |               | 0                                                     | 0.0000                           |
| 13      | IDFC Focused Equity Fund   | 1424000                                          | 1.3627                           |                              |               | 1424000                                               | 1.3627                           |
|         | Transfer                   |                                                  |                                  | 12 Jul 2019                  | (188614)      | 1235386                                               | 1.1822                           |
|         | Transfer                   |                                                  |                                  | 19 Jul 2019                  | (143050)      | 1092336                                               | 1.0453                           |
|         | Transfer                   |                                                  |                                  | 26 Jul 2019                  | (236072)      | 856264                                                | 0.8194                           |
|         | Transfer                   |                                                  |                                  | 02 Aug 2019                  | (856264)      | 0                                                     | 0.0000                           |
|         | At the end of the year     |                                                  |                                  |                              |               | 0                                                     | 0.0000                           |

Note :

1. Paid up Share Capital of the Company (Face Value ₹ 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. | For each of the Directors and KMP               | Shareholding at the beginning of the year - April 01, 2019 |                                  | Cumulative Shareholding during the year |                                  |
|---------|-------------------------------------------------|------------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                 | No. of shares                                              | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1       | Shri B V Chaubal<br>Chairperson                 | Nil                                                        | NA                               | Nil                                     | NA                               |
| 2       | Shri Nehal Vora<br>Managing Director & CEO      | Nil                                                        | NA                               | Nil                                     | NA                               |
| 3       | Smt. Preeti Saran<br>Women Independent Director | NA                                                         | NA                               | Nil                                     | NA                               |
| 4       | Dr. B N Patel<br>Independent Director           | NA                                                         | NA                               | Nil                                     | NA                               |
| 5       | Shri Umesh Bellur<br>Independent Director       | NA                                                         | NA                               | Nil                                     | NA                               |
| 6       | Shri Sidhartha Pradhan<br>Independent Director  | NA                                                         | NA                               | Nil                                     | NA                               |
| 7       | Shri Masil Jeya Mohan P<br>Additional Director  | NA                                                         | NA                               | Nil                                     | NA                               |
| 8       | Shri Nayan Mehta<br>Director                    | Nil                                                        | NA                               | Nil                                     | NA                               |
| 9       | Shri Bharat Sheth*<br>Chief Financial Officer   | 2690                                                       | Negligible                       | 2690                                    | Negligible                       |
| 10      | Shri Girish Amesara*<br>Chief Financial Officer | NA                                                         | NA                               | 2690                                    | Negligible                       |
| 11      | Shri Lalitmohan Sharma #<br>Company Secretary   | Nil                                                        | NA                               | NA                                      | NA                               |
| 12      | Smt. Amita Paunekar #<br>Company Secretary      | NA                                                         | NA                               | Nil                                     | NA                               |

\* Shri Bharat Sheth retired from the services of CDSL upon attaining super-annuation w.e.f. December 31, 2019. Shri Girish Amesara was appointed as CFO w.e.f. January 01, 2020

# Shri Lalitmohan Sharma resigned as Company Secretary w.e.f. September 30, 2019. Smt. Amita Paunekar was appointed as Company Secretary w.e.f. November 18, 2019

**V. Indebtedness**

| Particulars                                         | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|-----------------------------------------------------|-------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | NIL                                 | NIL                | NIL      | NIL                   |
| i) Principal Amount                                 |                                     |                    |          |                       |
| ii) Interest due but not paid                       |                                     |                    |          |                       |
| iii) Interest accrued but not due                   |                                     |                    |          |                       |
| <b>Total (i+ii+iii)</b>                             |                                     |                    |          |                       |
| Change in Indebtedness during the financial year    |                                     |                    |          |                       |
| Addition                                            |                                     |                    |          |                       |
| Reduction                                           |                                     |                    |          |                       |
| <b>Net Change</b>                                   |                                     |                    |          |                       |
| Indebtedness at the end of the financial year       |                                     |                    |          |                       |
| 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                                                         | Nehla Vora<br>(MD & CEO) | Total<br>Amount |
|---------|-------------------------------------------------------------------------------------|--------------------------|-----------------|
| 1       | Gross salary                                                                        |                          |                 |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,07,53,071              |                 |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 19,800                   |                 |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |                          | 1,07,72,871     |
| 2       | Stock Option                                                                        | NIL                      |                 |
| 3       | Sweat Equity                                                                        | NIL                      |                 |
| 4       | Commission                                                                          | NIL                      |                 |
|         | - as % of profit                                                                    |                          |                 |
|         | - others, specify                                                                   |                          |                 |
| 5       | Others, please specify                                                              | NIL                      |                 |
|         | <b>Total (A)</b>                                                                    | 1,07,72,871              | 1,07,72,871     |
|         | Ceiling as per the Act                                                              |                          |                 |

**B. Remuneration to other directors:**

| Particulars of Remuneration                                                                                                               |                         | Name of Directors |                   |                   |                        |  | Total Amount     |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------|-------------------|-------------------|------------------------|--|------------------|
| Name of Independent Directors                                                                                                             | Smt. Preeti Saran       | Shri B V Chaubal  | Dr. B N Patel     | Shri Umesh Bellur | Shri Sidhartha Pradhan |  |                  |
| Fee for attending Board / Committee meetings                                                                                              | 47,500                  | 11,50,000         | 8,00,000          | 3,25,000          | 4,75,000               |  | 27,97,500        |
| Commission                                                                                                                                | NIL                     | NIL               | NIL               | NIL               | NIL                    |  | NIL              |
| Others, please specify                                                                                                                    | NIL                     | NIL               | NIL               | NIL               | NIL                    |  | NIL              |
| <b>Total</b>                                                                                                                              | <b>47,500</b>           | <b>11,50,000</b>  | <b>8,00,000</b>   | <b>3,25,000</b>   | <b>4,75,000</b>        |  | <b>27,97,500</b> |
| Name of Independent Directors                                                                                                             | Smt. Usha Narayanan*    | Shri R M Malla^   | Shri B P Rao^^    |                   |                        |  |                  |
| Fee for attending Board / Committee meetings                                                                                              | 8,75,000                | 17,25,000         | 24,75,000         |                   |                        |  | 50,75,000        |
| Commission                                                                                                                                | NIL                     | NIL               | NIL               |                   |                        |  | NIL              |
| Others, please specify                                                                                                                    | NIL                     | NIL               | NIL               |                   |                        |  | NIL              |
| <b>Total</b>                                                                                                                              | <b>8,75,000</b>         | <b>17,25,000</b>  | <b>24,75,000</b>  |                   |                        |  | <b>50,75,000</b> |
| Name of Shareholder Directors                                                                                                             | Shri Masil Jeya Mohan P | Shri Nayan Mehta  | Shri Nehal Vora** |                   |                        |  |                  |
| Fee for attending Board / Committee meetings                                                                                              | 1,75,000                | 9,25,000          | 3,75,000          |                   |                        |  | 14,75,000        |
| Commission                                                                                                                                | NIL                     | NIL               | NIL               |                   |                        |  | NIL              |
| Others, please specify                                                                                                                    | NIL                     | NIL               | NIL               |                   |                        |  | NIL              |
| <b>Total</b>                                                                                                                              | <b>1,75,000</b>         | <b>9,25,000</b>   | <b>3,75,000</b>   |                   |                        |  | <b>14,75,000</b> |
| Overall Ceiling as per the Companies Act, 2013 for sitting fees is ₹1,00,000 (Rupees One lakh Only) per Board/ Committee Meeting thereof. |                         |                   |                   |                   |                        |  |                  |

\* Smt Usha Narayanan passed away on July 01, 2019

^ Shri R M Malla ceased to be director w.e.f July 29, 2019 on account of expiry of term

^^ Shri B P Rao ceased to be director w.e.f October 20, 2019 on account of expiry of term

\*\* Shri Nehal Vora ceased to be Shareholder Director w.e.f September 23, 2019 due to resignation and subsequently appointed as MD & CEO w.e.f September 24, 2019

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

| Sr. No. | Particulars of Remuneration                                                         | Key Managerial Personnel |                     |                        |                     | Total              |
|---------|-------------------------------------------------------------------------------------|--------------------------|---------------------|------------------------|---------------------|--------------------|
|         |                                                                                     | Shri Bharat Sheth        | Shri Girish Amesara | Shri Lalitmohan Sharma | Smt. Amita Paunikar |                    |
| 1       | Gross salary                                                                        |                          |                     |                        |                     |                    |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 2,00,63,175              | 23,59,738           | 24,72,229              | 15,61,037           | 2,64,56,179        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 24,300                   | NIL                 | NIL                    | NIL                 | 24,300             |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | NIL                      | NIL                 | NIL                    | NIL                 | 0                  |
| 2       | Stock Option                                                                        | NIL                      | NIL                 | NIL                    | NIL                 | 0                  |
| 3       | Sweat Equity                                                                        | NIL                      | NIL                 | NIL                    | NIL                 | 0                  |
| 4       | Commission<br>- as % of Profit<br>- others, specify                                 | NIL                      | NIL                 | NIL                    | NIL                 | 0                  |
| 5       | Others, please specify- Provident Fund                                              | NIL                      | NIL                 | NIL                    | NIL                 | 0                  |
|         | <b>Total</b>                                                                        | <b>2,00,87,475</b>       | <b>23,59,738</b>    | <b>24,72,229</b>       | <b>15,61,037</b>    | <b>2,64,80,479</b> |

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

**VII. Penalties/ Punishment/ Compounding of Offences:**

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

National Stock Exchange of India Limited (NSE) no. NSE/LIST-SOP/CG/FINES/0468 dated July 02, 2020 informed the Company about levy of fine of ₹ 1,80,000/- plus applicable taxes for being delayed compliant/ non-compliant with Regulation 18(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR). The Company made submission to NSE that the Company had constituted the Audit Committee with 3 Independent Directors and 02 Non-Executive Directors and that the Regulation 18 of the LODR requires that atleast 2/3rd of the members of the Company be independent directors. It was also informed that basis telephonic advice from NSE on April 29, 2020, the Company had immediately reconstituted the Audit Committee on April 30, 2020.

In compliance with the SOPs laid down by SEBI in this regard, the Company paid the amount of fine on 17.07.2020 and requested NSE for personal hearing for the purpose of waiver of the penalty which is yet to take place. It should be noted that the Company believes and promotes the best practices of corporate governance, hence had immediately acted on the advice of NSE to reconstitute the Audit Committee. Also, the Company has paid the aforementioned amount of fine within the given time frame.

# BUSINESS RESPONSIBILITY REPORT

## INTRODUCTION

CDSL's Business Responsibility Report 2019-20 follows the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NGSs), 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 INFORMATION 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,<br>Mafatlal Mills Compound, N.M Joshi Marg,<br>Lower Parel, Mumbai 400013. |
| 4. Website                                                                                       | <a href="https://www.cdslindia.com/">https://www.cdslindia.com/</a>                                              |
| 5. E-mail ID                                                                                     | brr@cdslindia.com                                                                                                |
| 6. Financial Year reported                                                                       | 2019-20                                                                                                          |
| 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 compliance with regulation laid down by 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 IFSC, GIFT City                                                              |

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

|                                                                                                    |                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Paid up capital (INR)                                                                           | 10,450 Lakh                                                                                                                                                   |
| 2. Total Turnover (INR)                                                                            | 21,139 Lakh                                                                                                                                                   |
| 3. Total profit after taxes (INR)                                                                  | 7,732 Lakh                                                                                                                                                    |
| 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after taxes (%) | 2% (7.74% including unspent amount of previous years)                                                                                                         |
| 5. List of activities in which expenditure in 4 above has been incurred                            | Assistance to fight against COVID-19 Pandemic for promotion of health care, including preventive health care and disaster management and 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:

- CDSL Insurance Repository Limited
- CDSL Ventures Limited
- CDSL Commodity Repository 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%].

The BR initiative taken by the Company are standalone. The entities with whom Company does business, may be having their own BR initiatives independent from the Company.

## 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 : 06497832
2. Name : Shri B. V. Chaubal
3. Designation : Public Interest Director

#### b) Details of the BR Head

| Sr. No. | Particulars                | Details              |
|---------|----------------------------|----------------------|
| 1.      | DIN Number (if applicable) | -                    |
| 2.      | Name                       | Smt. Amita Paunikar  |
| 3.      | Designation                | Company Secretary    |
| 4.      | Telephone Number           | +9122 23058563       |
| 5.      | E-mail ID                  | amitap@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 Management.                                                    |     |     |     |     |     |     |     |     |
| 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?                                                                                                           | <a href="https://www.cdslindia.com/">https://www.cdslindia.com/</a>                                                             |     |     |     |     |     |     |     |     |
| 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?                              | All the Principles are reviewed by Executive Management Committee continuously and measures are taken for all the stakeholders. |     |     |     |     |     |     |     |     |



### 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.**

BRR is placed before the Board annually before circulating it to the Shareholders

- 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 published BR report as a part of Annual Report. BR report is attached along with our annual report which is published annually.

their holdings are managed. Storage of stock holdings in electronic format saves lots of physical paper and also takes care of issues pertaining to loss or storage of such paper. We also provide consolidated account statement to all account holders in electronic format called E-CAS. This helps us save 85% paper as compared to earlier when physical statements were sent to all account holders. India is a developing and diversified country for which we provide service information in multiple regional languages; this has 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.

## 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 599 Depository participants and 14762 issuer companies registered as on March 31, 2020.

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.**

We have not received any complaints during the reporting year.

### 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 Equity shares, Mutual Funds, etc. in an electronic form. The customers are provided with a DEMAT account, where

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

The principle form of sourcing is an electronic form to our customers which is a sustainable medium from an environment standpoint and furthers the cause of "going green".

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 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.**

220

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

Nil

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

54

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

3

**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         | 26            | 12     |
| Number of employees with disabilities | 0             | 0      |
| Employees at Management level         | 1             | 0      |
| Employees at Non-Management level     | 25            | 12     |

**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. Vendors viz.TCS, ECS, etc.**
**ii. Depository participants**
**iii. Issuers**
**iv. Registrar and Transfer Agents (RTAs)**
**v. Shareholders**
**vi. Advertising Agencies**
**vii. Beneficial Owners**
**viii. Stock Exchanges**
**ix. Clearing Corporations**
**x. Other Depository**
**xi. Other KRAs**
**xii. Other IRs**
**xiii. Other CRs**
**xiv. Data centres(contractors)**
**xv. SEBI**
**xvi. RBI**
**xvii. GSTN**
**xviii. UIDAI**

- xix. IRDAI
- xx. WDRA
- xxi. MCA
- xxii. Practicing Company Secretary/ Practicing Chartered Accountant
- xxiii. Internal and Statutory Auditors
- xxiv. Farmers
- xxv. Repository participants
- xxvi. Warehouses
- xxvii. Local Communities
- xxviii. 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 challenged 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 contributing to Prime Minister National Relief Fund and Maharashtra State Disaster Authority through Chief Minister Relief Fund towards assistance to fight against COVID-19 Pandemic.

**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 prevention of sexual harassment, prevention of child labour, 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 de-statementization 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). Facility Management department of Marathon Fururex, where CDSL head office is located has an efficient waste management system comprising sewage treatment plant organic waste converter to whom CDSL is handing over wet and dry waste separately on daily basis.

At CDSL, we believe that digitisation has a great potential for sustainability. By connecting the stakeholders electronically, CDSL ensure paperless transactions and thus takes active steps to reduce carbon footprints and the harm they do to the environment. Through the electronic form of operations, we have helped the stakeholders to 'go green'.

**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:

- ACG-Asia Pacific Central Securities Depository Group
- Groningen Declaration Network(GDN)
- Association of Eurasian Central Securities Depositories (AECS)

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: 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 for our stakeholder's and company's growth. Some of them are listed below:

- eVoting
- National Academic depository
- Go green movements
- Single demat account for all financial assets
- Sending annual reports of our company through email

**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 major initiatives in the areas of education, commutation and provided assistance to Central and State Government to fight against COVID-19.

**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 organisations/ government organisations.

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

The Company CSR representative visits the sites undertaken for CSR projects on periodic basis and measures the impact based on the benefits provided by the Project towards welfare of the Society.

**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.

We have contributed to Prime Minister National Relief Fund and Chief Minister's Relief Fund (Maharashtra)/ Maharashtra State Disaster Management Authority Fund towards assistance to fight against COVID 19 Pandemic.

| CSR Project or activity identified                                             | Sector in which the project is covered                                                             | Amount Contributed directly in the initiative by the Company ₹ in Lakhs |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Prime Minister National Relief Fund                                            | promotion of health care, including preventive health care and sanitation, and disaster management | 400.00                                                                  |
| Chief Minister's Relief Fund / Maharashtra State Disaster Management Authority | promotion of health care, including preventive health care and sanitation, and disaster management | 196.68                                                                  |
| <b>Total</b>                                                                   |                                                                                                    | <b>596.68</b>                                                           |

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

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 year we have conducted more than 470 Investor Awareness Programs (IAPs). Out of these, more than 350 programs were conducted in tier 2, tier 3, tier 4 cities and towns. This initiative allowed approx. 33000 participants across geographies, professions and age groups to learn the basics of capital markets, advantages of holding securities in demat form, importance of Financial Planning, Investment avenues available, etc. 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.

**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.**

No complaints were pending against CDSL.

**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 behaviour during the last five years and pending as on end of financial year.**

There were no cases filed by any of our stakeholders regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

**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**

**Shri Balkrishna V Chaubal**

Chairperson  
DIN: 06497832

Place : Mumbai  
Date : July 25, 2020

# 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 March 31, 2020, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the Ind AS 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, 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 state of affairs of the Company as at March 31, 2020, 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, 2020. 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Valuation of investments and its impairment</b> (as described in note 28 of the Ind AS financial statements)                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>Quoted investments and unquoted investments represent the most significant amount on the balance sheet. The total of these aggregating to ₹ 52,443 Lakhs represented 80% of total assets of the Company as at March 31, 2020.</p> <p>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.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>We assessed the design and implementation of controls over valuation and existence of investments.</li> <li>We traced the quantity held from the confirmation provided by Custodian and Fund houses.</li> <li>We tested the valuation of the quoted and unquoted investments to independent pricing sources.</li> <li>We assessed and tested the management procedures for performing impairment analysis of investments, including Covid 19 impact assessed by the management.</li> </ul> |



| Key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>IT systems and controls</b> <p>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.</p> <p>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.</p> <p>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.</p> <p>Our audit procedures focused on testing of IT systems, IT general controls and specific application controls.</p> | <p>Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting including:</p> <ul style="list-style-type: none"> <li>Assessed the information systems used by the Company for IT General Controls (ITGC) and Application controls;</li> <li>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;</li> <li>Assessed the changes that were made to the IT landscape during the audit period and assessing changes that have impact on financial reporting;</li> <li>Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system.</li> <li>Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.</li> </ul> <p>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.</p> |

## 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. The Annual report is expected to be made available to us after the date of this auditor's report.

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 mis-stated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## 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 with reference to financial statements 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 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, 2020 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **Annexure 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 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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, 2020 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:
- The Company does not have any pending litigations which would impact its financial position;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - 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

UDIN: 20037924AAAACL4668

Place of Signature: Mumbai

Date: May 16, 2020

## **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**

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - As informed by the management, planned physical verification of fixed assets could not be performed due to lock down situation in the country and hence, we are unable to comment on the discrepancies, if any.
  - 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.
- The Company's nature of business does not require holding of any inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- 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.
- 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.
- 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.
- 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.
- 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. As informed, 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. As informed, 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 information and explanations given to us, there are no dues of income tax, service tax, goods and service tax and cess which have not been deposited on account of any dispute. 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. The provisions of clause 3(xii) of the order are, therefore, 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

UDIN: 20037924AAAACL4668

Place of Signature: Mumbai

Date: May 16, 2020

### **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 Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Central Depository Services (India) Limited ("the Company") as of March 31, 2020, 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 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 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, adequate internal financial controls 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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

UDIN: 20037924AAAACL4668

Place of Signature: Mumbai

Date: May 16, 2020



# BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Lakh)

| Particulars                                                                            | Note No. | As at 31.03.2020 | As at 31.03.2019 |
|----------------------------------------------------------------------------------------|----------|------------------|------------------|
| <b>ASSETS</b>                                                                          |          |                  |                  |
| <b>1 Non-current assets</b>                                                            |          |                  |                  |
| a. Property, plant and equipment                                                       | 3        | 7,071.41         | 7,033.17         |
| b. Intangible assets                                                                   | 4        | 131.21           | 188.76           |
| c. Financial Assets                                                                    |          |                  |                  |
| i. Investments                                                                         |          |                  |                  |
| a. Investments in subsidiaries                                                         | 5        | 6,230.00         | 6,230.00         |
| b. Other investments                                                                   | 6        | 22,820.56        | 36,699.08        |
| ii. Loans                                                                              | 7        | 12.20            | 7.39             |
| iii. Other financial assets                                                            | 8        | 151.54           | 745.15           |
| d. Deferred tax assets (net)                                                           | 9        | 99.62            | 345.08           |
| e. Non current tax assets                                                              | 10       | 854.67           | 1,167.36         |
| f. Other assets                                                                        | 11       | 115.26           | 52.92            |
| <b>Total Non-Current Assets</b>                                                        |          | <b>37,486.47</b> | <b>52,468.91</b> |
| <b>2 Current assets</b>                                                                |          |                  |                  |
| a. Financial Assets                                                                    |          |                  |                  |
| i. Other investments                                                                   | 6        | 23,392.29        | 5,313.86         |
| ii. Trade receivables                                                                  | 12       | 1,202.68         | 879.79           |
| iii. Cash and cash equivalents                                                         | 13       | 180.31           | 283.88           |
| iv. Bank balances other than (iii) above                                               | 13       | 2,204.32         | 1,500.07         |
| v. Loans                                                                               | 7        | 11.03            | 12.14            |
| vi. Other financial assets                                                             | 8        | 499.11           | 346.12           |
| b. Other assets                                                                        | 11       | 398.90           | 455.43           |
| <b>Total Current Assets</b>                                                            |          | <b>27,888.64</b> | <b>8,791.29</b>  |
| <b>Total Assets (1+2)</b>                                                              |          | <b>65,375.11</b> | <b>61,260.20</b> |
| <b>EQUITY AND LIABILITIES</b>                                                          |          |                  |                  |
| <b>1 Equity</b>                                                                        |          |                  |                  |
| a. Equity Share capital                                                                | 14       | 10,450.00        | 10,450.00        |
| b. Other Equity                                                                        | 15       | 46,510.78        | 43,803.35        |
| <b>Total Equity</b>                                                                    |          | <b>56,960.78</b> | <b>54,253.35</b> |
| <b>LIABILITIES</b>                                                                     |          |                  |                  |
| <b>2 Non-current liabilities</b>                                                       |          |                  |                  |
| a. Financial Liabilities                                                               |          |                  |                  |
| Other financial liabilities                                                            | 16       | 116.88           | 81.29            |
| b. Other liabilities                                                                   | 19       | 0.09             | 14.66            |
| c. Provisions                                                                          | 18       | 62.20            | -                |
| <b>Total Non-current Liabilities</b>                                                   |          | <b>179.17</b>    | <b>95.95</b>     |
| <b>3 Current liabilities</b>                                                           |          |                  |                  |
| a. Financial Liabilities                                                               |          |                  |                  |
| i. Trade payables                                                                      | 17       |                  |                  |
| Total outstanding dues of micro enterprises and small enterprises                      |          | 0.27             | 7.54             |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 553.60           | 198.34           |
| ii. Other financial liabilities                                                        | 16       | 4,317.54         | 4,185.53         |
| b. Provisions                                                                          | 18       | 1,760.17         | 963.75           |
| c. Other liabilities                                                                   | 19       | 1,352.14         | 1,199.00         |
| d. Current tax liabilities                                                             | 10       | 251.44           | 356.74           |
| <b>Total Current Liabilities</b>                                                       |          | <b>8,235.16</b>  | <b>6,910.90</b>  |
| <b>Total Equity and Liabilities (1+2+3)</b>                                            |          | <b>65,375.11</b> | <b>61,260.20</b> |
| Significant accounting policies                                                        | 2        |                  |                  |
| The Accompanying notes form an integral part of the financial statements               | 1-44     |                  |                  |

In terms of our report of even date attached

For S. R. Batliboi &amp; Co. LLP

Chartered Accountants

ICAI Firm registration No. 301003E/E300005

Per Jayesh Gandhi

Partner

Membership No: 037924

Place : Mumbai

Date : May 16, 2020

For and on behalf of the Board of Directors

B.V. Chaubal

Chairperson

DIN: 06497832

Amita Paunikar

Company Secretary

Membership No. A17646

Nehal Vora

Managing Director &amp; CEO

DIN: 02769054

Girish Amesara

Chief Financial Officer



# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakh)

| PARTICULARS                                                                      | Note No. | For the year ended 31.03.2020 | For the year ended 31.03.2019 |
|----------------------------------------------------------------------------------|----------|-------------------------------|-------------------------------|
| <b>1 Revenue From Operations</b>                                                 | 20       | 16,815.16                     | 15,234.12                     |
| <b>2 Other Income</b>                                                            | 21       | 4,323.78                      | 3,612.88                      |
| <b>3 Total Income (1+2)</b>                                                      |          | <b>21,138.94</b>              | <b>18,847.00</b>              |
| <b>4 Expenses</b>                                                                |          |                               |                               |
| Employee benefits expense                                                        | 22       | 3,997.66                      | 2,983.47                      |
| Depreciation and amortisation expense                                            | 3 & 4    | 868.69                        | 825.51                        |
| Finance Cost                                                                     | 27       | 2.94                          | -                             |
| Impairment loss on financial assets                                              | 23       | 741.11                        | 291.65                        |
| Other expenses                                                                   | 24       | 4,755.31                      | 3,780.42                      |
| Settlement of Service Tax Matter (Refer note 32)                                 |          | 1,056.09                      | -                             |
| <b>Total expenses</b>                                                            |          | <b>11,421.80</b>              | <b>7,881.05</b>               |
| <b>5 Profit before tax (3-4)</b>                                                 |          | <b>9,717.14</b>               | <b>10,965.95</b>              |
| <b>6 Tax expense:</b>                                                            | 25       |                               |                               |
| Current tax                                                                      |          | 1,919.00                      | 2,510.00                      |
| Deferred tax                                                                     |          | 240.43                        | 18.22                         |
| Provision for Income Tax Written Back                                            |          | (174.10)                      | -                             |
| <b>Total tax expense</b>                                                         |          | <b>1,985.33</b>               | <b>2,528.22</b>               |
| <b>7 Profit for the year (7-8)</b>                                               |          | <b>7,731.81</b>               | <b>8,437.73</b>               |
| <b>8 Other Comprehensive Income</b>                                              |          |                               |                               |
| Items that will not be reclassified to profit or loss                            |          |                               |                               |
| i. Remeasurement of the defined benefit plans;                                   |          | 20.00                         | 0.80                          |
| ii. Income tax relating to items that will not be reclassified to profit or loss |          | (5.03)                        | (0.23)                        |
| <b>Total other comprehensive income / (loss) (net of tax) (i+ii)</b>             |          | <b>14.97</b>                  | <b>0.57</b>                   |
| <b>9 Total Comprehensive Income for the year (7+8)</b>                           |          | <b>7,746.78</b>               | <b>8,438.30</b>               |
| <b>10 Earnings per equity share (EPS) :</b>                                      | 26       |                               |                               |
| Basic and Diluted EPS (₹)                                                        |          | 7.40                          | 8.07                          |
| 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         | 1-44     |                               |                               |

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 16, 2020

For and on behalf of the Board of Directors

**B.V. Chaubal**

Chairperson

DIN: 06497832

**Amita Paunikar**

Company Secretary

Membership No. A17646

**Nehal Vora**

Managing Director &amp; CEO

DIN: 02769054

**Girish Amesara**

Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakh)

## A. Equity Share Capital

|                                                 | Amount           |
|-------------------------------------------------|------------------|
| <b>Balance as at April 1, 2018</b>              | <b>10,450.00</b> |
| Changes in equity share capital during the year | -                |
| <b>Balance as at March 31, 2019</b>             | <b>10,450.00</b> |
| Changes in equity share capital during the year | -                |
| <b>Balance as at March 31, 2020</b>             | <b>10,450.00</b> |

## B. Other Equity

(₹ in Lakh)

| Particulars                                                | Reserves and Surplus |                   |                            | Total            |
|------------------------------------------------------------|----------------------|-------------------|----------------------------|------------------|
|                                                            | General Reserve      | Retained Earnings | Other comprehensive income |                  |
| <b>Balance as at April 1, 2018</b>                         | <b>1,094.93</b>      | <b>38,648.71</b>  | <b>30.89</b>               | <b>39,774.53</b> |
| 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)       |
| <b>Balance as at March 31, 2019</b>                        | <b>1,094.93</b>      | <b>42,676.96</b>  | <b>31.46</b>               | <b>43,803.35</b> |
| Profit for the year                                        | -                    | 7,731.81          | -                          | 7,731.81         |
| Other comprehensive income for the year (net of tax)       | -                    | -                 | 14.97                      | 14.97            |
| Payment of dividends (Including dividend distribution tax) | -                    | (5,039.35)        | -                          | (5,039.35)       |
| <b>Balance as at March 31, 2020</b>                        | <b>1,094.93</b>      | <b>45,369.42</b>  | <b>46.43</b>               | <b>46,510.78</b> |

Significant accounting policies

2

The Accompanying notes form an integral part of the financial statements

1-44

### 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 16, 2020

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

#### B.V. Chaubal

Chairman

DIN: 06497832

#### Amita Paunikar

Company Secretary

Membership No. A17646

#### Nehal Vora

Managing Director &amp; CEO

DIN: 02769054

#### Girish Amesara

Chief Financial Officer

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakh)

| PARTICULARS                                                                          | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|--------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                        |                                  |                                  |
| <b>Profit for the year</b>                                                           | <b>7,731.81</b>                  | <b>8,437.73</b>                  |
| <b>Adjustments for</b>                                                               |                                  |                                  |
| Income tax expenses recognised in profit or loss                                     | 1,985.33                         | 2,528.22                         |
| Depreciation and Amortisation expense                                                | 868.69                           | 825.51                           |
| Gain on sale / disposal of Property, plant and equipment and Intangible assets (Net) | (15.28)                          | (8.59)                           |
| Provision for gratuity and compensated absences                                      | 444.31                           | 117.29                           |
| Interest income recognised in profit or loss                                         | (912.89)                         | (877.33)                         |
| Dividend income recognised in profit or loss                                         | -                                | (89.90)                          |
| Net gain arising on financial assets measured at FVTPL                               | (2,823.27)                       | (2,111.38)                       |
| Impairment loss on financial assets/bad debts written off                            | 741.11                           | 291.65                           |
| <b>Operating cash flow before working capital changes</b>                            | <b>8,019.81</b>                  | <b>9,113.20</b>                  |
| <b>Movements in working capital</b>                                                  |                                  |                                  |
| (Increase) / Decrease in trade receivables                                           | (1,064.00)                       | (40.00)                          |
| (Increase) / Decrease in loans and other assets                                      | (17.39)                          | (26.20)                          |
| (Increase) / Decrease in other financial assets                                      | (105.38)                         | 975.38                           |
| Increase / (Decrease) in trade payables                                              | 347.99                           | 2.00                             |
| Increase / (Decrease) in provisions                                                  | 434.31                           | (26.83)                          |
| Increase / (Decrease) in other financial liabilities and other current liabilities   | 277.49                           | (147.85)                         |
| <b>Cash generated from operations</b>                                                | <b>7,892.83</b>                  | <b>9,849.70</b>                  |
| Direct taxes paid (net of refunds)                                                   | (1,537.51)                       | (2,514.88)                       |
| <b>Net cash generated from operating activities</b>                                  | <b>6,355.32</b>                  | <b>7,334.82</b>                  |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                                        |                                  |                                  |
| Purchase of property, plant and equipment, intangible assets and capital advances    | (819.00)                         | (700.55)                         |
| Proceeds from sale of property, plant and equipment                                  | 32.95                            | 12.96                            |
| Purchase of investments                                                              | (12,115.00)                      | (29,029.68)                      |
| Proceeds from sale of investments                                                    | 10,721.44                        | 23,355.85                        |
| Investments in fixed deposits with banks                                             | (1,583.19)                       | (2,062.16)                       |
| Proceeds from maturity of fixed deposits with banks                                  | 1,461.82                         | 1,955.36                         |
| Interest received                                                                    | 892.92                           | 856.50                           |
| Dividend received                                                                    | -                                | 89.90                            |
| <b>Net cash (used in) / generated from investing activities</b>                      | <b>(1,408.06)</b>                | <b>(5,521.82)</b>                |

(₹ in Lakh)

| PARTICULARS                                                             | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|-------------------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                           |                                  |                                  |
| Dividend and taxes paid thereon                                         | (5,039.35)                       | (4,409.48)                       |
| Sale of Equity shares in Subsidiary                                     | -                                | 2,400.00                         |
| Finance Cost (Interest Exp - Ind AS)                                    | -                                | -                                |
| Payment of Lease liability                                              | (11.48)                          | -                                |
| <b>Net cash used in financing activities</b>                            | <b>(5,050.83)</b>                | <b>(2,009.48)</b>                |
| <b>Net (Decrease) / Increase in cash and cash equivalents (A+B+C)</b>   | <b>(103.57)</b>                  | <b>(196.48)</b>                  |
| Cash and cash equivalents at the beginning of the year                  | 283.88                           | 480.36                           |
| <b>Cash and cash equivalents at the end of the year</b>                 | <b>180.31</b>                    | <b>283.88</b>                    |
| Cash and cash equivalents at the end of the year comprises              |                                  |                                  |
| i) Cash in hand                                                         | 0.56                             | 0.26                             |
| ii) Cheques on hand                                                     | -                                | -                                |
| iii) Balances with banks                                                |                                  |                                  |
| - In unpaid dividend account (Refer note 3 below)                       | 16.42                            | 6.06                             |
| - In current account (Earmarked against liability) (Refer note 3 below) | 33.27                            | 26.28                            |
| - In Current Accounts                                                   | 130.06                           | 251.28                           |

Significant accounting policies

2

The Accompanying notes form an integral part of the financial statements

1-44

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 year figure have been regrouped wherever necessary.
3. The balances are not available for use by the company as they represent corresponding unpaid dividend and earmarked liability.

**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 16, 2020

**For and on behalf of the Board of Directors****B.V. Chaubal**

Chairperson

DIN: 06497832

**Amita Paunikar**

Company Secretary

Membership No. A17646

**Nehal Vora**

Managing Director &amp; CEO

DIN: 02769054

**Girish Amesara**

Chief Financial Officer

# SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

## 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 16, 2020.

## 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, 2020 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013, read together with the companies (Indian Accounting Standards) Rules, 2015 and 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, deferred 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) comprising amortised cost, financial assets (debt instrument) comprising Fair Value Through Other Comprehensive Income ("FVTOCI"), financial asset (equity instruments) at Fair value Through Profit and Loss account ("FVTPL") and FVTOCI and financial liabilities at amortised cost or FVTPL.

The Company 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 derecognized 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.

**e) Earmarked Funds**

Earmarked Funds represent bonus payable to Key Management Personnel of the Company, held for specific purposes as per the SEBI (Depositories and Participants) Regulations 2018. 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.

**c) 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.

#### d) 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 April 1, 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 lives and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

##### Derecognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains

or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

#### vi) Depreciation / Amortisation:

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.:

| Name of Asset                            | Useful life as per Company's Act 2013 (Years) | Useful Life as per Company Policy (Years) |
|------------------------------------------|-----------------------------------------------|-------------------------------------------|
| Computer Hardware                        | 3                                             | 2                                         |
| Computer software – Perpetual            | 3                                             | 2                                         |
| Computer software – Subscription License | 3                                             | As per useful life                        |
| Furniture and Fixtures                   | 10                                            | 5                                         |
| Vehicle                                  | 8                                             | 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 life 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 life, 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**

### **As a Lessee:**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

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

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset

basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

### **As a Lessor:**

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

## **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.

- Short term employee benefits: Performance linked bonus is provided as and when the same is approved by the management.
- Post-employment benefits and other long term employee benefits are treated as follows:

##### **i. Defined Contribution Plans**

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

Contributions to the defined contribution plans are charged to 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:

##### **Time and service contracts**

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

##### **i) 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 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**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01.04.2020.

## 3. Property, plant and equipment

(₹ in Lakh)

| Particulars                                    | Freehold Office | Civil and Interior Work | Freehold -Building | Leasehold-Building | Plant and equipment | Computers     | Furniture and fixtures | Office equipments | Motor vehicles | *ROU Asset   | Total           |
|------------------------------------------------|-----------------|-------------------------|--------------------|--------------------|---------------------|---------------|------------------------|-------------------|----------------|--------------|-----------------|
| <b>Gross carrying value</b>                    |                 |                         |                    |                    |                     |               |                        |                   |                |              |                 |
| Balance as at April 1, 2018                    | 6,325.27        | 250.22                  | 0.01               | 169.10             | 858.94              | 96.66         | 319.23                 | 270.78            | 152.67         | -            | 8,442.88        |
| 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           |
| <b>Balance as at March 31, 2019</b>            | <b>6,325.27</b> | <b>250.22</b>           | <b>0.01</b>        | <b>169.10</b>      | <b>1,019.27</b>     | <b>105.06</b> | <b>320.16</b>          | <b>282.01</b>     | <b>161.42</b>  | <b>-</b>     | <b>8,632.52</b> |
| Balance as at April 1, 2019                    | 6,325.27        | 250.22                  | 0.01               | 169.10             | 1,019.27            | 105.06        | 320.16                 | 282.01            | 161.42         | -            | 8,632.52        |
| Additions during the year ended March 31, 2020 | -               | -                       | -                  | -                  | 514.01              | 65.73         | 8.27                   | 18.16             | 18.61          | 48.50        | 673.28          |
| Deductions / adjustments                       | -               | -                       | -                  | -                  | 4.40                | 2.53          | 0.18                   | 6.24              | 62.98          | -            | 76.33           |
| <b>Balance as at March 31, 2020</b>            | <b>6,325.27</b> | <b>250.22</b>           | <b>0.01</b>        | <b>169.10</b>      | <b>1,528.88</b>     | <b>168.26</b> | <b>328.25</b>          | <b>293.93</b>     | <b>117.05</b>  | <b>48.50</b> | <b>9,229.47</b> |
| <b>Accumulated depreciation</b>                |                 |                         |                    |                    |                     |               |                        |                   |                |              |                 |
| Balance as at April 1, 2018                    | 74.96           | 10.35                   | -                  | 150.24             | 501.30              | 75.23         | 102.85                 | 51.70             | 59.84          | -            | 1,026.47        |
| 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           |
| <b>Balance as at March 31, 2019</b>            | <b>180.59</b>   | <b>35.37</b>            | <b>-</b>           | <b>161.59</b>      | <b>806.46</b>       | <b>94.37</b>  | <b>150.43</b>          | <b>102.28</b>     | <b>68.26</b>   | <b>-</b>     | <b>1,599.35</b> |
| Balance as at April 1, 2019                    | 180.59          | 35.37                   | -                  | 161.59             | 806.46              | 94.37         | 150.43                 | 102.28            | 68.26          | -            | 1,599.35        |
| Depreciation for the year ended March 31, 2020 | 105.63          | 25.02                   | -                  | 2.17               | 309.14              | 28.72         | 47.89                  | 52.24             | 35.45          | 11.11        | 617.37          |
| Deductions / Adjustments                       | -               | -                       | -                  | -                  | 4.40                | 2.53          | 0.18                   | 6.02              | 45.53          | -            | 58.66           |
| <b>Balance as at March 31, 2020</b>            | <b>286.22</b>   | <b>60.39</b>            | <b>-</b>           | <b>163.76</b>      | <b>1,111.20</b>     | <b>120.56</b> | <b>198.14</b>          | <b>148.50</b>     | <b>58.18</b>   | <b>11.11</b> | <b>2,158.06</b> |
| <b>Net carrying value</b>                      |                 |                         |                    |                    |                     |               |                        |                   |                |              |                 |
| As at March 31, 2020                           | 6,039.05        | 189.83                  | 0.01               | 5.34               | 417.68              | 47.70         | 130.11                 | 145.43            | 58.87          | 37.39        | 7,071.41        |
| 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        |

\* Refer Note no. 27

#### 4. Intangible assets

(₹ in Lakh)

| Particulars                                    | Computer Softwares | Total         |
|------------------------------------------------|--------------------|---------------|
| <b>Gross carrying value</b>                    |                    |               |
| Balance as at April 1, 2018                    | 324.56             | 324.56        |
| Additions during the year ended March 31, 2019 | 352.23             | 352.23        |
| Deductions / adjustments                       | -                  | -             |
| <b>Balance as at March 31, 2019</b>            | <b>676.79</b>      | <b>676.79</b> |
| Balance as at April 1, 2019                    | 676.79             | 676.79        |
| Additions during the year ended March 31, 2020 | 193.76             | 193.76        |
| Deductions / adjustments                       | -                  | -             |
| <b>Balance as at March 31, 2020</b>            | <b>870.55</b>      | <b>870.55</b> |
| <b>Accumulated amortisation</b>                |                    |               |
| Balance as at April 1, 2018                    | 262.13             | 262.13        |
| Amortisation for the year ended March 31, 2019 | 225.90             | 225.90        |
| Deductions / Adjustments                       | -                  | -             |
| <b>Balance as at March 31, 2019</b>            | <b>488.03</b>      | <b>488.03</b> |
| Balance as at April 1, 2019                    | 488.03             | 488.03        |
| Amortisation for the year ended March 31, 2020 | 251.31             | 251.31        |
| Deductions / Adjustments                       | -                  | -             |
| <b>Balance as at March 31, 2020</b>            | <b>739.34</b>      | <b>739.34</b> |
| <b>Net carrying value</b>                      |                    |               |
| <b>As at March 31, 2020</b>                    | <b>131.21</b>      | <b>131.21</b> |
| <b>As at March 31, 2019</b>                    | <b>188.76</b>      | <b>188.76</b> |

#### 5. Investments in subsidiaries

(₹ in Lakh)

| Particulars                                                                   | As at 31.03.2020 | As at 31.03.2019 |
|-------------------------------------------------------------------------------|------------------|------------------|
| <b>Un-quoted investments (measured at cost)</b>                               |                  |                  |
| Investments in equity instruments                                             |                  |                  |
| - CDSL Ventures Limited (Fully paid up)                                       | 2,100.00         | 2,100.00         |
| - CDSL Insurance Repository Limited (Fully paid up)                           | 1,530.00         | 1,530.00         |
| - CDSL Commodity Repository Limited (Fully paid up)                           | 2,600.00         | 2,600.00         |
| <b>Total aggregate un-quoted investments</b>                                  | <b>6,230.00</b>  | <b>6,230.00</b>  |
| <b>Aggregate carrying value of un-quoted investments</b>                      | <b>6,230.00</b>  | <b>6,230.00</b>  |
| <b>Aggregate amount of impairment in value of investments in subsidiaries</b> | <b>-</b>         | <b>-</b>         |

## 6. Other investments

(₹ in Lakh)

| Particulars                                                                                              | As at<br>31.03.2020 | As at<br>31.03.2019 |
|----------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Non-current investments</b>                                                                           |                     |                     |
| <b>Un-quoted investments (all fully paid)</b>                                                            |                     |                     |
| <b>Investments in equity instruments measured at FVTPL</b>                                               |                     |                     |
| - Belapur Railway Station Commercial Company Limited (BRSCCL)<br>(Fully paid equity shares of ₹ 10 each) | 0.50                | 0.50                |
| - National E-Governance Services Limited (NESL)<br>(Fully paid equity shares of ₹ 10 each)               | 273.90              | 300.00              |
| <b>Aggregate value of un-quoted Investments</b>                                                          | <b>274.40</b>       | <b>300.50</b>       |
| <b>Total investment in equity instruments at FVTPL</b>                                                   | <b>274.40</b>       | <b>300.50</b>       |
| <b>Quoted Investments</b>                                                                                |                     |                     |
| <b>Investments in tax free bonds measured at amortised cost</b>                                          |                     |                     |
| <b>Owned</b>                                                                                             |                     |                     |
| - Tax free bonds                                                                                         | 9,007.96            | 9,024.87            |
|                                                                                                          | <b>9,007.96</b>     | <b>9,024.87</b>     |
| <b>Investments in Non convertible debentures measured at amortised cost</b>                              |                     |                     |
| <b>Owned</b>                                                                                             |                     |                     |
| - Non convertible debentures                                                                             | 1,000.00            | 1,000.00            |
|                                                                                                          | <b>1,000.00</b>     | <b>1,000.00</b>     |
| <b>Investments in mutual funds measured at FVTPL</b>                                                     |                     |                     |
| <b>Owned</b>                                                                                             |                     |                     |
| - Units of growth oriented schemes of mutual funds                                                       | 12,510.20           | 26,347.97           |
| <b>Earmarked</b>                                                                                         |                     |                     |
| - Units of growth oriented schemes of mutual funds                                                       | 28.00               | 25.74               |
|                                                                                                          | <b>12,538.20</b>    | <b>26,373.71</b>    |
| <b>Total Non-current investments</b>                                                                     | <b>22,820.56</b>    | <b>36,699.08</b>    |
| <b>Aggregate amount of quoted investments</b>                                                            | <b>22,546.16</b>    | <b>36,398.58</b>    |
| <b>Market value of quoted investments</b>                                                                | <b>22,546.16</b>    | <b>36,398.58</b>    |
| <b>Aggregate amount of unquoted investments</b>                                                          | <b>274.40</b>       | <b>300.50</b>       |
| <b>Current investments</b>                                                                               |                     |                     |
| <b>Unquoted investments</b>                                                                              |                     |                     |
| <b>Investments in mutual funds measured at FVTPL</b>                                                     |                     |                     |
| <b>Owned</b>                                                                                             |                     |                     |
| - Units of growth oriented schemes of mutual funds                                                       | 7,394.26            | 5,289.27            |
|                                                                                                          | <b>7,394.26</b>     | <b>5,289.27</b>     |
| <b>Current portion of long term investments</b>                                                          |                     |                     |
| <b>Quoted investments</b>                                                                                |                     |                     |
| <b>Investments in mutual funds measured at FVTPL</b>                                                     |                     |                     |
| <b>Owned</b>                                                                                             |                     |                     |
| - Units of growth oriented schemes of mutual funds                                                       | 15,998.03           | -                   |
| <b>Earmarked</b>                                                                                         |                     |                     |
| - Units of growth oriented schemes of mutual funds                                                       | -                   | 24.59               |
|                                                                                                          | <b>15,998.03</b>    | <b>24.59</b>        |
| <b>Total current investments</b>                                                                         | <b>23,392.29</b>    | <b>5,313.86</b>     |
| <b>Aggregate amount of quoted investments</b>                                                            | <b>15,998.03</b>    | <b>24.59</b>        |
| <b>Market value of quoted investments</b>                                                                | <b>15,998.03</b>    | <b>24.59</b>        |
| <b>Aggregate amount of unquoted investments</b>                                                          | <b>7,394.26</b>     | <b>5,289.27</b>     |

## 6 A - Investments

| Type                               | Name of the Body Corporate                                                  | No. of Shares / Units |                     | (₹) In Lakh         |                     |
|------------------------------------|-----------------------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|
|                                    |                                                                             | As at<br>31.03.2020   | As at<br>31.03.2019 | As at<br>31.03.2020 | As at<br>31.03.2019 |
| Details of Non current investments |                                                                             |                       |                     |                     |                     |
| Investment in subsidiaries         |                                                                             |                       |                     |                     |                     |
| a)                                 | Investment in equity shares                                                 |                       |                     |                     |                     |
| Unquoted                           | CDSL Ventures Limited (Fully paid up)                                       | 5,000,000             | 5,000,000           | 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            | 26,000,000          | 2,600.00            | 2,600.00            |
|                                    |                                                                             |                       |                     | 6,230.00            | 6,230.00            |
| Investment 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           | 273.90              | 300.00              |
|                                    |                                                                             |                       |                     | 274.40              | 300.50              |
| c)                                 | Investment in Non convertible debentures                                    |                       |                     |                     |                     |
| Quoted                             | 8.70% TATA Capital NCD 3Yrs RD 27.09.2021                                   | 100,000               | 100,000             | 1,000.00            | 1,000.00            |
|                                    |                                                                             |                       |                     | 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              | 500.02              |
| Quoted                             | 7.22% Power Finance Corporation Ltd Tax Free Bond Series 95 291122          | 50                    | 50                  | 500.02              | 500.02              |
| Quoted                             | 7.18% Indian Railway Finance Corp Ltd Tax Free Bonds 190223                 | 130,000               | 130,000             | 1,302.76            | 1,303.62            |
| Quoted                             | 7.19% Indian Railway Finance Corp Ltd Tax Free Bond 310725                  | 50                    | 50                  | 500.35              | 500.41              |
| Quoted                             | 8.01% National Housing Bank Tax Free Bonds 300823                           | 70                    | 70                  | 700.12              | 700.16              |
| Quoted                             | 7.17% National Housing Bank Tax Free Bonds 010123                           | 50                    | 50                  | 501.31              | 501.73              |
| Quoted                             | 8.35% National Highways Auth of India Tax Free Bonds 221123                 | 70                    | 70                  | 700.10              | 700.12              |
| Quoted                             | 8.20% National Highways Auth of India Tax Free Bonds 250122                 | 72,500                | 72,500              | 734.02              | 738.54              |
| 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                  | 500.02              | 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             | 1,014.33            | 1,022.25            |
| Quoted                             | 7.15% NTPC Limited Tax Free Bond 210825                                     | 50                    | 50                  | 500.19              | 500.22              |
| Quoted                             | 7.17% REC Ltd Tax Free Bond 230725                                          | 50                    | 50                  | 500.28              | 500.32              |
| Quoted                             | 8.18% REC Ltd Tax Free Bonds 111023                                         | 50                    | 50                  | 512.32              | 515.31              |
|                                    |                                                                             |                       |                     | 9,007.96            | 9,024.87            |
| e)                                 | Investment in Units of growth oriented schemes of mutual funds              |                       |                     |                     |                     |
| Quoted                             | Axis Fixed Term Plan - Sr102 - Direct- Growth                               | 4,000,000.00          | 4,000,000.00        | 444.86              | 404.88              |
| Quoted                             | Aditya Birla Sunlife Fixed Term Plan - Series OM - Direct - Growth          | -                     | 5,000,000.00        | -                   | 574.53              |

| Type   | Name of the Body Corporate                                                     | No. of Shares / Units |                     | (₹) In Lakh         |                     |
|--------|--------------------------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|
|        |                                                                                | As at<br>31.03.2020   | As at<br>31.03.2019 | As at<br>31.03.2020 | As at<br>31.03.2019 |
| Quoted | Aditya Birla Sunlife Fixed Term Plan - Series OD - Direct - Growth             | -                     | 9,260,869.00        | -                   | 1,071.31            |
| Quoted | Aditya Birla Sunlife Fixed Term Plan - Series OH - Direct - Growth             | -                     | 7,180,656.00        | -                   | 832.64              |
| Quoted | Aditya Birla Sunlife Fixed Term Plan - Series OI - Direct - Growth             | -                     | 10,901,955.00       | -                   | 1,261.56            |
| Quoted | Aditya Birla Sunlife Fixed Term Plan - Series OK - Direct - Growth             | -                     | 10,000,000.00       | -                   | 1,153.17            |
| Quoted | Aditya Birla Sunlife Fixed Term Plan - Series OY - Direct - Growth             | 3,000,000.00          | 3,000,000.00        | 357.80              | 328.14              |
| Quoted | Aditya Birla Sunlife Fixed Term Plan - Series SI - Direct - Growth             | 4,000,000.00          | 4,000,000.00        | 445.36              | 405.13              |
| Quoted | PGIM India Fixed Duration Fund Sr AY- Direct-Growth                            | 40,000.00             | 40,000.00           | 478.91              | 435.14              |
| Quoted | DSP Fixed Maturity Plan - Sr 204 - 37M - Direct - Growth                       | -                     | 10,000,000.00       | -                   | 1,153.40            |
| Quoted | DSP Fixed Maturity Plan - Sr 205 - 37M - Direct - Growth                       | -                     | 10,000,000.00       | -                   | 1,153.75            |
| Quoted | DSP Fixed Maturity Plan - Sr 209 - 37M - Direct - Growth                       | -                     | 4,300,000.00        | -                   | 493.99              |
| Quoted | DSP Fixed Maturity Plan - Sr 219 - 40M - Direct - Growth                       | 3,000,000.00          | 3,000,000.00        | 355.88              | 327.30              |
| Quoted | DSP Fixed Maturity Plan - Sr 233 -36M -Direct-Growth                           | 238,511.40            | 238,511.40          | 28.00               | 25.74               |
| Quoted | DSP Fixed Maturity Plan - Sr 250 -39M -Direct-Growth                           | 5,261,412.88          | 5,261,412.88        | 587.85              | 535.35              |
| Quoted | HDFC Fixed Maturity Plan- 1150D Mar 2018 (1) Sr 39 Direct -Growth              | 7,043,577.00          | 7,043,577.00        | 834.45              | 765.03              |
| Quoted | HDFC MF Fixed Maturity Plan-1158D Feb2018 (1) Sr39-Direct-Growth               | 6,000,000.00          | 6,000,000.00        | 713.17              | 653.53              |
| Quoted | HDFC Fixed Maturity Plan- 1274D Oct 2018 (1) Sr 43 Direct- Growth              | 5,000,000.00          | 5,000,000.00        | 584.89              | 532.06              |
| Quoted | HSBC Fixed Term Series 131 - Direct -Growth                                    | 3,000,000.00          | 3,000,000.00        | 346.11              | 322.77              |
| Quoted | HSBC Fixed Term Series 134 - Direct -Growth                                    | 4,000,000.00          | 4,000,000.00        | 418.65              | 428.40              |
| Quoted | HSBC Fixed Term Series 139 - Direct -Growth                                    | 3,500,000.00          | 3,500,000.00        | 390.78              | 355.38              |
| Quoted | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan J - 1253 Days Direct Cum     | -                     | 4,493,054.00        | -                   | 521.14              |
| Quoted | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan L - 1245 Days Direct Cum     | -                     | 6,000,000.00        | -                   | 696.15              |
| Quoted | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan O - 1233 Days Direct Cum     | -                     | 3,000,000.00        | -                   | 347.76              |
| Quoted | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan T - 1225 Days Direct Cum     | -                     | 6,500,000.00        | -                   | 750.02              |
| Quoted | ICICI Prudential Fixed Maturity Plan - Sr 81 - Plan Q - 1163 Days Direct Cum   | -                     | 10,000,000.00       | -                   | 1,115.42            |
| Quoted | ICICI Prudential Fixed Maturity Plan - Sr 82 - Plan A - 1236 Days Direct Cum   | 5,000,000.00          | 5,000,000.00        | 597.43              | 547.77              |
| Quoted | ICICI Prudential Fixed Maturity Plan - Sr 84 - 1254 Days Plan U - Direct - Cum | 4,000,000.00          | 4,000,000.00        | 453.49              | 412.10              |



| Type                                                       | Name of the Body Corporate                                                     | No. of Shares / Units |                     | (₹) In Lakh         |                     |
|------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|
|                                                            |                                                                                | As at<br>31.03.2020   | As at<br>31.03.2019 | As at<br>31.03.2020 | As at<br>31.03.2019 |
| Quoted                                                     | ICICI Prudential Fixed Maturity Plan - Sr 84 - 1188 Days Plan Z - Direct - Cum | 4,000,000.00          | 4,000,000.00        | 450.97              | 410.22              |
| Quoted                                                     | IDFC Fixed Term Plan - Sr 129 - Direct- Growth 1147Days                        | -                     | 10,000,000.00       | -                   | 1,156.41            |
| Quoted                                                     | IDFC Fixed Term Plan - Sr 131 - Direct- Growth 1139Days                        | -                     | 12,512,212.00       | -                   | 1,439.57            |
| Quoted                                                     | Invesco India Fixed Maturity Plan - Sr 29 -Plan B - Direct -Growth             | -                     | 10,000,000.00       | -                   | 1,152.67            |
| Quoted                                                     | Invesco India Fixed Maturity Plan - Sr 30 -Plan A - Direct -Growth             | 5,000,000.00          | 5,000,000.00        | 595.64              | 546.70              |
| Quoted                                                     | Invesco India Fixed Maturity Plan - Sr 30 Plan C - Direct-Growth               | 6,000,000.00          | 6,000,000.00        | 714.09              | 654.04              |
| Quoted                                                     | Kotak Fixed Maturity Plan - Series 250 – 1314 Days-Direct-Growth               | 4,250,000.00          | 4,250,000.00        | 495.62              | 450.17              |
| Quoted                                                     | Kotak Fixed Maturity Plan - Series 255 – 1250 Days-Direct-Growth               | 4,000,000.00          | 4,000,000.00        | 454.53              | 412.46              |
| Quoted                                                     | Nippon India Fixed Horizon Fund - XXXV - SR 11-Direct-Growth                   | 5,000,000.00          | 5,000,000.00        | 597.61              | 547.55              |
| Quoted                                                     | Nippon India Fixed Horizon Fund - XXXV - SR 12-Direct-Growth                   | 4,000,000.00          | 4,000,000.00        | 478.04              | 438.06              |
| Quoted                                                     | Nippon India Fixed Horizon Fund XXXVI Series 7 - Direct - Growth               | 4,000,000.00          | 4,000,000.00        | 472.71              | 432.98              |
| Quoted                                                     | Nippon India Fixed Horizon Fund XXXX Series 6 - Direct - Growth                | 4,000,000.00          | 4,000,000.00        | 455.94              | 414.62              |
| Quoted                                                     | SBI Debt Fund Series C – 33 (1216 Days) – Direct-Growth                        | 4,000,000.00          | 4,000,000.00        | 453.88              | 413.20              |
| Quoted                                                     | Sundaram Fixed Term Plan - IS - Direct - Growth                                | 3,000,000.00          | 3,000,000.00        | 331.54              | 301.50              |
| <b>Total of Non current investments (a+b+c+d+e)</b>        |                                                                                |                       |                     | <b>12,538.20</b>    | <b>26,373.71</b>    |
| <b>Details of Current portion of Long term investments</b> |                                                                                |                       |                     | <b>29,050.56</b>    | <b>42,929.08</b>    |
| <b>Investment in Others</b>                                |                                                                                |                       |                     |                     |                     |
| <b>f)</b>                                                  | <b>Investment in Units of growth oriented schemes of mutual funds</b>          |                       |                     |                     |                     |
| Quoted                                                     | Aditya Birla Sunlife Fixed Term Plan - Series OM - Direct - Growth             | 5,000,000.00          | -                   | 617.01              | -                   |
| Quoted                                                     | Aditya Birla Sunlife Fixed Term Plan - Series OD - Direct - Growth             | 9,260,869.00          | -                   | 1,148.89            | -                   |
| Quoted                                                     | Aditya Birla Sunlife Fixed Term Plan - Series OH - Direct - Growth             | 7,180,656.00          | -                   | 893.75              | -                   |
| Quoted                                                     | Aditya Birla Sunlife Fixed Term Plan - Series OI - Direct - Growth             | 10,901,955.00         | -                   | 1,355.94            | -                   |
| Quoted                                                     | Aditya Birla Sunlife Fixed Term Plan - Series OK - Direct - Growth             | 10,000,000.00         | -                   | 1,241.50            | -                   |
| Quoted                                                     | DSP Fixed Maturity Plan - Sr 204 - 37M - Direct - Growth                       | 10,000,000.00         | -                   | 1,239.24            | -                   |
| Quoted                                                     | DSP Fixed Maturity Plan - Sr 205 - 37M - Direct - Growth                       | 10,000,000.00         | -                   | 1,239.85            | -                   |
| Quoted                                                     | DSP Fixed Maturity Plan - Sr 209 - 37M - Direct - Growth                       | 4,300,000.00          | -                   | 530.97              | -                   |

| Type                                                                     | Name of the Body Corporate                                                   | No. of Shares / Units |                     | (₹) In Lakh         |                     |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|
|                                                                          |                                                                              | As at<br>31.03.2020   | As at<br>31.03.2019 | As at<br>31.03.2020 | As at<br>31.03.2019 |
| Quoted                                                                   | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan J - 1253 Days Direct Cum   | 4,493,054.00          | -                   | 560.54              | -                   |
| Quoted                                                                   | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan L - 1245 Days Direct Cum   | 6,000,000.00          | -                   | 749.18              | -                   |
| Quoted                                                                   | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan O - 1233 Days Direct Cum   | 3,000,000.00          | -                   | 374.65              | -                   |
| Quoted                                                                   | ICICI Prudential Fixed Maturity Plan - Sr 81 - Plan Q - 1163 Days Direct Cum | 10,000,000.00         | -                   | 1,207.01            | -                   |
| Quoted                                                                   | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan T - 1225 Days Direct Cum   | 6,500,000.00          | -                   | 809.66              | -                   |
| Quoted                                                                   | IDFC Fixed Term Plan - Sr 129 - Direct- Growth 1147Days                      | 10,000,000.00         | -                   | 1,239.10            | -                   |
| Quoted                                                                   | IDFC Fixed Term Plan - Sr 131 - Direct- Growth 1139Days                      | 12,512,212.00         | -                   | 1,548.75            | -                   |
| Quoted                                                                   | Invesco India Fixed Maturity Plan - Sr 29 -Plan B - Direct -Growth           | 10,000,000.00         | -                   | 1,241.99            | -                   |
| Quoted                                                                   | Sundaram Fixed Term Plan - HM - 1100 Days - Direct - Growth                  | -                     | 198,759.00          | -                   | 24.59               |
| <b>Total of Current portion of Long term investments</b>                 |                                                                              |                       |                     | <b>15,998.03</b>    | <b>24.59</b>        |
| <b>Details of Current Investments</b>                                    |                                                                              |                       |                     |                     |                     |
| <b>g) Investment in Units of growth oriented schemes of mutual funds</b> |                                                                              |                       |                     |                     |                     |
| Unquoted                                                                 | Axis Liquid Fund - Direct Plan - Growth                                      | 15,179.05             | 38,257.36           | 334.60              | 793.28              |
| Unquoted                                                                 | Axis Ultra Short Term Fund- Direct-Growth                                    | -                     | 973,998.66          | -                   | 102.31              |
| Unquoted                                                                 | Axis Treasury Advantage Fund- Direct-Growth                                  | 7,765.06              | -                   | 180.55              | -                   |
| Unquoted                                                                 | Invesco India Corporate Bond Fund (Active India Fund)- Direct -Growth        | 24,820.44             | 24,820.44           | 597.57              | 543.42              |
| Unquoted                                                                 | Invesco India Treasury Advantage Fund - Direct - Growth                      | 12,177.52             | -                   | 348.53              | -                   |
| Unquoted                                                                 | LIC MF Banking & PSU Debt Fund - Direct - Growth                             | 3,481,471.16          | -                   | 939.20              | -                   |
| Unquoted                                                                 | L & T Triple Ace Bond Fund - Direct- Growth                                  | 969,181.14            | -                   | 535.63              | -                   |
| Unquoted                                                                 | L & T Ultra Short Term Fund - Direct- Growth                                 | 59,068.46             | -                   | 19.75               | -                   |
| Unquoted                                                                 | Nippon India Short Term Fund - Direct - Growth                               | 2,772,314.76          | 2,772,314.76        | 1,096.13            | 1,000.08            |
| Unquoted                                                                 | Nippon India Floating Rate Fund_Short Term Plan Direct Gr                    | 3,885,879.04          | 3,885,879.04        | 1,277.75            | 1,170.28            |
| Unquoted                                                                 | Nippon India Nivesh Lakshya Fund - Direct - Growth                           | 3,453,477.27          | 905,920.19          | 451.65              | 100.54              |
| Unquoted                                                                 | Sundaram Money Market Fund-Direct-Growth                                     | 9,759,340.80          | 15,133,453.67       | 1,093.26            | 1,579.36            |
| Unquoted                                                                 | TATA Banking & PSU Debt Fund -Direct - Growth                                | 5,000,000.00          | -                   | 519.64              | -                   |
| <b>Total of Current Investments</b>                                      |                                                                              |                       |                     | <b>7,394.26</b>     | <b>5,289.27</b>     |
| <b>Total Investment</b>                                                  |                                                                              |                       |                     | <b>52,442.85</b>    | <b>48,242.94</b>    |

## 7. Loans

(₹ in Lakh)

| Particulars                | As at<br>31.03.2020 | As at<br>31.03.2019 |
|----------------------------|---------------------|---------------------|
| <b>Non-current</b>         |                     |                     |
| Unsecured, considered good |                     |                     |
| Loans to staff             | 12.20               | 7.39                |
| <b>Total</b>               | <b>12.20</b>        | <b>7.39</b>         |
| <b>Current</b>             |                     |                     |
| Unsecured, considered good |                     |                     |
| Loans to staff             | 11.03               | 12.14               |
| <b>Total</b>               | <b>11.03</b>        | <b>12.14</b>        |

## 8. Other financial assets

(₹ in Lakh)

| Particulars                                                                                                                            | As at<br>31.03.2020 | As at<br>31.03.2019 |
|----------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Non-current</b>                                                                                                                     |                     |                     |
| (a) Sundry deposits - Unsecured considered good                                                                                        | 13.32               | 60.93               |
| (b) Bank balance in deposit accounts<br>(with remaining maturity of more than 12 months, Earmarked ₹125.48 Lakh<br>(P.Y. ₹ 73.85 Lakh) | 125.48              | 673.85              |
| (c) Accrued interest - bank deposits Earmarked ₹3.65 Lakh (P.Y. ₹ 2.77 Lakh) (Net of TDS)                                              | 12.74               | 10.37               |
| <b>Total</b>                                                                                                                           | <b>151.54</b>       | <b>745.15</b>       |
| <b>Current</b>                                                                                                                         |                     |                     |
| (a) Other Receivable<br>(Includes ₹ 100.86 Lakh receivable from related party)                                                         | 107.18              | -                   |
| (b) Sundry deposits - Unsecured considered good                                                                                        | 46.50               | 5.00                |
| (c) Unbilled revenue                                                                                                                   | 4.29                | -                   |
| (d) Interest accrued but not due on bonds                                                                                              | 341.14              | 341.12              |
| <b>Total</b>                                                                                                                           | <b>499.11</b>       | <b>346.12</b>       |

## 9. Deferred tax balances

(₹ in Lakh)

| Particulars              | As at<br>31.03.2020 | As at<br>31.03.2019 |
|--------------------------|---------------------|---------------------|
| Deferred tax assets      | 927.04              | 769.66              |
| Deferred tax liabilities | 827.42              | 424.58              |
| <b>TOTAL</b>             | <b>99.62</b>        | <b>345.08</b>       |

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

(₹ in Lakh)

| Particulars                                                                               | Opening balance as at 01.04.2018 | Recognised in Profit or loss for year ended 31.03.2019 | Recognised in Other Comprehensive Income | Closing balance as at 31.03.2019 | Recognised in Profit or loss for year ended 31.03.2020 | Recognised in Other Comprehensive Income | Closing balance as at 31.03.2020 |
|-------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------|------------------------------------------|----------------------------------|--------------------------------------------------------|------------------------------------------|----------------------------------|
| <b>1. Deferred tax assets</b>                                                             |                                  |                                                        |                                          |                                  |                                                        |                                          |                                  |
| Provision for compensated absences, gratuity and other employee benefits                  | 367.07                           | 51.08                                                  | -                                        | 418.15                           | (1.27)                                                 | (5.03)                                   | 411.85                           |
| Provision for incentive scheme for DPs                                                    | 154.78                           | 10.95                                                  | -                                        | 165.73                           | 86.84                                                  | -                                        | 252.57                           |
| Allowance for doubtful debts (expected credit loss allowance)                             | 131.04                           | 13.10                                                  | -                                        | 144.14                           | 76.84                                                  | -                                        | 220.98                           |
| <b>Total</b>                                                                              | <b>652.89</b>                    | <b>75.13</b>                                           | <b>-</b>                                 | <b>728.02</b>                    | <b>162.41</b>                                          | <b>(5.03)</b>                            | <b>885.40</b>                    |
| <b>2. Deferred tax liabilities</b>                                                        |                                  |                                                        |                                          |                                  |                                                        |                                          |                                  |
| On changes in fair value of investments                                                   | 326.15                           | 11.25                                                  | -                                        | 337.40                           | 341.34                                                 | -                                        | 678.74                           |
| Impact on account of amortised cost accounting of financial assets (Investments in bonds) | 1.69                             | 0.13                                                   | -                                        | 1.82                             | (4.25)                                                 | -                                        | (2.43)                           |
| On difference between book balance and tax balance of PPE                                 | 3.16                             | 82.20                                                  | -                                        | 85.36                            | 65.75                                                  | -                                        | 151.11                           |
| <b>Total liabilities</b>                                                                  | <b>331.00</b>                    | <b>93.58</b>                                           | <b>-</b>                                 | <b>424.58</b>                    | <b>402.84</b>                                          | <b>-</b>                                 | <b>827.42</b>                    |
| <b>Adjusted from current tax provision of earlier years</b>                               | <b>-</b>                         | <b>41.64</b>                                           | <b>-</b>                                 | <b>41.64</b>                     | <b>-</b>                                               | <b>-</b>                                 | <b>41.64</b>                     |
| <b>Net asset / (liabilities)</b>                                                          | <b>321.89</b>                    | <b>23.19</b>                                           | <b>-</b>                                 | <b>345.08</b>                    | <b>(240.43)</b>                                        | <b>(5.03)</b>                            | <b>99.62</b>                     |

## Note:

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

| Particulars                    | As at 31.03.2020 | As at 31.03.2019 |
|--------------------------------|------------------|------------------|
| Tax losses (capital in nature) | 1,047.50         | 804.14           |
| <b>Total</b>                   | <b>1,047.50</b>  | <b>804.14</b>    |

## 10. Income tax asset and liabilities

(₹ in Lakh)

| Particulars                    | As at 31.03.2020 | As at 31.03.2019 |
|--------------------------------|------------------|------------------|
| <b>Non-current tax assets</b>  |                  |                  |
| Advance income tax             | 854.67           | 1,167.36         |
| <b>Total</b>                   | <b>854.67</b>    | <b>1,167.36</b>  |
| <b>Current tax liabilities</b> |                  |                  |
| Income tax payable             | 251.44           | 356.74           |
| <b>Total</b>                   | <b>251.44</b>    | <b>356.74</b>    |

## 11. Other assets

(₹ in Lakh)

| Particulars                    | As at 31.03.2020 | As at 31.03.2019 |
|--------------------------------|------------------|------------------|
| <b>Non Current</b>             |                  |                  |
| Prepaid expenses               | 115.26           | 45.04            |
| Capital advances               | -                | 7.88             |
| <b>Total</b>                   | <b>115.26</b>    | <b>52.92</b>     |
| <b>Current</b>                 |                  |                  |
| Prepaid expenses               | 220.34           | 270.79           |
| CENVAT / GST credit receivable | 151.02           | 182.50           |
| Advances to creditors          | 27.54            | 2.14             |
| <b>Total</b>                   | <b>398.90</b>    | <b>455.43</b>    |

## 12. Trade receivables

(₹ in Lakh)

| Particulars                                                                                      | As at<br>31.03.2020 | As at<br>31.03.2019 |
|--------------------------------------------------------------------------------------------------|---------------------|---------------------|
| - Secured, considered good                                                                       | -                   | -                   |
| - Unsecured, considered good<br>(receivable from related party ₹ 55.42 Lakh (P.Y. ₹ 12.31 Lakh)) | 1,202.68            | 879.79              |
| - Trade Receivable - credit impaired                                                             | 222.32              | -                   |
| - Unsecured, considered doubtful (expected credit loss allowance)                                | 655.62              | 495.00              |
| Less: Allowance for doubtful debts                                                               | (877.94)            | (495.00)            |
| <b>Total</b>                                                                                     | <b>1,202.68</b>     | <b>879.79</b>       |

1. Trade receivables are dues in respect of services rendered in the normal course of business.
2. The average credit period on sale of services is 25 days. No interest is charged on trade receivables for the first 25 days from the date of invoice. Thereafter, interest is charged at 12% - 13% per annum on the outstanding balance.
3. 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<br>31.03.2020 | As at<br>31.03.2019 |
|-------------------------------------------------------------------|---------------------|---------------------|
| Balance at beginning of the year                                  | 495.00              | 450.00              |
| - Unsecured, considered doubtful (expected credit loss allowance) | 160.62              | 45.00               |
| - Trade Receivable - credit impaired                              | 222.32              | -                   |
| <b>Balance at end of the year</b>                                 | <b>877.94</b>       | <b>495.00</b>       |

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

(₹ in Lakh)

| Particulars                                                                                   | As at<br>31.03.2020 | As at<br>31.03.2019 |
|-----------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Current</b>                                                                                |                     |                     |
| Cash on hand                                                                                  | 0.56                | 0.26                |
| <b>Balance with Banks</b>                                                                     |                     |                     |
| <b>Owned fund</b>                                                                             |                     |                     |
| - In current accounts                                                                         | 130.06              | 251.28              |
| <b>Earmarked fund</b>                                                                         |                     |                     |
| - In current accounts - Unpaid Dividend                                                       | 16.42               | 6.06                |
| - In current accounts - G Sec                                                                 | 33.27               | 26.28               |
| <b>Cash and cash equivalents as per balance sheet</b>                                         | <b>180.31</b>       | <b>283.88</b>       |
| <b>Cash and cash equivalents as per statement of cash flows</b>                               | <b>180.31</b>       | <b>283.88</b>       |
| <b>Bank Balances other than above</b>                                                         |                     |                     |
| <b>Balances with Banks</b>                                                                    |                     |                     |
| <b>Owned fund</b>                                                                             |                     |                     |
| - In deposit accounts<br>(Earmarked fund of ₹28.85 Lakh (P.Y. ₹ 5.00 Lakh))                   | 2,131.56            | 1,461.82            |
| - Accrued interest - bank deposits<br>(Earmarked fund of ₹4.50 Lakh (P.Y. ₹Nil) (Net of TDS)) | 72.76               | 38.25               |
| <b>Total</b>                                                                                  | <b>2,204.32</b>     | <b>1,500.07</b>     |

## 14. Equity Share capital

| Particulars                                     | As at<br>31.03.2020<br>Number | As at<br>31.03.2020<br>(₹ in Lakh) | As at<br>31.03.2019<br>Number | As at<br>31.03.2019<br>(₹ in Lakh) |
|-------------------------------------------------|-------------------------------|------------------------------------|-------------------------------|------------------------------------|
| <b>Equity Share capital</b>                     |                               |                                    |                               |                                    |
| <b>Authorised share capital:</b>                |                               |                                    |                               |                                    |
| Equity Shares of ₹ 10/- each with voting rights | 150,000,000                   | 15,000.00                          | 150,000,000                   | 15,000.00                          |
| <b>Issued share capital:</b>                    |                               |                                    |                               |                                    |
| Equity Shares of ₹ 10/- each with voting rights | 104,500,000                   | 10,450.00                          | 104,500,000                   | 10,450.00                          |
| <b>Subscribed and Paid-up share capital</b>     |                               |                                    |                               |                                    |
| Equity Shares of ₹ 10/- each with voting rights | 104,500,000                   | 10,450.00                          | 104,500,000                   | 10,450.00                          |
| <b>Total</b>                                    | <b>104,500,000</b>            | <b>10,450.00</b>                   | <b>104,500,000</b>            | <b>10,450.00</b>                   |

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

| Particulars                             | Opening<br>Balance | Fresh issue | Closing Balance |
|-----------------------------------------|--------------------|-------------|-----------------|
| <b>Equity shares with voting rights</b> |                    |             |                 |
| <b>As at March 31, 2019</b>             |                    |             |                 |
| - Number of shares                      | 104,500,000        | -           | 104,500,000     |
| - Amount (₹) In lakh                    | 10,450.00          | -           | 10,450.00       |
| <b>As at March 31, 2020</b>             |                    |             |                 |
| - 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 31.03.2020         |                                         | As at 31.03.2019         |                                         |
|---------------------------------------------------|--------------------------|-----------------------------------------|--------------------------|-----------------------------------------|
|                                                   | Number of<br>shares held | % holding in<br>that class of<br>shares | Number of<br>shares held | % holding in<br>that class of<br>shares |
| <b>Equity shares with voting rights</b>           |                          |                                         |                          |                                         |
| BSE Limited (Entity having significant influence) | 20,900,000               | 20.00                                   | 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                                       | 5,829,132                | 5.58                                    | 6,744,600                | 6.45                                    |

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 discharging all its liabilities, in proportion to their shareholding.

## 15. Other equity

(₹ in Lakh)

| Particulars                | As at<br>31.03.2020 | As at<br>31.03.2019 |
|----------------------------|---------------------|---------------------|
| General reserve            | 1,094.93            | 1,094.93            |
| Retained earnings          | 45,369.42           | 42,676.96           |
| Other Comprehensive Income | 46.43               | 31.46               |
| <b>Total</b>               | <b>46,510.78</b>    | <b>43,803.35</b>    |



## 15.1 General reserve

(₹ in Lakh)

| Particulars                   | As at<br>31.03.2020 | As at<br>31.03.2019 |
|-------------------------------|---------------------|---------------------|
| Balance at beginning of year  | 1,094.93            | 1,094.93            |
| Movement during the year      | -                   | -                   |
| <b>Balance at end of year</b> | <b>1,094.93</b>     | <b>1,094.93</b>     |

The general reserve is 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<br>31.03.2020 | As at<br>31.03.2019 |
|--------------------------------------------------|---------------------|---------------------|
| Balance at beginning of year                     | 42,676.96           | 38,648.71           |
| Profit for the year                              | 7,731.81            | 8,437.73            |
| Payment of dividends (including tax on dividend) | (5,039.35)          | (4,409.48)          |
| <b>Balance at end of year</b>                    | <b>45,369.42</b>    | <b>42,676.96</b>    |

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

On May 3, 2019, a dividend of ₹ 4.00 per share (total dividend including dividend distribution tax of ₹ 5,039.35 lakh) was paid to the holders of equity shares. On August 20, 2018 the dividend paid was ₹ 3.50 per share (total dividend including dividend distribution tax of ₹ 4,409.48 lakh).

## 15.3 Other Comprehensive Income

(₹ in Lakh)

| Particulars                                                                                                      | As at<br>31.03.2020 | As at<br>31.03.2019 |
|------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Balance at beginning of year                                                                                     | 31.46               | 30.89               |
| Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of income tax) | 14.97               | 0.57                |
| <b>Balance at end of year</b>                                                                                    | <b>46.43</b>        | <b>31.46</b>        |

## 16. Other financial liabilities

(₹ in Lakh)

| Particulars                                                                                                                                                                           | As at<br>31.03.2020 | As at<br>31.03.2019 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Non-current</b>                                                                                                                                                                    |                     |                     |
| Accrued employee benefits expense Earmarked ₹ 79.54 Lakh - Bank FDR including accrued interest, ₹ 28.00 Lakh - Mutual Fund (P.Y. ₹ 26.93 Lakh - Bank FDR, ₹ 25.74 Lakh - Mutual Fund) | 107.54              | 81.29               |
| Lease Liability                                                                                                                                                                       | 9.34                | -                   |
| <b>Total</b>                                                                                                                                                                          | <b>116.88</b>       | <b>81.29</b>        |
| <b>Current</b>                                                                                                                                                                        |                     |                     |
| Security deposits                                                                                                                                                                     | 3,184.54            | 2,751.92            |
| Payable for purchase of Property, plant and equipment                                                                                                                                 | 52.75               | 61.09               |
| Accrued employee benefits expense Earmarked ₹28.85 Lakh - Bank FDR including accrued interest (P.Y. ₹24.59 Lakh - Mutual Fund)                                                        | 709.85              | 959.48              |
| Unpaid Dividend - Earmarked against current account                                                                                                                                   | 16.42               | 6.06                |
| Contribution to Investor Protection Fund                                                                                                                                              | 269.67              | 367.65              |
| Lease Liability                                                                                                                                                                       | 27.75               | -                   |
| Others (Earmarked (G.sec) ₹33.27Lakh (P.Y. ₹ 26.28 Lakh)                                                                                                                              | 56.56               | 39.33               |
| <b>Total</b>                                                                                                                                                                          | <b>4,317.54</b>     | <b>4,185.53</b>     |

## 17. Trade Payables

(₹ in Lakh)

| Particulars                                                                               | As at<br>31.03.2020 | As at<br>31.03.2019 |
|-------------------------------------------------------------------------------------------|---------------------|---------------------|
| a. Total outstanding dues of micro enterprises and small enterprises                      | 0.27                | 7.54                |
| b. Total outstanding dues of creditors other than micro enterprises and small enterprises |                     |                     |
| - Payable to related party                                                                | 2.03                | -                   |
| - Other trade payables                                                                    | 551.57              | 198.34              |
| <b>Total (a+b)</b>                                                                        | <b>553.87</b>       | <b>205.88</b>       |

## 18. Provisions

(₹ in Lakh)

| Particulars                                | As at<br>31.03.2020 | As at<br>31.03.2019 |
|--------------------------------------------|---------------------|---------------------|
| <b>Non Current</b>                         |                     |                     |
| (a) <b>Provision for employee benefits</b> |                     |                     |
| Provision for gratuity (net)               | 62.20               | -                   |
| <b>Total</b>                               | <b>62.20</b>        | <b>-</b>            |
| <b>Current</b>                             |                     |                     |
| (a) <b>Provision for employee benefits</b> |                     |                     |
| Compensated absences                       | 484.04              | 329.87              |
| Provision for gratuity (net)               | 272.68              | 64.74               |
| (b) <b>Other provisions</b>                |                     |                     |
| Provision for Incentive Scheme for DP      | 1,003.45            | 569.14              |
| <b>Total (a+b)</b>                         | <b>1,760.17</b>     | <b>963.75</b>       |

## 19. Other liabilities

(₹ in Lakh)

| Particulars                | As at<br>31.03.2020 | As at<br>31.03.2019 |
|----------------------------|---------------------|---------------------|
| <b>Non-current</b>         |                     |                     |
| Income received in advance | 0.09                | 14.66               |
| <b>Total</b>               | <b>0.09</b>         | <b>14.66</b>        |
| <b>Current</b>             |                     |                     |
| Income received in advance | 52.92               | 32.87               |
| Advances from customers    | 894.62              | 841.82              |
| Statutory remittances      | 404.60              | 324.31              |
| <b>Total</b>               | <b>1,352.14</b>     | <b>1,199.00</b>     |

## 20. Revenue from operations

(₹ in Lakh)

| Particulars                         | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|-------------------------------------|----------------------------------|----------------------------------|
| <b>Sale of services comprise :</b>  |                                  |                                  |
| Annual issuer charges               | 7,749.41                         | 6,716.54                         |
| Transaction charges                 | 4,290.69                         | 3,927.78                         |
| Users facility charges              | 331.58                           | 335.02                           |
| Settlement charges                  | 151.87                           | 160.91                           |
| Account maintenance charges         | 328.32                           | 306.36                           |
| E-Voting charges                    | 365.33                           | 506.23                           |
| ECAS charges                        | 930.63                           | 796.21                           |
| IPO/Corporate action charges        | 2,257.37                         | 1,987.91                         |
| Foreign Investment Limit Monitoring | 225.84                           | 215.40                           |
| Others                              | 184.12                           | 281.76                           |
| <b>Total - Sale of services</b>     | <b>16,815.16</b>                 | <b>15,234.12</b>                 |

## 21. Other income

(₹ in Lakh)

| Particulars                                                                              | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>a) Interest income earned on financial assets that are measured at amortised cost</b> |                                  |                                  |
| Bank deposits                                                                            | 149.76                           | 151.65                           |
| Investments in debt instruments                                                          | 761.87                           | 723.85                           |
| Interest on staff loan                                                                   | 1.26                             | 1.83                             |
| <b>b) Dividend from investments in mutual funds (measured at FVTPL)</b>                  |                                  |                                  |
| Dividend income                                                                          | -                                | 89.90                            |
| <b>c) Other gains or losses:</b>                                                         |                                  |                                  |
| Net gain arising on financial assets measured at FVTPL                                   | 2,823.27                         | 2,111.38                         |
| Gain on sale / disposal of property, plant and equipments and intangible assets (Net)    | 15.28                            | 8.59                             |
| <b>d) Other non-operating income</b>                                                     |                                  |                                  |
| Interest from debtors                                                                    | 17.08                            | 26.80                            |
| Interest on Income tax refund                                                            | 223.45                           | -                                |
| Bad debts recovered / provision written back                                             | 30.79                            | 230.99                           |
| Miscellaneous income                                                                     | 301.02                           | 267.89                           |
| <b>Total</b>                                                                             | <b>4,323.78</b>                  | <b>3,612.88</b>                  |

## 22. Employee benefits expense

(₹ in Lakh)

| Particulars                               | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|-------------------------------------------|----------------------------------|----------------------------------|
| Salaries, allowances and bonus            | 3,374.58                         | 2,686.84                         |
| Contribution to provident and other funds | 504.77                           | 180.23                           |
| Staff welfare expenses                    | 118.31                           | 116.40                           |
| <b>Total</b>                              | <b>3,997.66</b>                  | <b>2,983.47</b>                  |

**23. Impairment loss on financial assets**

(₹ in Lakh)

| Particulars                                                                                            | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|--------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Impairment loss allowance on trade receivables (Includes Bad Debts ₹ 358.17 Lakh (P.Y. ₹ 246.66 Lakh)) | 741.11                           | 291.65                           |
| <b>Total</b>                                                                                           | <b>741.11</b>                    | <b>291.65</b>                    |

**24. Other expenses**

(₹ in Lakh)

| Particulars                                                 | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|-------------------------------------------------------------|----------------------------------|----------------------------------|
| Annual SEBI fees                                            | 234.21                           | 173.26                           |
| Contribution to investor protection fund (refer note no.36) | 269.67                           | 367.65                           |
| Business promotion expenses                                 | 122.77                           | 183.47                           |
| Incentive scheme for DPs (refer note no.37)                 | 438.00                           | 337.00                           |
| Directors' sitting fees                                     | 115.75                           | 117.75                           |
| Auditors' remuneration                                      |                                  |                                  |
| Audit fees                                                  | 19.00                            | 18.25                            |
| Tax audit fees                                              | 1.00                             | 1.50                             |
| Reimbursement of expenses                                   | 1.35                             | 0.73                             |
| Insurance                                                   | 45.21                            | 50.38                            |
| Legal and other charges                                     | 251.98                           | 20.44                            |
| Professional and consultancy fees                           | 173.48                           | 137.85                           |
| Postage, telephone and communication charges                | 426.84                           | 364.23                           |
| Power and fuel                                              | 44.10                            | 52.29                            |
| Printing and stationery                                     | 29.54                            | 32.74                            |
| Rates and taxes                                             | 22.05                            | 44.77                            |
| Short term lease expenses                                   | 184.77                           | 178.30                           |
| Office Maintenance                                          | 133.77                           | 105.70                           |
| Computer technology related expenses                        | 1,389.90                         | 1,267.08                         |
| Travelling and conveyance                                   | 106.71                           | 112.70                           |
| Fee for Depository/Exchange                                 | 19.43                            | 3.94                             |
| Corporate social responsibility Expenses                    | 598.82                           | 62.95                            |
| Authentication/ KYC Service Agency Expenses                 | 26.14                            | 57.35                            |
| Recruitment Charges                                         | 30.56                            | 21.00                            |
| Miscellaneous expenses                                      | 70.26                            | 69.09                            |
| <b>Total</b>                                                | <b>4,755.31</b>                  | <b>3,780.42</b>                  |

**24.1 CSR Expenditure**

(₹ in Lakh)

| Particulars                                                                                                                                                                                                                 | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| a) The gross amount required to be spent by the Company during the year                                                                                                                                                     | 210.44                           | 209.79                           |
| 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 including unspent of previous years. | 598.82                           | 62.95                            |

## 25 Taxes

### 25.1. Income tax expense

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

#### 25.1.1 Profit or loss section

(₹ in Lakh)

| Particulars                                                  | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|--------------------------------------------------------------|----------------------------------|----------------------------------|
| Current tax expense                                          | 1,919.00                         | 2,510.00                         |
| Current Tax Expense of earlier years refer note ( 25.1.1.a)  | (174.10)                         | -                                |
| Deferred tax                                                 | 240.43                           | 18.22                            |
| <b>Total income tax expense recognised in profit or loss</b> | <b>1,985.33</b>                  | <b>2,528.22</b>                  |

#### 25.1.1.a

Based on the assessment orders received during the year March 31, 2020, the company has written back an amount of ₹174.10 Lakh in respect of previous year.

#### 25.1.2 Other comprehensive section

(₹ in Lakh)

| Particulars                                                              | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|--------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Remeasurement of the defined benefit plans                               | 20.00                            | 0.80                             |
| <b>Total income tax expense recognised in other comprehensive income</b> | <b>(5.03)</b>                    | <b>(0.23)</b>                    |

### 25.2 The income tax expense reconciliation with the accounting profit as follows:

(₹ in Lakh)

| Particulars                                   | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|-----------------------------------------------|----------------------------------|----------------------------------|
| (A) Profit before tax                         | 9,717.14                         | 10,965.95                        |
| (B) Enacted tax rate in India                 | 25.170%                          | 29.120%                          |
| (C) Expected tax expenses (A*B)               | 2,445.80                         | 3,193.28                         |
| (D) Other than temporary differences          |                                  |                                  |
| Effect of change in tax rate                  | 94.19                            | 100.47                           |
| Effect of fair value of investments           | (316.95)                         | (614.83)                         |
| Effect of income that is exempt from taxation | (169.86)                         | (227.63)                         |
| Expenses disallowed / (allowed) net           | 106.25                           | 76.93                            |
| Total adjustments                             | (286.37)                         | (665.06)                         |
| (E) Tax expenses after adjustments (C+D)      | 2,159.43                         | 2,528.22                         |
| (F) Tax expenses recognised in Profit or Loss | 2,159.43                         | 2,528.22                         |

## 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<br>31.03.2020 | For the year ended<br>31.03.2019 |
|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Weighted average number of equity shares (issued share capital) outstanding during the year for the calculation of basic EPS    | 104,500,000                      | 104,500,000                      |
| 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 | 104,500,000                      | 104,500,000                      |
| Face Value per Share (₹)                                                                                                        | 10/- each                        | 10/- each                        |
| Profit for the year (₹ in lakh)                                                                                                 | 7,731.81                         | 8,437.73                         |
| Basic and Diluted EPS (₹ per share)                                                                                             | 7.40                             | 8.07                             |

## 27. Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' and applied the same to all eligible lease contracts existing on April 1, 2019 using the modified retrospective approach with right-of-use asset recognised at an amount equal to the adjusted lease liability. Accordingly, comparative figures for the corresponding periods, for the year ended and as at March 31, 2020 have not been retrospectively adjusted.

**On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 48.50 lakhs and a lease liability of ₹ 45.63 lakhs.**

The company has elected not to apply the requirement of Ind AS 116 to short term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expenses on a straight line basis over the lease term.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly for all contracts as on April 1, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The discount rate applied to lease liabilities as at April 1, 2019 is 7%.

**Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:**

| Particulars                            | Amount<br>(₹ In lakh) |
|----------------------------------------|-----------------------|
| Balance as at 01.04.2019 (transition)* | 48.50                 |
| Less : Depreciation                    | -11.11                |
| <b>Balance as at 31.03.2020</b>        | <b>37.39</b>          |

\*includes EIR adjustment of Security Deposit

**Amounts recognised in profit and loss**

|                                             | Year ended<br>31.03.2020 |
|---------------------------------------------|--------------------------|
| Depreciation expense on right-of-use assets | 11.11                    |
| Interest expense on lease liabilities       | 2.94                     |



The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

| Particulars                   | Amount<br>(₹ In lakh) |
|-------------------------------|-----------------------|
| Current Lease Liabilities     | 9.34                  |
| Non-Current Lease Liabilities | 27.75                 |
| <b>Total</b>                  | <b>37.09</b>          |

The following is the movement in lease liabilities during the year ended March 31, 2020:

| Particulars                                  | Amount<br>(₹ In lakh) |
|----------------------------------------------|-----------------------|
| Balance as at 01.04.2019                     | 45.63                 |
| Add : Finance Cost accrued during the period | 2.94                  |
| Less : Payment of Lease Liabilities          | -11.48                |
| <b>Balance as at 31.03.2020</b>              | <b>37.09</b>          |

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

| Particulars          | Amount<br>(₹ In lakh) |
|----------------------|-----------------------|
| Less than one year   | 9.34                  |
| One to Five years    | 27.75                 |
| More than Five years | 0.00                  |
| <b>Total</b>         | <b>37.09</b>          |

The following is the movement in Security Deposit during the year ended March 31, 2020:

| Particulars                     | Amount<br>(₹ In lakh) |
|---------------------------------|-----------------------|
| Balance as at 01.04.2019        | 7.31                  |
| Add : Interest income           | 0.53                  |
| <b>Balance as at 31.03.2020</b> | <b>7.84</b>           |

## 28. Financial instruments

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

(₹ in Lakh)

| Particulars                                        | Carrying Value   |                  | Fair Value       |                  |
|----------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                    | 31.03.2020       | 31.03.2019       | 31.03.2020       | 31.03.2019       |
| <b>i) Financial assets</b>                         |                  |                  |                  |                  |
| <b>a) Amortised Cost</b>                           |                  |                  |                  |                  |
| Investment in Tax-free bonds & NCD                 | 10,007.96        | 10,024.87        | 10,440.06        | 10,395.02        |
| Trade receivables                                  | 1,202.68         | 879.79           | 1,202.68         | 879.79           |
| Cash and cash equivalents                          | 180.31           | 283.88           | 180.31           | 283.88           |
| Bank balances other than cash and cash equivalents | 2,204.32         | 1,500.07         | 2,204.32         | 1,500.07         |
| Loans                                              | 23.23            | 19.53            | 23.23            | 19.53            |
| Other financial assets                             | 650.65           | 1,091.27         | 650.65           | 1,091.27         |
| <b>Total (a)</b>                                   | <b>14,269.15</b> | <b>13,799.41</b> | <b>14,701.25</b> | <b>14,169.56</b> |

(₹ in Lakh)

| Particulars                      | Carrying Value   |                  | Fair Value       |                  |
|----------------------------------|------------------|------------------|------------------|------------------|
|                                  | 31.03.2020       | 31.03.2019       | 31.03.2020       | 31.03.2019       |
| <b>b) FVTPL</b>                  |                  |                  |                  |                  |
| Quoted mutual funds              | 28,536.23        | 26,398.30        | 28,536.23        | 26,398.30        |
| Unquoted mutual funds            | 7,394.26         | 5,289.27         | 7,394.26         | 5,289.27         |
| <b>Total (b)</b>                 | <b>35,930.49</b> | <b>31,687.57</b> | <b>35,930.49</b> | <b>31,687.57</b> |
| <b>c) Others</b>                 |                  |                  |                  |                  |
| Investment in equity instruments | 274.40           | 300.50           | 274.40           | 300.50           |
| <b>Total (c)</b>                 | <b>274.40</b>    | <b>300.50</b>    | <b>274.40</b>    | <b>300.50</b>    |
| <b>Total (a+b+c)</b>             | <b>50,474.04</b> | <b>45,787.48</b> | <b>50,906.14</b> | <b>46,157.63</b> |
| <b>ii) Financial liabilities</b> |                  |                  |                  |                  |
| <b>Amortised Cost</b>            |                  |                  |                  |                  |
| Trade payables                   | 553.87           | 205.88           | 553.87           | 205.88           |
| Other financial liabilities      | 4,434.42         | 4,266.82         | 4,434.42         | 4,266.82         |
| <b>Total</b>                     | <b>4,988.29</b>  | <b>4,472.70</b>  | <b>4,988.29</b>  | <b>4,472.70</b>  |

**Fair value hierarchy**

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

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

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

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

| Financial assets        | Fair value as at |            | Fair value hierarchy | Valuation technique(s) and key input(s) |
|-------------------------|------------------|------------|----------------------|-----------------------------------------|
|                         | 31.03.2020       | 31.03.2019 |                      |                                         |
| Mutual Funds (Quoted)   | 28,536.23        | 26,398.30  | Level 1              | NAV declared by respective mutual funds |
| Mutual Funds (Unquoted) | 7,394.26         | 5,289.27   | Level 2              | NAV declared by respective mutual funds |
| NCD                     | 1,001.70         | 997.67     | Level 1              | Quoted price                            |
| Tax free Bond           | 9,438.36         | 9,397.35   | Level 1              | Quoted price                            |
| Equity                  | 274.40           | 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:

- The fair value of the quoted bonds and mutual fund are based on price quotations at reporting date. The fair value of unquoted instruments and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires the management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of fair value for these unquoted equity investments.

### Disclosure for Level 3

The fair values of the unquoted equity shares have been estimated based on net asset method as per latest financials available.

#### Fair value measurements using significant unobservable inputs (level 3)

A. The following table presents the changes in level 3 items for the periods ended March 31, 2020 and March 31, 2019.

| Particulars                                                            | Unlisted equity Shares<br>₹ In Lakhs |
|------------------------------------------------------------------------|--------------------------------------|
| As at 01.04.2018                                                       | Nil                                  |
| Gain/(loss) recognized in Statement of Profit and Loss during the year | Nil                                  |
| As at 31.03.2019                                                       | Nil                                  |
| Gain/(loss) recognized in Statement of Profit and Loss during the year | (26.10)                              |
| As at 31.03.2020                                                       | (26.10)                              |

B. Valuation inputs and relationships to fair value : The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements

| Particulars                   | Fair Value<br>31.03.2020<br>(₹ In Lakhs) |
|-------------------------------|------------------------------------------|
| Net Assets                    | 6,845.77                                 |
| Total number of equity shares | 7,50,00,000                              |
| Net Asset per share (₹)       | 9.13                                     |

## 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, 2020 and March 31, 2019 and revenue for the year ended March 31, 2020 and March 31, 2019.

- Investments**

The Company limits its exposure to credit risk by making investment as per the investment policy. Further investment committee of 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, 2020 and March 31, 2019.

(₹ in Lakh)

| Particulars                 | As at           |                 |
|-----------------------------|-----------------|-----------------|
|                             | 31.03.2020      | 31.03.2019      |
| Trade payables              |                 |                 |
| < 1 year                    | 553.87          | 205.88          |
| 1-5 years                   | -               | -               |
| > 5 years                   | -               | -               |
| Other financial liabilities |                 |                 |
| < 1 year                    | 4,317.54        | 4,185.53        |
| 1-5 years                   | 116.88          | 81.29           |
| > 5 years                   | -               | -               |
| <b>Total</b>                | <b>4,988.29</b> | <b>4,472.70</b> |

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

(₹ in Lakh)

| Particulars               | As at            |                  |
|---------------------------|------------------|------------------|
|                           | 31.03.2020       | 31.03.2019       |
| Investments*              |                  |                  |
| < 1 year                  | 23,392.29        | 5,313.86         |
| 1 - 5 years               | 21,045.34        | 34,897.63        |
| > 5 years                 | 1,775.22         | 1,801.45         |
| <b>Total</b>              | <b>46,212.85</b> | <b>42,012.94</b> |
| Loan                      |                  |                  |
| < 1 year                  | 11.03            | 12.14            |
| 1 - 5 years               | 12.20            | 7.39             |
| > 5 years                 | -                | -                |
| <b>Total</b>              | <b>23.23</b>     | <b>19.53</b>     |
| Other financial assets    |                  |                  |
| < 1 year                  | 499.11           | 346.12           |
| 1 - 5 years               | 101.54           | 695.15           |
| > 5 years                 | 50.00            | 50.00            |
| <b>Total</b>              | <b>650.65</b>    | <b>1,091.27</b>  |
| Trade receivables         |                  |                  |
| < 1 year                  | 1,202.69         | 879.79           |
| 1 - 5 years               | -                | -                |
| > 5 years                 | -                | -                |
| <b>Total</b>              | <b>1,202.69</b>  | <b>879.79</b>    |
| Cash and cash equivalents |                  |                  |
| < 1 year                  | 180.31           | 283.88           |
| 1 - 5 years               | -                | -                |
| > 5 years                 | -                | -                |
| <b>Total</b>              | <b>180.31</b>    | <b>283.88</b>    |

(₹ in Lakh)

| Particulars                                        | As at           |                 |
|----------------------------------------------------|-----------------|-----------------|
|                                                    | 31.03.2020      | 31.03.2019      |
| Bank balances other than cash and cash equivalents |                 |                 |
| < 1 year                                           | 2,204.32        | 1,500.07        |
| 1 - 5 years                                        | -               | -               |
| > 5 years                                          | -               | -               |
| <b>Total</b>                                       | <b>2,204.32</b> | <b>1,500.07</b> |

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

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

### Market risk

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

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

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 lesser 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 its 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 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 March 31, 2020.**

| Description of relationship                               | Names of related parties                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Subsidiaries                                              | CDSL Ventures Limited<br>CDSL Insurance Repository Limited<br>CDSL Commodity Repository Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Entity having significant influence                       | BSE Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Subsidiary of entity having significant influence         | Marketplace Technologies Private Limited<br>Indian Clearing Corporation Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Associate having significant influence in subsidiary-CCRL | Multi Commodity Exchange of India Ltd<br>BSE Investments Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Director                                                  | Smt. Usha Narayanan, Public Interest Director (upto 01.07.19)<br>Shri R.M.Malla, Public Interest Director (upto 29.07.19)<br>Shri A. Krishnakumar, Public Interest Director (upto 29.07.19)<br>Shri B. Prasada Rao, Public Interest Director (upto 20.10.19)<br>Shri B. V. Chaubal, Public Interest Director (from 30.07.19)<br>Dr. Bimal N. Patel, Public Interest Director (from 27.09.19)<br>Smt. Preeti Saran, Public Interest Director (from 29.11.19)<br>Shri. Umesh Bellur, Public Interest Director (from 30.11.19)<br>Shri. Sidhartha Pradhan, Public Interest Director (from 29.11.19)<br>Shri. Masil Jeya Mohan P, Shareholder Director (from 10.10.19)<br>Shri Nayan Mehta, Shareholder Director (from 28.11.16)<br>Shri Nehal Vora, Shareholder Director , (upto 23.09.19)<br>Shri Nehal Vora, Managing Director, (from 24.09.19) |
| Key Managerial Personnel                                  | Shri Bharat Sheth, CFO (upto 31.12.2019),<br>Shri Girish Amesara, CFO (w.e.f. 01.01.2020)<br>Shri Lalitmohan Sharma, Company Secretary, (upto 30.09.2019)<br>Smt. Amita Paunikar, Company Secretary, (w.e.f 18.11.2019)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

**Transactions during the year**

(₹ in Lakh)

| Particulars                                        | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|----------------------------------------------------|----------------------------------|----------------------------------|
| <b>BSE Limited</b>                                 |                                  |                                  |
| Rendering of services                              | 172.61                           | 107.12                           |
| Receiving of services                              | 62.03                            | 68.89                            |
| Dividend Paid                                      | 1,003.20                         | 877.80                           |
| Loans and advances – opening deposit received      | -                                | 72.77                            |
| <b>Balances outstanding at the end of the year</b> |                                  |                                  |
| Receivable/ (Payable)                              | 53.39                            | 12.31                            |
| <b>CDSL Ventures Limited</b>                       |                                  |                                  |
| Rendering of services                              | 315.90                           | 240.30                           |
| Receiving of services                              | 82.44                            | 9.22                             |
| <b>Balances outstanding at the end of the year</b> |                                  |                                  |
| Receivable/ (Payable)                              | 53.79                            | -                                |
| Deposit Asset/(Liability)                          | (1.50)                           | (1.50)                           |
| <b>CDSL Insurance Repository Limited</b>           |                                  |                                  |
| Rendering of services                              | 39.83                            | 33.21                            |
| Other Receivable (Expenses paid on behalf of CIRL) | 5.55                             | -                                |
| <b>Balances outstanding at the end of the year</b> |                                  |                                  |
| Receivable/ (Payable)                              | 16.73                            | -                                |



**Transactions during the year**

(₹ in Lakh)

| Particulars                                                  | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|--------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>CDSL Commodity Repository Limited</b>                     |                                  |                                  |
| Rendering of services                                        | 154.57                           | 145.16                           |
| Other Receivable (Expenses paid on behalf of CCRL)           | 9.81                             | -                                |
| Notice Deposit paid                                          |                                  | 4.00                             |
| Notice Deposit received                                      | 4.00                             | -                                |
| <u>Balances outstanding at the end of the year</u>           |                                  |                                  |
| Receivable/ (Payable)                                        | 30.34                            | -                                |
| Notice Deposit paid to CCRL                                  | -                                | 4.00                             |
| Deposit Asset/(Liability)                                    | (1.50)                           | (1.50)                           |
| <b>Marketplace Technologies Private Limited</b>              |                                  |                                  |
| Rendering of services                                        | 0.11                             | 0.11                             |
| Receiving of services                                        | -                                | 6.59                             |
| <u>Balances outstanding at the end of the year</u>           |                                  |                                  |
| Receivable/ (Payable)                                        | -                                | -                                |
| <b>Indian Clearing Corporation Limited</b>                   |                                  |                                  |
| Rendering of services                                        | 7.38                             | 6.99                             |
| <u>Balances outstanding at the end of the year</u>           |                                  |                                  |
| Receivable/ (Payable)                                        | 0.16                             | 0.06                             |
| <b>Multi Commodity Exchange Of India Limited</b>             |                                  |                                  |
| Rendering of services                                        | 8.54                             | 8.18                             |
| Sale of equity in CDSL Commodity Repository Ltd              | -                                | 1,200.00                         |
| <u>Balances outstanding at the end of the year</u>           |                                  |                                  |
| Receivable/ (Payable)                                        | 0.01                             | 0.02                             |
| <b>BSE Investments Limited</b>                               |                                  |                                  |
| Sale of equity in CDSL Commodity Repository Ltd              | -                                | 1,200.00                         |
| <u>Balances outstanding at the end of the year</u>           |                                  |                                  |
|                                                              | -                                | -                                |
| <b>Key Managerial remuneration*</b>                          |                                  |                                  |
| Shri P.S.Reddy, Managing Director,(upto 31.03.2019)          | -                                | 233.43                           |
| Shri Nehal Vora, Managing Director, (from 24.09.19)          | 107.73                           | -                                |
| Shri Bharat Sheth, CFO, (upto 31.12.2019)                    | 200.87                           | 81.10                            |
| Shri Girish Amesara, CFO, (w.e.f. 01.01.2020)                | 15.29                            | -                                |
| Shri Amol Purandare, Company Secretary, (upto 26.06.2018)    | -                                | 7.46                             |
| Shri Lalitmohan Sharma, Company Secretary, (upto 30.09.2019) | 24.72                            | 13.05                            |
| Smt. Amita Paunikar, Company Secretary, (w.e.f 18.11.2019)   | 15.61                            | -                                |

\* Includes gross salary payable charged in the statement of profit and loss as per pay register and reimbursements.

Company provides long term benefits in the form of Gratuity to Key Managerial person with all employees, cost of the same is not identifiable separately and not disclosed

**32. Contingent liabilities**

| Particulars                                                        | As at 31.03.2020<br>(₹) In Lakh | As at 31.03.2019<br>(₹) In Lakh |
|--------------------------------------------------------------------|---------------------------------|---------------------------------|
| Claims against the Company not acknowledged as debt in respect of: |                                 |                                 |
| a) Service tax matters                                             | Nil<br>(refer note (ii))        | 3,978.81<br>(refer note (ii))   |
| b) Income tax matters                                              | Nil<br>(refer note (iii))       | 4.92<br>(refer note (iii))      |
| c) Bank Guarantee                                                  | 55.00<br>(refer note (iv))      | 55.00<br>(refer note (iv))      |

- (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.

The Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019, is a scheme proposed in the Union Budget, 2019, and introduced to resolve all disputes relating to the erstwhile Service Tax and Central Excise Acts, which are now subsumed under GST. The scheme will be for taxpayers who wish to close their pending disputes, with a substantial relief provided by the government.

The Company filed two applications with LDRS committee opting for Scheme, ₹630 Lakh for FY 2012-13 and ₹3841 Lakh for FY 2004-05 to FY 2011-12.

As for FY 2012-13, the company already paid taxes under protest, no demand was raised and discharge certificate has been issued.

For second application of ₹3841 Lakh (FY 2004-05 to FY 2011-12) the LDRS committee computed tax dues and relief separately. The order was passed on January 2, 2020, with a demand of ₹1056.09 Lakh. The same was paid by company on 29.01.2020 in full settlement of all SCNs.

- (iii) Claims against the Company not acknowledged as debt : Income Tax

Appeal with Commissioner of Income Tax (Appeals) for the AY 2011-12 amounting to ₹ Nil (P.Y. ₹4.92 Lakh). ITAT order received in Company favour.

- (iv) Bank Guarantees

As per business requirements bank guarantees of ₹55 lakhs issued by banks on behalf of Company against 100% margin (earmarked) on fixed deposit receipts.

### 33. Commitments

| Particulars                                                                                        | As at 31.03.2020<br>(₹) In Lakh | As at 31.03.2019<br>(₹) In Lakh |
|----------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for |                                 |                                 |
| Tangible assets                                                                                    | 14.75                           | 122.50                          |
| Intangible assets                                                                                  | 29.62                           | 8.00                            |
| (b) Other commitments                                                                              | 69.09                           | 84.37                           |

### 34. Additional information to the financial statements

#### 34.1 Expenditure in foreign currency:

| Particulars                           | As at 31.03.2020<br>(₹) In Lakh | As at 31.03.2019<br>(₹) In Lakh |
|---------------------------------------|---------------------------------|---------------------------------|
| Conference Expenses                   | 19.98                           | 63.08                           |
| Others (Seminar and software license) | 10.44                           | 12.15                           |

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

| Particulars                                                                                                                             | As at 31.03.2020 | As at 31.03.2019 |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                                         | (₹) In Lakh      | (₹) In Lakh      |
| (a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day | 0.27             | 7.54             |
| (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.                                                                                                                                                      |

Company has received the Gratuity fund statement from LIC till December 2019. Due to COVID-19 lockdown, Company has not received fund statement from LIC till March 2020. Hence, for the purpose of calculation of plan asset as on March 2020 company has prepared fund movement as per the company's records and rate of return on plan asset is estimated @ 6.80% p.a. as per actuarial report.

| Valuation Result as at                              | (₹ in Lakh)   |               |
|-----------------------------------------------------|---------------|---------------|
|                                                     | 31.03.2020    | 31.03.2019    |
| <b>Reconciliation of defined benefit obligation</b> |               |               |
| Opening Defined Benefit Obligation                  | 299.20        | 267.25        |
| Transfer in/(out) obligation                        | 46.42         | -             |
| Current service cost                                | 45.61         | 24.96         |
| Interest cost                                       | 22.41         | 19.84         |
| Due to Change in financial assumptions              | 164.59        | 2.62          |
| Due to change in demographic assumption             | (22.06)       | 17.77         |
| Due to experience adjustments                       | 39.06         | (18.89)       |
| Past service cost                                   | 97.61         | -             |
| Benefits paid                                       | (116.53)      | (14.36)       |
| <b>Closing Defined Benefit Obligation</b>           | <b>576.31</b> | <b>299.20</b> |

(₹ in Lakh)

| Valuation Result as at                                              | 31.03.2020            | 31.03.2019            |
|---------------------------------------------------------------------|-----------------------|-----------------------|
| <b>Other Comprehensive Income for the current period</b>            |                       |                       |
| Due to Change in financial assumptions                              | 164.59                | 2.62                  |
| Due to change in demographic assumption                             | (22.06)               | 17.77                 |
| Due to experience adjustments                                       | 39.06                 | (18.89)               |
| Return on plan assets excluding amounts included in interest income | 2.02                  | (2.30)                |
| <b>Amounts recognized in Other Comprehensive (Income) / Expense</b> | <b>183.61</b>         | <b>(0.80)</b>         |
| <b>Profit and loss account for the period</b>                       |                       |                       |
| Service cost:                                                       |                       |                       |
| Current service cost                                                | 45.61                 | 24.96                 |
| Past service cost                                                   | 97.61                 | -                     |
| Net interest cost                                                   | 1.37                  | 2.13                  |
| <b>Total included in 'Employee Benefit Expense'</b>                 | <b>144.59</b>         | <b>27.09</b>          |
| <b>Reconciliation of plan assets</b>                                |                       |                       |
| Opening value of plan assets                                        | 280.88                | 204.12                |
| Interest Income                                                     | 21.04                 | 17.72                 |
| Return on plan assets excluding amounts included in interest income | (2.02)                | 2.30                  |
| Contributions by employer                                           | 9.73                  | 71.66                 |
| Benefits paid                                                       | (68.19)               | (14.36)               |
| Adjustment to the Opening fund                                      | -                     | (0.56)                |
| <b>Closing value of plan assets</b>                                 | <b>241.43</b>         | <b>280.88</b>         |
| <b>Funded status of the plan</b>                                    |                       |                       |
| Present value of funded obligations                                 | 576.31                | 299.20                |
| Fair value of plan assets                                           | (241.43)              | (280.88)              |
| <b>Net Liability (Asset)</b>                                        | <b>334.88</b>         | <b>18.32</b>          |
| <b>Reconciliation of net defined benefit liability</b>              |                       |                       |
| Net opening provision in books of accounts                          | 18.32                 | 63.13                 |
| Adjustment to Opening Defined Benefit Obligation                    | 46.42                 | -                     |
| Adjustment to the Opening fund                                      | -                     | 0.56                  |
| Employee Benefit Expense as per                                     | 144.59                | 27.09                 |
| Amounts recognized in Other Comprehensive (Income)                  | 183.61                | (0.80)                |
|                                                                     | 392.94                | 89.98                 |
| Benefits paid by the Company                                        | (48.34)               | -                     |
| Contributions to plan assets                                        | (9.73)                | (71.66)               |
| <b>Closing provision in books of accounts</b>                       | <b>334.88</b>         | <b>18.32</b>          |
| <b>Principle actuarial assumptions</b>                              |                       |                       |
| Discount Rate                                                       | 6.80% p.a             | 7.49% p.a             |
| Salary Growth Rate                                                  | 7.00% p.a             | 4.00% p.a             |
| Withdrawal Rates                                                    | 4.16% p.a at all ages | 6.70% p.a at all ages |
| Rate of Return on Plan Assets                                       | 6.80% p.a             | 7.49% p.a             |

### 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, 2020 an amount recognized as an expenses in respect of compensated leave absences is ₹ 303.48 lakh, (Previous year ended March 31, 2019 is ₹ 51.75 lakh).

36. As per the rule the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2016 (the "Amended Regulations"). 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 movement of IPF provision is given below:

**Table showing movement of IPF provision:**

(₹ in lakh)

| Particular                                            | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|-------------------------------------------------------|----------------------------------|----------------------------------|
| Rate %                                                | 5%                               | 5%                               |
| Opening provision                                     | 367.65                           | 408.39                           |
| Add: Provision made during the year                   | 269.67                           | 367.65                           |
| Less: Amount transferred to IPF Trust during the Year | 367.65                           | 408.39                           |
| Closing Provision                                     | 269.67                           | 367.65                           |

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 Company has set aside ₹ 438 lakh during the year ended March 31, 2020 (₹ 337 lakh during the year ended March 31, 2019) 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 31.03.2020 | As at 31.03.2019 |
|-------------------------------------------------|------------------|------------------|
| Opening provision                               | 569.14           | 531.51           |
| Provision for DP incentive made during the year | 438.00           | 337.00           |
| Amount paid                                     | (3.69)           | (299.37)         |
| Closing provision                               | 1,003.45         | 569.14           |

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

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

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

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

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

- 40.** The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the company has recognised Provision for Income Tax for the year ended March 31, 2020 and re-measured its Deferred Tax Assets basis the rate prescribed in the said section. Accordingly, an amount of ₹ 84.22 Lakh has been charged to statement of profit and loss.

### 41. Corporate Social Responsibility

As per the provisions of the Section 135 of the Companies Act, 2013, the Company is required to spend ₹598.82 lakh (including unspent amount for previous years) on CSR activities. To discharge its obligation, the Company has contributed ₹ 400 lakhs to Prime Minister's National Relief Fund and ₹ 198.82 lakhs to Chief Minister Relief Fund (Maharashtra) As per the expert opinion received by the Company, the contribution to the Chief Minister Relief Fund (Maharashtra) is considered as eligible expenses for CSR activities.

### 42. Long term contracts including derivative contracts

Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended March 31, 2020.

### 43. Interest on income tax refund and tax provision write back.

Based on the assessment order received during the quarter ended June 30, 2019, the Company had written back an amount of ₹ 174.10 Lakh in respect of assessment year 2013-14 and the same was netted off from tax expense. Further, an amount of ₹ 223.45 Lakh, received as interest on refund has been included in other income during the year ended March 31, 2020.

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

### Signatures to Notes 1 to 44 forming part of standalone financial statements

#### 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 16, 2020

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

##### B.V. Chaubal

Chairperson  
DIN: 06497832

##### Amita Paunikar

Company Secretary  
Membership No. A17646

##### Nehal Vora

Managing Director & CEO  
DIN: 02769054

##### Girish Amesara

Chief Financial Officer



# 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, 2020, 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, 2020, 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, 2020. 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Valuation of investments and its impairment</b> (as described in note 26 of the consolidated Ind AS financial statements)                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>Quoted investments and unquoted investments represent the most significant amount on the balance sheet. The total of these ₹ 66,459 Lakhs represented 77% of total assets of the Group as at March 31, 2020.</p> <p>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.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>We assessed the design and implementation of controls over valuation and existence of investments.</li> <li>We traced the quantity held from the confirmation provided by Custodian and Fund houses.</li> <li>We tested the valuation of the quoted and unquoted investments to independent pricing sources.</li> <li>We assessed and tested the management procedures for performing impairment analysis of investments, including Covid 19 impact assessed by the management.</li> </ul> |

| Key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>IT systems and controls</b> <p>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.</p> <p>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.</p> <p>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.</p> <p>Our audit procedures focused on testing of IT systems, IT general controls and specific application controls.</p> | <p>Our audit procedures focused on the IT infrastructure and applications relevant to financial reporting including:</p> <ul style="list-style-type: none"> <li>Assessed the information systems used by the Company for IT General Controls (ITGC) and Application controls;</li> <li>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;</li> <li>Assessed the changes that were made to the IT landscape during the audit period and assessing changes that have impact on financial reporting;</li> <li>Performed tests of controls (including other compensatory controls wherever applicable) on the IT application controls and IT dependent manual controls in the system.</li> <li>Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.</li> </ul> <p>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.</p> |

### 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. The Annual report is expected to be made available to us after the date of this auditor's report.

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 and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially mis-stated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### 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 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 respective entities 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 respective entities 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 respective entities.

### **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 with reference to financial statements 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 Ind AS 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 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, 2020 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 ₹ 27,434 lakhs as at March 31, 2020, and total revenues of ₹ 7,527 lakhs and net cash inflows of ₹ 1 lakh 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 report 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.

### 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 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, 2020 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 companies forming part of the Group, incorporated in India, is disqualified as on March 31, 2020 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, 2020 has been paid / provided by the Holding Company, 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 Group does not have any pending litigations which would impact its financial position;
- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and

its subsidiaries incorporated in India, during the year ended March 31, 2020.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Jayesh Gandhi**

Partner

Membership Number: 037924

UDIN: 20037924AAAACM2399

Place of Signature: Mumbai

Date: May 16, 2020



**Re: Central Depository Services (India) Limited**

**ANNEXURE 1 referred to in paragraph (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 Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of Central Depository Services (India) Limited as of and for the year ended March 31, 2020, 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 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 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 with reference to these consolidated 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, 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 with reference to these consolidated 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 over financial reporting with reference to these consolidated 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 consolidated 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 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 over financial reporting.

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

A company’s internal financial control over financial reporting with reference to these consolidated 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 consolidated 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 Group’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 with reference to these consolidated 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 consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated 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 Holding Company and its subsidiary companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, 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.

### 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 with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these all three subsidiary companies incorporated in India, is based on the corresponding report of the auditors of such subsidiaries.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Jayesh Gandhi**

Partner

Membership Number: 037924

UDIN: 20037924AAAACM2399

Place of Signature: Mumbai

Date: May 16, 2020

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Lakh)

| Particulars                                                                            | Note No. | As at 31.03.2020 | As at 31.03.2019 |
|----------------------------------------------------------------------------------------|----------|------------------|------------------|
| <b>ASSETS</b>                                                                          |          |                  |                  |
| <b>1 Non-current assets</b>                                                            |          |                  |                  |
| a. Property, plant and equipment                                                       | 3        | 7,151.64         | 7,261.41         |
| b. Intangible assets                                                                   | 4        | 283.33           | 262.53           |
| c. Financial Assets                                                                    |          |                  |                  |
| i. Investments                                                                         | 5        | 27,337.71        | 47,121.41        |
| ii. Loans                                                                              | 6        | 12.20            | 7.39             |
| iii. Other financial assets                                                            | 7        | 1,990.54         | 1,201.09         |
| d. Deferred tax assets (net)                                                           | 8        | 99.62            | 345.08           |
| e. Non current tax assets                                                              | 9        | 924.66           | 1,174.45         |
| f. Other assets                                                                        | 10       | 158.90           | 148.92           |
| <b>Total Non-Current Assets</b>                                                        |          | <b>37,958.60</b> | <b>57,522.28</b> |
| <b>2 Current assets</b>                                                                |          |                  |                  |
| a. Financial Assets                                                                    |          |                  |                  |
| i. Investments                                                                         | 5        | 39,120.97        | 12,204.05        |
| ii. Trade receivables                                                                  | 11       | 2,602.62         | 1,913.64         |
| iii. Cash and cash equivalents                                                         | 12       | 371.73           | 473.94           |
| iv. Bank balances other than (iii) above                                               | 12       | 4,998.15         | 5,075.91         |
| v. Loans                                                                               | 6        | 11.03            | 12.18            |
| vi. Other financial assets                                                             | 7        | 479.15           | 426.75           |
| b. Other assets                                                                        | 10       | 790.00           | 764.24           |
| <b>Total Current Assets</b>                                                            |          | <b>48,373.65</b> | <b>20,870.71</b> |
| <b>Total Assets (1+2)</b>                                                              |          | <b>86,332.25</b> | <b>78,392.99</b> |
| <b>EQUITY AND LIABILITIES</b>                                                          |          |                  |                  |
| <b>1 Equity</b>                                                                        |          |                  |                  |
| a. Equity Share capital                                                                | 13       | 10,450.00        | 10,450.00        |
| b. Other Equity                                                                        | 14       | 61,949.46        | 56,364.31        |
| Equity attributable to owners of the Company                                           |          | <b>72,399.46</b> | <b>66,814.31</b> |
| Non-controlling Interests                                                              |          | 4,185.23         | 4,129.13         |
| <b>Total Equity</b>                                                                    |          | <b>76,584.69</b> | <b>70,943.44</b> |
| <b>LIABILITIES</b>                                                                     |          |                  |                  |
| <b>2 Non-current liabilities</b>                                                       |          |                  |                  |
| a. Financial Liabilities                                                               |          |                  |                  |
| Other financial liabilities                                                            | 15       | 116.88           | 81.29            |
| b. Deferred tax liabilities (Net)                                                      | 8        | 204.10           | 13.59            |
| c. Other liabilities                                                                   | 18       | 0.09             | 14.66            |
| d. Provisions                                                                          | 17       | 62.20            | -                |
| <b>Total Non-Current Liabilities</b>                                                   |          | <b>383.27</b>    | <b>109.54</b>    |
| <b>3 Current liabilities</b>                                                           |          |                  |                  |
| a. Financial Liabilities                                                               |          |                  |                  |
| i. Trade payables                                                                      | 16       |                  |                  |
| Total outstanding dues of micro enterprises and small enterprises                      |          | 55.65            | 7.82             |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 1,150.55         | 340.99           |
| ii. Other financial liabilities                                                        | 15       | 4,466.30         | 4,252.11         |
| b. Provisions                                                                          | 17       | 1,838.24         | 980.79           |
| c. Current tax liabilities                                                             | 9        | 261.91           | 372.70           |
| d. Other liabilities                                                                   | 18       | 1,591.64         | 1,385.60         |
| <b>Total Current Liabilities</b>                                                       |          | <b>9,364.29</b>  | <b>7,340.01</b>  |
| <b>Total Equity and Liabilities (1+2+3)</b>                                            |          | <b>86,332.25</b> | <b>78,392.99</b> |
| Significant accounting policies                                                        | 2        |                  |                  |
| The accompanying notes form an integral part of the financial statements               | 1-42     |                  |                  |

In terms of our report of even date attached

For S. R. Batliboi &amp; Co. LLP

Chartered Accountants

ICAI Firm registration No. 301003E/E300005

Per Jayesh Gandhi

Partner

Membership No: 037924

Place : Mumbai

Date : May 16, 2020

For and on behalf of the Board of Directors

B.V. Chaubal

Chairperson

DIN: 06497832

Amita Paunikar

Company Secretary

Membership No. A17646

Nehal Vora

Managing Director &amp; CEO

DIN: 02769054

Girish Amesara

Chief Financial Officer

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakh)

| Particulars                                                                      | Note No. | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|----------------------------------------------------------------------------------|----------|----------------------------------|----------------------------------|
| <b>1 Revenue From Operations</b>                                                 | 19       | 22,505.93                        | 19,625.17                        |
| <b>2 Other Income</b>                                                            | 20       | 5,919.06                         | 4,919.38                         |
| <b>3 Total Income (1+2)</b>                                                      |          | <b>28,424.99</b>                 | <b>24,544.55</b>                 |
| <b>4 Expenses</b>                                                                |          |                                  |                                  |
| Employee benefits expense                                                        | 21       | 4,729.50                         | 3,418.83                         |
| Depreciation and amortisation expense                                            | 3&4      | 1,173.24                         | 991.53                           |
| Finance Cost                                                                     | 25       | 2.94                             | -                                |
| Impairment loss on financial assets                                              | 22.1     | 749.53                           | 293.60                           |
| Other expenses                                                                   | 22.2     | 7,068.91                         | 5,019.86                         |
| Settlement of Service Tax Matter                                                 | 30       | 1,056.09                         | -                                |
| <b>Total expenses</b>                                                            |          | <b>14,780.21</b>                 | <b>9,723.82</b>                  |
| <b>5 Profit before tax (3-4)</b>                                                 |          | <b>13,644.78</b>                 | <b>14,820.73</b>                 |
| <b>6 Tax expense:</b>                                                            | 23       |                                  |                                  |
| Current tax                                                                      |          | 2,709.00                         | 3,434.20                         |
| Prior period tax adjustment                                                      |          | (62.70)                          | -                                |
| Deferred tax                                                                     |          | 326.66                           | (96.13)                          |
| <b>Tax expense</b>                                                               |          | <b>2,972.96</b>                  | <b>3,338.07</b>                  |
| <b>7 Profit for the year (5-6)</b>                                               |          | <b>10,671.82</b>                 | <b>11,482.66</b>                 |
| <b>Attributable to</b>                                                           |          |                                  |                                  |
| Owners of the Company                                                            |          | 10,615.53                        | 11,351.45                        |
| Non-controlling Interests                                                        |          | 56.29                            | 131.21                           |
| <b>8 Other Comprehensive Income</b>                                              |          |                                  |                                  |
| Items that will not be reclassified to profit or loss                            |          |                                  |                                  |
| i. Remeasurements of the defined benefit plans;                                  |          | 11.94                            | 0.50                             |
| ii. Income tax relating to items that will not be reclassified to profit or loss |          | (2.97)                           | (0.14)                           |
| <b>Total other comprehensive income / (loss) (net of tax) (i+ii)</b>             |          | <b>8.97</b>                      | <b>0.36</b>                      |
| <b>9 Total Comprehensive Income for the year (7+8)</b>                           |          | <b>10,680.79</b>                 | <b>11,483.02</b>                 |
| <b>Attributable to</b>                                                           |          |                                  |                                  |
| Owners of the Company                                                            |          | 10,624.69                        | 11,351.97                        |
| Non-controlling Interests                                                        |          | 56.10                            | 131.05                           |
| <b>10 Earnings per equity share (EPS) :</b>                                      |          |                                  |                                  |
| Basic and Diluted EPS (₹)                                                        | 24       | 10.16                            | 10.86                            |
| Face value of share (₹)                                                          |          | 10.00                            | 10.00                            |
| Weighted average number of shares                                                |          | 104,500,000.00                   | 104,500,000.00                   |
| Significant accounting policies                                                  | 2        |                                  |                                  |
| The accompanying notes form an integral part of the financial statements         | 1-42     |                                  |                                  |

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 16, 2020

For and on behalf of the Board of Directors

**B.V. Chaubal**

Chairperson

DIN: 06497832

**Amita Paunikar**

Company Secretary

Membership No. A17646

**Nehal Vora**

Managing Director &amp; CEO

DIN: 02769054

**Girish Amesara**

Chief Financial Officer

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakh)

## A. Equity Share Capital

|                                                 | Amount           |
|-------------------------------------------------|------------------|
| <b>Balance as at April 1, 2018</b>              | <b>10,450.00</b> |
| Changes in equity share capital during the year | -                |
| <b>Balance as at March 31, 2019</b>             | <b>10,450.00</b> |
| Changes in equity share capital during the year | -                |
| <b>Balance as at March 31, 2020</b>             | <b>10,450.00</b> |

## 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 |                                                  |                          |                            |                  |
| <b>Balance as at April 1, 2018</b>                                 | <b>1,094.93</b> | <b>48,298.40</b>  | <b>49,393.33</b>                                 | <b>1,594.68</b>          | <b>32.05</b>               | <b>51,020.06</b> |
| 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)       |
| <b>Balance at March 31, 2019</b>                                   | <b>1,094.93</b> | <b>55,236.97</b>  | <b>56,331.90</b>                                 | <b>4,129.13</b>          | <b>32.41</b>               | <b>60,493.44</b> |
| Profit for the year                                                | -               | 10,615.53         | 10,615.53                                        | 56.10                    | -                          | 10,671.63        |
| Other comprehensive income for the period (net of tax)             | -               | -                 | -                                                | -                        | 8.97                       | 8.97             |
| Payment of dividends (Including dividend distribution tax)         | -               | (5,039.35)        | (5,039.35)                                       | -                        | -                          | (5,039.35)       |
| <b>Balance as at March 31, 2020</b>                                | <b>1,094.93</b> | <b>60,813.15</b>  | <b>61,908.08</b>                                 | <b>4,185.23</b>          | <b>41.38</b>               | <b>66,134.69</b> |

Significant accounting policies

2

The Accompanying notes form an integral part of the financial statements

1-42

In terms of our report of even date attached

For and on behalf of the Board of Directors

For S. R. Batliboi &amp; Co. LLP

Chartered Accountants

ICAI Firm registration No. 301003E/E300005

B.V. Chaubal

Chairperson

DIN: 06497832

Nehal Vora

Managing Director &amp; CEO

DIN: 02769054

Per Jayesh Gandhi

Partner

Membership No: 037924

Amita Paunikar

Company Secretary

Membership No. A17646

Girish Amesara

Chief Financial Officer

Place : Mumbai

Date : May 16, 2020

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakh)

| PARTICULARS                                                                          | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|--------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                        |                                  |                                  |
| <b>Profit for the year</b>                                                           | <b>10,671.82</b>                 | <b>11,482.66</b>                 |
| <b>Adjustments for</b>                                                               |                                  |                                  |
| Income tax expenses recognised in profit or loss                                     | 2,972.96                         | 3,338.07                         |
| Depreciation and Amortisation expense                                                | 1,173.24                         | 991.53                           |
| Gain on sale / disposal of Property, plant and equipment and Intangible assets (Net) | (15.28)                          | (8.59)                           |
| Provision for gratuity and compensated absences                                      | 497.28                           | 126.19                           |
| Interest income recognised in profit or loss                                         | (1,371.44)                       | (1,151.74)                       |
| Dividend income recognised in profit or loss                                         | -                                | (141.54)                         |
| Net gain arising on financial assets measured at FVTPL                               | (4,177.37)                       | (3,269.78)                       |
| Impairment loss on financial assets/bad debts written off                            | 749.53                           | 293.60                           |
| <b>Operating cash flow before working capital changes</b>                            | <b>10,500.74</b>                 | <b>11,660.40</b>                 |
| <b>Movements in working capital</b>                                                  |                                  |                                  |
| (Increase) / Decrease in trade receivables                                           | (1,438.51)                       | (321.75)                         |
| (Increase) / Decrease in loans and other assets                                      | (142.53)                         | (161.00)                         |
| (Increase) / Decrease in other financial assets                                      | (8.81)                           | 965.04                           |
| Increase / (Decrease) in trade payables                                              | 857.39                           | (37.50)                          |
| Increase / (Decrease) in provisions                                                  | 434.31                           | (28.09)                          |
| (Decrease) / Increase in other financial liabilities and other liabilities           | 412.57                           | (145.90)                         |
| <b>Cash Generated from operations</b>                                                | <b>10,615.16</b>                 | <b>11,931.20</b>                 |
| Direct taxes paid (net of refunds)                                                   | (2,400.96)                       | (3,361.29)                       |
| <b>Net Cash generated from operating Activities</b>                                  | <b>8,214.20</b>                  | <b>8,569.91</b>                  |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                                        |                                  |                                  |
| Purchase of property, plant and equipment, intangible assets and capital advances    | (1,006.47)                       | (1,134.29)                       |
| Proceeds from sale of property, plant and equipment                                  | 80.77                            | 12.96                            |
| Purchase of investments                                                              | (15,124.29)                      | (37,082.91)                      |
| Proceeds from sale of investments                                                    | 12,151.18                        | 32,772.37                        |
| Investments in fixed deposits with banks                                             | (5,617.36)                       | (5,279.69)                       |
| Proceeds from maturity of fixed deposits with banks                                  | 4,917.14                         | 2,843.25                         |
| Interest received                                                                    | 1,333.45                         | 1,048.85                         |
| Dividend received                                                                    | -                                | 141.54                           |
| <b>Net cash generated from investing activities</b>                                  | <b>(3,265.58)</b>                | <b>(6,677.92)</b>                |

(₹ in Lakh)

| PARTICULARS                                                             | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|-------------------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                           |                                  |                                  |
| Dividend and taxes paid thereon                                         | (5,039.35)                       | (4,409.48)                       |
| Sale of Equity Shares in subsidiary                                     | -                                | 2,400.00                         |
| Payment of Lease liability                                              | (11.48)                          | -                                |
| <b>Net cash used in financing activities</b>                            | <b>(5,050.83)</b>                | <b>(2,009.48)</b>                |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>                | <b>(102.21)</b>                  | <b>(117.49)</b>                  |
| Cash and cash equivalents at the beginning of the year                  | 473.94                           | 591.43                           |
| <b>Cash and cash equivalents at the end of the year</b>                 | <b>371.73</b>                    | <b>473.94</b>                    |
| Cash and cash equivalents at the end of the year comprises              |                                  |                                  |
| i) Cash on hand                                                         | 0.71                             | 0.59                             |
| ii) Cheques in hand                                                     | -                                | -                                |
| iii) Balances with banks                                                |                                  |                                  |
| - In unpaid dividend account (Refer note 3 below)                       | 16.42                            | 6.06                             |
| - In current account (Earmarked against liability) (Refer note 3 below) | 33.27                            | 26.28                            |
| - In Current Accounts                                                   | 321.33                           | 441.01                           |

Significant accounting policies

2

The Accompanying notes form an integral part of the financial statements

1-42

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 year figure have been regrouped wherever necessary
3. The balances are not available for use by the company as they represent corresponding unpaid dividend and earmarked liability.

**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 16, 2020

**For and on behalf of the Board of Directors****B.V. Chaubal**

Chairperson

DIN: 06497832

**Amita Paunikar**

Company Secretary

Membership No. A17646

**Nehal Vora**

Managing Director &amp; CEO

DIN: 02769054

**Girish Amesara**

Chief Financial Officer



# SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

## 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 16, 2020.

## 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, 2020 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013, read together with the companies (Indian Accounting Standards) Rules, 2015 and 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 Activity                            | Proportion of Ownership Interest as on March 31, 2020 | Proportion of Ownership Interest as on March 31, 2019 |
|-----------------------------------|--------------------------|-----------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| CDSL Ventures Limited             | India                    | KYC Registration                              | 100.00 %                                              | 100.00 %                                              |
| CDSL Insurance Repository Limited | India                    | Holding insurance policies in electronic mode | 54.25%                                                | 54.25%                                                |
| - On its own name                 |                          |                                               | 51.00%                                                | 51.00%                                                |
| - Through CDSL Ventures Limited   |                          |                                               | 3.25%                                                 | 3.25%                                                 |
| CDSL Commodity Repository Limited | India                    | Commodity Repository                          | 52%                                                   | 52%                                                   |

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.

#### a) 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.

## **b) 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 Group's tax jurisdiction is in India. Significant judgments are involved in determining the provision for income taxes, deferred 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 recognised.
- (iii) **Employee Benefits:** Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by the Group 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) comprising amortised cost, financial assets (debt instrument) comprising Fair Value Through Other Comprehensive Income ("FVTOCI"), financial asset (equity instruments) at Fair value Through Profit and Loss account ("FVTPL") and FVTOCI and financial liabilities at amortised cost or FVTPL.

The 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 Group'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.

#### **e) Earmarked Funds**

Earmarked Funds represent bonus payable to Key Management Personnel of the Parent Company, held for specific purposes as per the SEBI (Depositories and Participants) Regulations 2018. 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.

#### **c) Fair Value of Financial Instruments**

In determining the fair value of its financial instruments, the Group 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.

#### **d) 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 April 1, 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 lives and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

#### **Derecognition of intangible assets:**

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



**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.:

| Name of Asset                            | Useful life as per Companies Act 2013 (Years) | Useful Life as per Group Policy (Years) |
|------------------------------------------|-----------------------------------------------|-----------------------------------------|
| Computer Hardware                        | 3                                             | 2                                       |
| Computer software – Perpetual            | 3                                             | 2                                       |
| Computer software – Subscription License | 3                                             | As per useful life                      |
| Furniture and Fixtures                   | 10                                            | 5                                       |
| Vehicle                                  | 8                                             | 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 life 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 life, 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 Group 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 Statement of Profit and 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:****As a Lessee:**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

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

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

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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate



implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

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

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

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

### **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 Group 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 Group 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 Group 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 Group 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 Group'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 Group. 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 Group'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 Group 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 statement of profit and 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 at least twelve months after the balance sheet date
5. All other assets are classified as non-current.

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

1. it is expected to be settled in, the entity's normal operating cycle;
2. it is held primarily for the purpose of being traded; it is due to be settled within twelve months after the balance sheet date; or
3. the 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

#### a. 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

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

### 3. Property, plant and equipment

(₹ in Lakh)

| Particulars                                    | Freehold Office | Civil and Interior Work | Building-Freehold | Building-Leasehold | Plant and equipment | Computers     | Furniture and fixtures | Office equipments | Motor vehicles | *ROU Asset   | Total           |
|------------------------------------------------|-----------------|-------------------------|-------------------|--------------------|---------------------|---------------|------------------------|-------------------|----------------|--------------|-----------------|
| <b>Gross carrying value</b>                    |                 |                         |                   |                    |                     |               |                        |                   |                |              |                 |
| Balance as at April 1, 2018                    | 6,325.27        | 250.22                  | 0.01              | 169.09             | 970.19              | 96.66         | 319.20                 | 276.11            | 153.38         | -            | 8,560.13        |
| 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           |
| <b>Balance as at March 31, 2019</b>            | <b>6,325.27</b> | <b>250.22</b>           | <b>0.01</b>       | <b>169.09</b>      | <b>1,399.75</b>     | <b>117.50</b> | <b>320.13</b>          | <b>287.95</b>     | <b>162.13</b>  | <b>-</b>     | <b>9,032.05</b> |
| Balance as at April 1, 2019                    | 6,325.27        | 250.22                  | 0.01              | 169.09             | 1,399.75            | 117.50        | 320.13                 | 287.95            | 162.13         | -            | 9,032.05        |
| Additions during the year ended March 31, 2020 | -               | -                       | -                 | -                  | 544.39              | 65.73         | 8.90                   | 18.95             | 39.41          | 48.50        | 725.88          |
| Deductions / adjustments                       | -               | -                       | -                 | -                  | 123.33              | 2.53          | 0.18                   | 6.28              | 62.98          | -            | 195.30          |
| <b>Balance as at March 31, 2020</b>            | <b>6,325.27</b> | <b>250.22</b>           | <b>0.01</b>       | <b>169.09</b>      | <b>1,820.81</b>     | <b>180.70</b> | <b>328.85</b>          | <b>300.62</b>     | <b>138.56</b>  | <b>48.50</b> | <b>9,562.63</b> |
| <b>Accumulated depreciation</b>                |                 |                         |                   |                    |                     |               |                        |                   |                |              |                 |
| Balance as at April 1, 2018                    | 74.96           | 10.35                   | -                 | 150.24             | 565.19              | 75.23         | 102.84                 | 56.99             | 60.54          | -            | 1,096.34        |
| 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           |
| <b>Balance as at March 31, 2019</b>            | <b>180.59</b>   | <b>35.37</b>            | <b>-</b>          | <b>161.59</b>      | <b>966.85</b>       | <b>99.24</b>  | <b>150.42</b>          | <b>107.62</b>     | <b>68.96</b>   | <b>-</b>     | <b>1,770.64</b> |
| Balance as at April 1, 2019                    | 180.59          | 35.37                   | -                 | 161.59             | 966.85              | 99.24         | 150.42                 | 107.62            | 68.96          | -            | 1,770.64        |
| Depreciation for the year ended March 31, 2020 | 105.63          | 25.02                   | -                 | 2.17               | 453.70              | 34.95         | 47.95                  | 52.46             | 37.17          | 11.11        | 770.16          |
| Deductions / Adjustments                       | -               | -                       | -                 | -                  | 75.51               | 2.53          | 0.18                   | 6.06              | 45.53          | -            | 129.81          |
| <b>Balance as at March 31, 2020</b>            | <b>286.22</b>   | <b>60.39</b>            | <b>-</b>          | <b>163.76</b>      | <b>1,345.04</b>     | <b>131.66</b> | <b>198.19</b>          | <b>154.02</b>     | <b>60.60</b>   | <b>11.11</b> | <b>2,410.99</b> |
| <b>Net carrying value</b>                      |                 |                         |                   |                    |                     |               |                        |                   |                |              |                 |
| As at March 31, 2020                           | 6,039.05        | 189.83                  | 0.01              | 5.33               | 475.77              | 49.04         | 130.66                 | 146.60            | 77.96          | 37.39        | 7,151.64        |
| As at March 31, 2019                           | 6,144.68        | 214.85                  | 0.01              | 7.50               | 432.90              | 18.26         | 169.71                 | 180.33            | 93.17          | -            | 7,261.41        |

\* Refer Note no. 27

## 4. Intangible assets

(₹ in Lakh)

| Particulars                                    | Computer Softwares | Total           |
|------------------------------------------------|--------------------|-----------------|
| <b>Gross carrying value</b>                    |                    |                 |
| Balance as at April 1, 2018                    | 483.10             | 483.10          |
| Additions during the year ended March 31, 2019 | 407.69             | 407.69          |
| Deductions / adjustments                       | -                  | -               |
| <b>Balance as at March 31, 2019</b>            | <b>890.79</b>      | <b>890.79</b>   |
| Balance as at April 1, 2019                    | 890.79             | 890.79          |
| Additions during the year ended March 31, 2020 | 423.88             | 423.88          |
| Deductions / adjustments                       | -                  | -               |
| <b>Balance as at March 31, 2020</b>            | <b>1,314.67</b>    | <b>1,314.67</b> |
| <b>Accumulated amortisation</b>                |                    |                 |
| Balance as at April 1, 2018                    | 337.75             | 337.75          |
| Amortisation for the year ended March 31, 2019 | 290.51             | 290.51          |
| Deductions / Adjustments                       | -                  | -               |
| <b>Balance as at March 31, 2019</b>            | <b>628.26</b>      | <b>628.26</b>   |
| Balance as at April 1, 2019                    | 628.26             | 628.26          |
| Amortisation for the year ended March 31, 2020 | 403.08             | 403.08          |
| Deductions / Adjustments                       | -                  | -               |
| <b>Balance as at March 31, 2020</b>            | <b>1,031.34</b>    | <b>1,031.34</b> |
| <b>Net carrying value</b>                      |                    |                 |
| <b>As at March 31, 2020</b>                    | <b>283.33</b>      | <b>283.33</b>   |
| <b>As at March 31, 2019</b>                    | <b>262.53</b>      | <b>262.53</b>   |

## 5. Investments

(₹ in Lakh)

| Particulars                                                                                              | As at 31.03.2020 | As at 31.03.2019 |
|----------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Non-current investments</b>                                                                           |                  |                  |
| <b>Un-quoted investments (all fully paid)</b>                                                            |                  |                  |
| <b>Investments in equity instruments measured at FVTPL</b>                                               |                  |                  |
| - Belapur Railway Station Commercial Company Limited (BRSCCL)<br>(Fully paid equity shares of ₹ 10 each) | 0.50             | 0.50             |
| - National E-Governance Services Limited (NESL)<br>(Fully paid equity shares of ₹ 10 each)               | 273.90           | 300.00           |
| <b>Aggregate value of un-quoted Investments</b>                                                          | <b>274.40</b>    | <b>300.50</b>    |
| <b>Total investment in equity instruments at FVTPL</b>                                                   | <b>274.40</b>    | <b>300.50</b>    |
| <b>Quoted Investments</b>                                                                                |                  |                  |
| <b>Investments in tax free bonds measured at amortised cost</b>                                          |                  |                  |
| <b>Owned</b>                                                                                             |                  |                  |
| - Tax free bonds                                                                                         | 10,308.41        | 10,325.39        |
|                                                                                                          | <b>10,308.41</b> | <b>10,325.39</b> |



(₹ in Lakh)

| Particulars                                                                 | As at<br>31.03.2020 | As at<br>31.03.2019 |
|-----------------------------------------------------------------------------|---------------------|---------------------|
| <b>Investments in Non Convertible Debentures measured at amortised cost</b> |                     |                     |
| <b>Owned</b>                                                                |                     |                     |
| - Non convertible debentures                                                | 1,500.00            | 1,500.00            |
|                                                                             | <b>1,500.00</b>     | <b>1,500.00</b>     |
| <b>Investments in mutual funds measured at FVTPL</b>                        |                     |                     |
| <b>Owned</b>                                                                |                     |                     |
| - Units of growth oriented schemes of mutual funds                          | 15,226.90           | 34,969.78           |
| <b>Earmarked</b>                                                            |                     |                     |
| - Units of growth oriented schemes of mutual funds                          | 28.00               | 25.74               |
|                                                                             | <b>15,254.90</b>    | <b>34,995.52</b>    |
| <b>Total Non-current investments</b>                                        | <b>27,337.71</b>    | <b>47,121.41</b>    |
| <b>Aggregate amount of quoted investments</b>                               | <b>27,063.31</b>    | <b>46,820.91</b>    |
| <b>Market value of quoted investments</b>                                   | <b>27,063.31</b>    | <b>46,820.91</b>    |
| <b>Aggregate amount of unquoted investments</b>                             | <b>274.40</b>       | <b>300.50</b>       |
| <b>Current investments</b>                                                  |                     |                     |
| <b>Unquoted investments</b>                                                 |                     |                     |
| <b>Investments in mutual funds measured at FVTPL</b>                        |                     |                     |
| <b>Owned</b>                                                                |                     |                     |
| - Units of growth oriented schemes of mutual funds                          | 16,517.74           | 12,179.46           |
|                                                                             | <b>16,517.74</b>    | <b>12,179.46</b>    |
| <b>Current portion of long term investments</b>                             |                     |                     |
| <b>Quoted investments</b>                                                   |                     |                     |
| <b>Investments in mutual funds measured at FVTPL</b>                        |                     |                     |
| <b>Owned</b>                                                                |                     |                     |
| - Units of growth oriented schemes of mutual funds                          | 22,603.23           | -                   |
| <b>Earmarked</b>                                                            |                     |                     |
| - Units of growth oriented schemes of mutual funds                          | -                   | 24.59               |
|                                                                             | <b>22,603.23</b>    | <b>24.59</b>        |
| <b>Total current investments</b>                                            | <b>39,120.97</b>    | <b>12,204.05</b>    |
| <b>Aggregate amount of quoted investments</b>                               | <b>22,603.23</b>    | <b>24.59</b>        |
| <b>Market value of quoted investments</b>                                   | <b>22,603.23</b>    | <b>24.59</b>        |
| <b>Aggregate amount of unquoted investments</b>                             | <b>16,517.74</b>    | <b>12,179.46</b>    |

## 5A - Investments

| Type                               | Name of the Body Corporate                                                  | No. of Shares / Units |                     | (₹) In Lakh         |                     |
|------------------------------------|-----------------------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|
|                                    |                                                                             | As at<br>31.03.2020   | As at<br>31.03.2019 | As at<br>31.03.2020 | As at<br>31.03.2019 |
| 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           | 273.90              | 300.00              |
|                                    |                                                                             |                       |                     | 274.40              | 300.50              |
| b)                                 | Investment in Non convertible debentures                                    |                       |                     |                     |                     |
| Quoted                             | 8.70% TATA Capital Non-Convertible Debentures 3Yrs RD 27.09.2021            | 150,000               | 150,000             | 1,500.00            | 1,500.00            |
|                                    |                                                                             |                       |                     | 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              | 500.02              |
| Quoted                             | 7.22% Power Finance Corporation Ltd Tax Free Bond Series 95 291122          | 50                    | 50                  | 500.02              | 500.02              |
| Quoted                             | 7.18% Indian Railway Finance Corp Ltd Tax Free Bonds 190223                 | 130,000               | 130,000             | 1,302.76            | 1,303.62            |
| Quoted                             | 7.19% Indian Railway Finance Corp Ltd Tax Free Bond 310725                  | 50                    | 50                  | 500.35              | 500.41              |
| Quoted                             | 8.01% National Housing Bank Tax Free Bonds 300823                           | 70                    | 70                  | 700.12              | 700.16              |
| Quoted                             | 7.17% National Housing Bank Tax Free Bonds 010123                           | 50                    | 50                  | 501.31              | 501.73              |
| Quoted                             | 8.35% National Highways Auth of India Tax Free Bonds 221123                 | 70                    | 70                  | 700.10              | 700.12              |
| Quoted                             | 8.20% National Highways Auth of India Tax Free Bonds 250122                 | 72,500                | 72,500              | 734.02              | 738.54              |
| 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                  | 500.02              | 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             | 1,014.33            | 1,022.25            |
| Quoted                             | 7.15% NTPC Limited Tax Free Bond 210825                                     | 50                    | 50                  | 500.19              | 500.22              |
| Quoted                             | 7.17% REC Ltd Tax Free Bond 230725                                          | 50                    | 50                  | 500.28              | 500.32              |
| Quoted                             | 8.18% REC Ltd Tax Free Bonds 111023                                         | 50                    | 50                  | 512.32              | 515.31              |
| Quoted                             | 7.11% National Highways Auth of India Tax Free Bonds 18.09.2025             | 30.00                 | 30.00               | 300.02              | 300.02              |
| Quoted                             | 7.16% Power Finance Corporation Ltd Tax Free Bonds 17.07.2025               | 50.00                 | 50.00               | 500.19              | 500.22              |
| Quoted                             | 7.17% REC Ltd Tax Free Bonds 23.07.2025                                     | 50.00                 | 50.00               | 500.24              | 500.28              |
|                                    |                                                                             |                       |                     | 10,308.41           | 10,325.39           |
| d)                                 | Investment in Units of growth oriented schemes of mutual funds              |                       |                     |                     |                     |
| Quoted                             | Axis Fixed Term Plan - Sr102 - Direct- Growth                               | 4,000,000.00          | 4,000,000.00        | 444.86              | 404.88              |
| Quoted                             | Aditya Birla Sunlife Fixed Term Plan - Series OM - Direct - Growth          | -                     | 5,000,000.00        | -                   | 574.53              |

| Type   | Name of the Body Corporate                                                     | No. of Shares / Units |                     | (₹) In Lakh         |                     |
|--------|--------------------------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|
|        |                                                                                | As at<br>31.03.2020   | As at<br>31.03.2019 | As at<br>31.03.2020 | As at<br>31.03.2019 |
| Quoted | Aditya Birla Sunlife Fixed Term Plan - Series OD - Direct - Growth             | -                     | 9,260,869.00        |                     | 1,071.31            |
| Quoted | Aditya Birla Sunlife Fixed Term Plan - Series OH - Direct - Growth             | -                     | 7,180,656.00        | -                   | 832.64              |
| Quoted | Aditya Birla Sunlife Fixed Term Plan - Series OI - Direct - Growth             | -                     | 10,901,955.00       | -                   | 1,261.56            |
| Quoted | Aditya Birla Sunlife Fixed Term Plan - Series OK - Direct - Growth             | -                     | 10,000,000.00       | -                   | 1,153.17            |
| Quoted | Aditya Birla Sunlife Fixed Term Plan - Series OY - Direct - Growth             | 3,000,000.00          | 3,000,000.00        | 357.80              | 328.14              |
| Quoted | Aditya Birla Sunlife Fixed Term Plan - Series SI - Direct - Growth             | 4,000,000.00          | 4,000,000.00        | 445.36              | 405.13              |
| Quoted | PGIM India Fixed Duration Fund Sr AY- Direct-Growth                            | 40,000.00             | 40,000.00           | 478.91              | 435.14              |
| Quoted | DSP Fixed Maturity Plan - Sr 204 - 37M - Direct - Growth                       | -                     | 10,000,000.00       | -                   | 1,153.40            |
| Quoted | DSP Fixed Maturity Plan - Sr 205 - 37M - Direct - Growth                       | -                     | 10,000,000.00       |                     | 1,153.75            |
| Quoted | DSP Fixed Maturity Plan - Sr 209 - 37M - Direct - Growth                       | -                     | 4,300,000.00        | -                   | 493.99              |
| Quoted | DSP Fixed Maturity Plan - Sr 219 - 40M - Direct - Growth                       | 3,000,000.00          | 3,000,000.00        | 355.88              | 327.30              |
| Quoted | DSP Fixed Maturity Plan - Sr 233 -36M -Direct-Growth                           | 238,511.40            | 238,511.40          | 28.00               | 25.74               |
| Quoted | DSP Fixed Maturity Plan - Sr 250 -39M -Direct-Growth                           | 5,261,412.88          | 5,261,412.88        | 587.85              | 535.35              |
| Quoted | HDFC Fixed Maturity Plan- 1150D Mar 2018 (1) Sr 39 Direct -Growth              | 7,043,577.00          | 7,043,577.00        | 834.45              | 765.03              |
| Quoted | HDFC MF Fixed Maturity Plan-1158D Feb2018 (1) Sr39-Direct-Growth               | 6,000,000.00          | 6,000,000.00        | 713.17              | 653.53              |
| Quoted | HDFC Fixed Maturity Plan- 1274D Oct 2018 (1) Sr 43 Direct- Growth              | 5,000,000.00          | 5,000,000.00        | 584.89              | 532.06              |
| Quoted | HSBC Fixed Term Series 131 - Direct -Growth                                    | 3,000,000.00          | 3,000,000.00        | 346.11              | 322.77              |
| Quoted | HSBC Fixed Term Series 134 - Direct -Growth                                    | 4,000,000.00          | 4,000,000.00        | 418.65              | 428.40              |
| Quoted | HSBC Fixed Term Series 139 - Direct -Growth                                    | 3,500,000.00          | 3,500,000.00        | 390.78              | 355.38              |
| Quoted | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan J - 1253 Days Direct Cum     | -                     | 4,493,054.00        | -                   | 521.14              |
| Quoted | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan L - 1245 Days Direct Cum     | -                     | 6,000,000.00        | -                   | 696.15              |
| Quoted | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan O - 1233 Days Direct Cum     | -                     | 3,000,000.00        | -                   | 347.76              |
| Quoted | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan T - 1225 Days Direct Cum     | -                     | 6,500,000.00        | -                   | 750.02              |
| Quoted | ICICI Prudential Fixed Maturity Plan - Sr 81 - Plan Q - 1163 Days Direct Cum   | -                     | 10,000,000.00       | -                   | 1,115.42            |
| Quoted | ICICI Prudential Fixed Maturity Plan - Sr 82 - Plan A - 1236 Days Direct Cum   | 5,000,000.00          | 5,000,000.00        | 597.43              | 547.77              |
| Quoted | ICICI Prudential Fixed Maturity Plan - Sr 84 - 1254 Days Plan U - Direct - Cum | 4,000,000.00          | 4,000,000.00        | 453.49              | 412.10              |

| Type                                              | Name of the Body Corporate                                                     | No. of Shares / Units |                     | (₹) In Lakh         |                     |
|---------------------------------------------------|--------------------------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|
|                                                   |                                                                                | As at<br>31.03.2020   | As at<br>31.03.2019 | As at<br>31.03.2020 | As at<br>31.03.2019 |
| Quoted                                            | ICICI Prudential Fixed Maturity Plan - Sr 84 - 1188 Days Plan Z - Direct - Cum | 4,000,000.00          | 4,000,000.00        | 450.97              | 410.22              |
| Quoted                                            | IDFC Fixed Term Plan - Sr 129 - Direct- Growth 1147Days                        | -                     | 10,000,000.00       | -                   | 1,156.41            |
| Quoted                                            | IDFC Fixed Term Plan - Sr 131 - Direct- Growth 1139Days                        | -                     | 12,512,212.00       | -                   | 1,439.57            |
| Quoted                                            | Invesco India Fixed Maturity Plan - Sr 29 -Plan B - Direct -Growth             | -                     | 10,000,000.00       | -                   | 1,152.67            |
| Quoted                                            | Invesco India Fixed Maturity Plan - Sr 30 -Plan A - Direct -Growth             | 5,000,000.00          | 5,000,000.00        | 595.64              | 546.70              |
| Quoted                                            | Invesco India Fixed Maturity Plan - Sr 30 Plan C - Direct-Growth               | 6,000,000.00          | 6,000,000.00        | 714.09              | 654.04              |
| Quoted                                            | Kotak Fixed Maturity Plan - Series 250 – 1314 Days-Direct-Growth               | 4,250,000.00          | 4,250,000.00        | 495.62              | 450.17              |
| Quoted                                            | Kotak Fixed Maturity Plan - Series 255 – 1250 Days-Direct-Growth               | 4,000,000.00          | 4,000,000.00        | 454.53              | 412.46              |
| Quoted                                            | Nippon India Fixed Horizon Fund - XXXV - SR 11-Direct-Growth                   | 5,000,000.00          | 5,000,000.00        | 597.61              | 547.55              |
| Quoted                                            | Nippon India Fixed Horizon Fund - XXXV - SR 12-Direct-Growth                   | 4,000,000.00          | 4,000,000.00        | 478.04              | 438.06              |
| Quoted                                            | Nippon India Fixed Horizon Fund XXXVI Series 7 - Direct - Growth               | 4,000,000.00          | 4,000,000.00        | 472.71              | 432.98              |
| Quoted                                            | Nippon India Fixed Horizon Fund XXXX Series 6 - Direct - Growth                | 4,000,000.00          | 4,000,000.00        | 455.94              | 414.62              |
| Quoted                                            | SBI Debt Fund Series C – 33 (1216 Days) – Direct-Growth                        | 4,000,000.00          | 4,000,000.00        | 453.88              | 413.20              |
| Quoted                                            | Sundaram Fixed Term Plan - IS - Direct - Growth                                | 3,000,000.00          | 3,000,000.00        | 331.54              | 301.50              |
| Quoted                                            | Aditya Birla Sunlife Fixed Term Plan - Series OD - Direct - Growth             | -                     | 5,000,000.00        | -                   | 578.41              |
| Quoted                                            | Aditya Birla Sunlife Fixed Term Plan - Series OE - Direct - Growth             | -                     | 8,000,000.00        | -                   | 925.26              |
| Quoted                                            | Aditya Birla Sunlife Fixed Term Plan - Series OI - Direct - Growth             | -                     | 9,995,095.00        | -                   | 1,156.62            |
| Quoted                                            | Aditya Birla Sunlife Fixed Term Plan - Series OK - Direct - Growth             | -                     | 5,500,000.00        | -                   | 634.24              |
| Quoted                                            | Aditya Birla Sunlife Fixed Term Plan - Series OT - Direct - Growth             | -                     | 4,715,264.00        | -                   | 524.78              |
| Quoted                                            | Kotak Fixed Term Plan Series 202 - Direct - Growth                             | -                     | 10,000,000.00       | -                   | 1,150.80            |
| Quoted                                            | Kotak Fixed Term Plan Series 212 - Direct - Growth                             | 3,500,000.00          | 3,500,000.00        | 417.31              | 382.53              |
| Quoted                                            | Nippon India FHF XXXIII-SR 10 Direct Growth                                    | -                     | 5,204,160.00        | -                   | 596.18              |
| Quoted                                            | Nippon India FHF-XXXVIII-Sr-3-Direct - Growth                                  | 4,511,069.77          | 4,511,069.77        | 528.13              | 483.46              |
| Quoted                                            | DSP Fixed Maturity Plan Sr 210-36M - Direct Growth                             | -                     | 5,000,000.00        | -                   | 572.63              |
| Quoted                                            | Nippon India Fixed Horizon Fund - XXXV-Sr 14-Direct -Growth                    | 5,520,267.32          | 5,520,267.32        | 657.59              | 602.95              |
| Quoted                                            | Nippon India Fixed Horizon Fund XXXX Sr17 - Direct - Growth                    | 5,000,000.00          | 5,000,000.00        | 560.10              | 510.05              |
| Quoted                                            | Nippon India Fixed Horizon Fund XLI Sr1 - Direct - Growth                      | 5,000,000.00          | 5,000,000.00        | 553.57              | 503.90              |
| <b>Total of Non current investments (a+b+c+d)</b> |                                                                                |                       |                     | <b>15,254.90</b>    | <b>34,995.52</b>    |
|                                                   |                                                                                |                       |                     | <b>27,337.71</b>    | <b>47,121.41</b>    |

| Type                                                  | Name of the Body Corporate                                                   | No. of Shares / Units |                     | (₹) In Lakh         |                     |
|-------------------------------------------------------|------------------------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|
|                                                       |                                                                              | As at<br>31.03.2020   | As at<br>31.03.2019 | As at<br>31.03.2020 | As at<br>31.03.2019 |
| Details of Current portion of Long term investments   |                                                                              |                       |                     |                     |                     |
| e)                                                    | Investment in Units of growth oriented schemes of mutual funds               |                       |                     |                     |                     |
| Quoted                                                | Aditya Birla Sunlife Fixed Term Plan - Series OM - Direct - Growth           | 5,000,000.00          | -                   | 617.01              | -                   |
| Quoted                                                | Aditya Birla Sunlife Fixed Term Plan - Series OD - Direct - Growth           | 9,260,869.00          | -                   | 1,148.89            | -                   |
| Quoted                                                | Aditya Birla Sunlife Fixed Term Plan - Series OH - Direct - Growth           | 7,180,656.00          | -                   | 893.75              | -                   |
| Quoted                                                | Aditya Birla Sunlife Fixed Term Plan - Series OI - Direct - Growth           | 10,901,955.00         | -                   | 1,355.94            | -                   |
| Quoted                                                | Aditya Birla Sunlife Fixed Term Plan - Series OK - Direct - Growth           | 10,000,000.00         | -                   | 1,241.50            | -                   |
| Quoted                                                | DSP Fixed Maturity Plan - Sr 204 - 37M - Direct - Growth                     | 10,000,000.00         | -                   | 1,239.24            | -                   |
| Quoted                                                | DSP Fixed Maturity Plan - Sr 205 - 37M - Direct - Growth                     | 10,000,000.00         | -                   | 1,239.85            | -                   |
| Quoted                                                | DSP Fixed Maturity Plan - Sr 209 - 37M - Direct - Growth                     | 4,300,000.00          | -                   | 530.97              | -                   |
| Quoted                                                | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan J - 1253 Days Direct Cum   | 4,493,054.00          | -                   | 560.54              | -                   |
| Quoted                                                | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan L - 1245 Days Direct Cum   | 6,000,000.00          | -                   | 749.18              | -                   |
| Quoted                                                | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan O - 1233 Days Direct Cum   | 3,000,000.00          | -                   | 374.65              | -                   |
| Quoted                                                | ICICI Prudential Fixed Maturity Plan - Sr 81 - Plan Q - 1163 Days Direct Cum | 10,000,000.00         | -                   | 1,207.01            | -                   |
| Quoted                                                | ICICI Prudential Fixed Maturity Plan - Sr 80-Plan T - 1225 Days Direct Cum   | 6,500,000.00          | -                   | 809.66              | -                   |
| Quoted                                                | IDFC Fixed Term Plan - Sr 129 - Direct- Growth 1147Days                      | 10,000,000.00         | -                   | 1,239.10            | -                   |
| Quoted                                                | IDFC Fixed Term Plan - Sr 131 - Direct- Growth 1139Days                      | 12,512,212.00         | -                   | 1,548.75            | -                   |
| Quoted                                                | Invesco India Fixed Maturity Plan - Sr 29 -Plan B - Direct -Growth           | 10,000,000.00         | -                   | 1,241.99            | -                   |
| Quoted                                                | Sundaram Fixed Term Plan - HM - 1100 Days - Direct - Growth                  | -                     | 198,759.00          | -                   | 24.59               |
| Quoted                                                | Aditya Birla Sunlife Fixed Term Plan - Series OD - Direct - Growth           | 5,000,000.00          | -                   | 620.30              | -                   |
| Quoted                                                | Aditya Birla Sunlife Fixed Term Plan - Series OE - Direct - Growth           | 8,000,000.00          | -                   | 994.14              | -                   |
| Quoted                                                | Aditya Birla Sunlife Fixed Term Plan - Series OI - Direct - Growth           | 9,995,095.00          | -                   | 1,243.15            | -                   |
| Quoted                                                | Aditya Birla Sunlife Fixed Term Plan - Series OK - Direct - Growth           | 5,500,000.00          | -                   | 682.83              | -                   |
| Quoted                                                | Aditya Birla Sunlife Fixed Term Plan - Series OT - Direct - Growth           | 4,715,264.00          | -                   | 567.31              | -                   |
| Quoted                                                | Kotak Fixed Term Plan Series 202 - Direct - Growth                           | 10,000,000.00         | -                   | 1,237.49            | -                   |
| Quoted                                                | Nippon India FHF XXXIII-SR 10 Direct Growth                                  | 5,204,160.00          | -                   | 644.50              | -                   |
| Quoted                                                | DSP Fixed Maturity Plan Sr 210-36M - Direct Growth                           | 5,000,000.00          | -                   | 615.48              | -                   |
| Total of Current portion of Long term mutual fund (e) |                                                                              |                       |                     | 22,603.23           | 24.59               |

| Type                               | Name of the Body Corporate                                            | No. of Shares / Units |                     | (₹) In Lakh         |                     |
|------------------------------------|-----------------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|
|                                    |                                                                       | As at<br>31.03.2020   | As at<br>31.03.2019 | As at<br>31.03.2020 | As at<br>31.03.2019 |
| Details of Current Investments     |                                                                       |                       |                     |                     |                     |
| f)                                 | Investment in Units of growth oriented schemes of mutual funds        |                       |                     |                     |                     |
| Unquoted                           | Axis Liquid Fund - Direct Plan - Growth                               | 15,179.05             | 38,257.36           | 334.60              | 793.28              |
| Unquoted                           | Axis Ultra Short Term Fund- Direct-Growth                             | -                     | 973,998.66          | -                   | 102.31              |
| Unquoted                           | Axis Treasury Advantage Fund- Direct-Growth                           | 7,765.06              | -                   | 180.55              | -                   |
| Unquoted                           | Invesco India Corporate Bond Fund (Active India Fund)- Direct -Growth | 24,820.44             | 24,820.44           | 597.57              | 543.42              |
| Unquoted                           | Invesco India Treasury Advantage Fund - Direct - Growth               | 12,177.52             | -                   | 348.53              | -                   |
| Unquoted                           | LIC MF Banking & PSU Debt Fund - Direct - Growth                      | 3,481,471.16          | -                   | 939.20              | -                   |
| Unquoted                           | L & T Triple Ace Bond Fund - Direct- Growth                           | 969,181.14            | -                   | 535.63              | -                   |
| Unquoted                           | L & T Ultra Short Term Fund - Direct- Growth                          | 59,068.46             | -                   | 19.75               | -                   |
| Unquoted                           | Nippon India Short Term Fund - Direct - Growth                        | 2,772,314.76          | 2,772,314.76        | 1,096.13            | 1,000.08            |
| Unquoted                           | Nippon India Floating Rate Fund_Short Term Plan Direct Gr             | 3,885,879.04          | 3,885,879.04        | 1,277.75            | 1,170.28            |
| Unquoted                           | Nippon India Nivesh Lakshya Fund - Direct - Growth                    | 3,453,477.27          | 905,920.19          | 451.65              | 100.54              |
| Unquoted                           | Sundaram Money Market Fund-Direct-Growth                              | 9,759,340.80          | 15,133,453.67       | 1,093.26            | 1,579.36            |
| Unquoted                           | TATA Banking & PSU Debt Fund -Direct - Growth                         | 5,000,000.00          | -                   | 519.64              | -                   |
| Unquoted                           | Aditya Birla Sunlife Savings Fund - Direct - Growth                   | 336,753.25            | 159,118.02          | 1,349.80            | 591.54              |
| Unquoted                           | Aditya Birla Sunlife Floating Rate Fund - Direct - Growth             | 403,919.27            | -                   | 1,019.07            | -                   |
| Unquoted                           | Kotak Liquid Fund - Direct - Growth                                   | 4,701.17              | 3,190.20            | 188.75              | 120.74              |
| Unquoted                           | Nippon India Short Term Plan - Direct - Growth                        | 1,396,487.30          | 1,396,487.30        | 552.15              | 503.76              |
| Unquoted                           | Nippon India Floating Rate Fund - Direct Growth                       | 7,049,332.63          | 6,790,119.91        | 2,317.95            | 2,044.93            |
| Unquoted                           | DSP Liquidity Fund - Direct - Growth                                  | 2,820.57              | 11,351.34           | 80.12               | 303.46              |
| Unquoted                           | DSP Low Duration Fund - Direct - Growth                               | 1,381,167.78          | -                   | 205.86              | -                   |
| Unquoted                           | ICICI Prudential Banking and PSU Debt Fund-Direct -Growth             | 4,209,447.84          | 4,209,447.84        | 995.27              | 907.73              |
| Unquoted                           | Axis Banking & PSU Debt Fund - Direct - Growth                        | 66,629.08             | 64,005.94           | 1,293.27            | 1,132.64            |
| Unquoted                           | HDFC Floating Rate Income Fund-Short Term Plan - Direct - Growth      | 2,151,927.65          | 2,151,927.65        | 761.41              | 703.76              |
| Unquoted                           | Nippon India Liquid Fund - Direct - Growth                            | 7,418.03              | 12,749.70           | 359.83              | 581.63              |
|                                    |                                                                       |                       |                     | 16,517.74           | 12,179.46           |
| Total of Current Investments (e+f) |                                                                       |                       |                     | 39,120.97           | 12,204.05           |
| Total Investment                   |                                                                       |                       |                     | 66,458.68           | 59,325.46           |



## 6. Loans

(₹ in Lakh)

| Particulars                | As at<br>31.03.2020 | As at<br>31.03.2019 |
|----------------------------|---------------------|---------------------|
| <b>Non-current</b>         |                     |                     |
| Unsecured, considered good |                     |                     |
| Loans to staff             | 12.20               | 7.39                |
| <b>Total</b>               | <b>12.20</b>        | <b>7.39</b>         |
| <b>Current</b>             |                     |                     |
| Unsecured, considered good |                     |                     |
| Loans to staff             | 11.03               | 12.18               |
| <b>Total</b>               | <b>11.03</b>        | <b>12.18</b>        |

### Note

These financial assets are carried at amortised cost.

## 7. Other financial assets

(₹ in Lakh)

| Particulars                                                                                                                             | As at<br>31.03.2020 | As at<br>31.03.2019 |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Non-current</b>                                                                                                                      |                     |                     |
| (a) Sundry deposits - Unsecured considered good                                                                                         | 14.42               | 57.93               |
| (b) Bank balance in deposit accounts<br>(with remaining maturity of more than 12 months) Earmarked ₹ 200.48 Lakh<br>(P.Y. ₹ 98.85 Lakh) | 1932.44             | 1,128.85            |
| (c) Accrued interest - bank deposits Earmarked ₹ 3.65 Lakh (P.Y. ₹ 2.77 Lakh) (Net of TDS)                                              | 43.68               | 14.31               |
| <b>Total</b>                                                                                                                            | <b>1,990.54</b>     | <b>1,201.09</b>     |
| <b>Current</b>                                                                                                                          |                     |                     |
| (a) Other Receivable                                                                                                                    | 6.50                |                     |
| (b) Sundry deposits (Unsecured considered as good)                                                                                      | 46.50               | 5.00                |
| (c) Unbilled Revenue                                                                                                                    | 4.32                | -                   |
| (d) Interest accrued but not due on bonds                                                                                               | 421.83              | 421.75              |
| <b>Total</b>                                                                                                                            | <b>479.15</b>       | <b>426.75</b>       |

## 8. Deferred tax balances

(₹ in Lakh)

| Particulars                           | As at<br>31.03.2020 | As at<br>31.03.2019 |
|---------------------------------------|---------------------|---------------------|
| <b>Deferred tax assets (net)</b>      |                     |                     |
| Deferred tax assets                   | 927.04              | 769.66              |
| Deferred tax liabilities              | 827.42              | 424.58              |
| <b>Deferred tax assets (net)</b>      | <b>99.62</b>        | <b>345.08</b>       |
| <b>Deferred tax liabilities (net)</b> |                     |                     |
| Deferred tax liabilities              | 342.35              | 199.55              |
| Deferred tax assets                   | 138.25              | 185.96              |
| <b>Deferred tax liabilities (net)</b> | <b>204.10</b>       | <b>13.59</b>        |

## Deferred tax assets (net)

(₹ in Lakh)

| Particulars                                                                         | Opening balance as at 1.04.2018 | Recognised in Profit or loss | Recognised in other comprehensive income | Closing balance as at 31.03.2019 | Recognised in Profit or loss for year ended 31.03.2020 | Recognised in other comprehensive income | Closing balance as at 31.03.2020 |
|-------------------------------------------------------------------------------------|---------------------------------|------------------------------|------------------------------------------|----------------------------------|--------------------------------------------------------|------------------------------------------|----------------------------------|
| <b>1. Deferred tax Assets</b>                                                       |                                 |                              |                                          |                                  |                                                        |                                          |                                  |
| Provision for compensated absences, gratuity and other employee benefits            | 367.07                          | 51.08                        | -                                        | 418.15                           | (1.27)                                                 | (5.03)                                   | 411.85                           |
| Provision for incentive scheme for DPs                                              | 154.78                          | 10.95                        | -                                        | 165.73                           | 86.84                                                  | -                                        | 252.57                           |
| Allowance for doubtful debts (expected credit loss allowance)                       | 131.04                          | 13.10                        | -                                        | 144.14                           | 76.84                                                  | -                                        | 220.98                           |
| <b>Total</b>                                                                        | <b>652.89</b>                   | <b>75.13</b>                 | <b>-</b>                                 | <b>728.02</b>                    | <b>162.41</b>                                          | <b>(5.03)</b>                            | <b>885.40</b>                    |
| <b>2. Deferred Tax Liabilities</b>                                                  |                                 |                              |                                          |                                  |                                                        |                                          |                                  |
| On Changes in Fair Value of Investment                                              | 326.15                          | 11.25                        | -                                        | 337.40                           | 341.34                                                 | -                                        | 678.74                           |
| Impact on account of amortised cost accounting of financial assets                  | 1.69                            | 0.13                         | -                                        | 1.82                             | (4.25)                                                 | -                                        | (2.43)                           |
| On difference between book balance and tax balance of Property, plant and equipment | 3.16                            | 82.20                        | -                                        | 85.36                            | 65.75                                                  | -                                        | 151.11                           |
| <b>Total</b>                                                                        | <b>331.00</b>                   | <b>93.58</b>                 | <b>-</b>                                 | <b>424.58</b>                    | <b>402.84</b>                                          | <b>-</b>                                 | <b>827.42</b>                    |
| <b>Adjusted from current tax provision of earlier years</b>                         | <b>-</b>                        | <b>41.64</b>                 |                                          | <b>41.64</b>                     | <b>-</b>                                               | <b>-</b>                                 | <b>41.64</b>                     |
| <b>Net assets / (liabilities)</b>                                                   | <b>321.89</b>                   | <b>23.19</b>                 | <b>-</b>                                 | <b>345.08</b>                    | <b>(240.43)</b>                                        | <b>(5.03)</b>                            | <b>99.62</b>                     |

## Deferred tax liabilities (net)

(₹ in Lakh)

| Particulars                                                                         | Opening balance as at 1.04.2018 | Recognised in Profit or loss | Recognised in other comprehensive income | Closing balance as at 31.03.2019 | Recognised in Profit or loss for year ended 31.03.2020 | Recognised in other comprehensive income | Closing balance as at 31.03.2020 |
|-------------------------------------------------------------------------------------|---------------------------------|------------------------------|------------------------------------------|----------------------------------|--------------------------------------------------------|------------------------------------------|----------------------------------|
| <b>1. Deferred tax Assets</b>                                                       |                                 |                              |                                          |                                  |                                                        |                                          |                                  |
| Provision for compensated absences, gratuity and other employee benefits            | 21.63                           | 2.82                         | 0.09                                     | 24.54                            | 32.61                                                  | 2.06                                     | 59.21                            |
| On difference between book balance and tax balance of Property, plant and equipment | (1.03)                          | 10.79                        | -                                        | 9.76                             | 23.96                                                  | -                                        | 33.72                            |
| MAT credit                                                                          | 77.46                           | 74.20                        | -                                        | 151.66                           | (106.34)                                               | -                                        | 45.32                            |
| <b>Total</b>                                                                        | <b>20.60</b>                    | <b>13.61</b>                 | <b>0.09</b>                              | <b>185.96</b>                    | <b>56.57</b>                                           | <b>2.06</b>                              | <b>138.25</b>                    |
| <b>2. Deferred Tax Liabilities</b>                                                  |                                 |                              |                                          |                                  |                                                        |                                          |                                  |
| On Changes in Fair Value of Investment                                              | 221.10                          | (26.55)                      | -                                        | 194.55                           | 142.80                                                 | -                                        | 337.35                           |
| On difference between book balance and tax balance of Property, plant and equipment | 5.00                            | -                            | -                                        | 5.00                             | -                                                      | -                                        | 5.00                             |
| <b>Total</b>                                                                        | <b>226.10</b>                   | <b>(26.55)</b>               | <b>-</b>                                 | <b>199.55</b>                    | <b>142.80</b>                                          | <b>-</b>                                 | <b>342.35</b>                    |
| <b>Net assets / (liabilities)</b>                                                   | <b>(205.50)</b>                 | <b>40.16</b>                 | <b>0.09</b>                              | <b>(13.59)</b>                   | <b>(86.23)</b>                                         | <b>2.06</b>                              | <b>(204.10)</b>                  |

Unused tax losses for which no deferred tax assets have been recognised are attributable to the following:

(₹ in Lakh)

| Particulars                    | As at 31.03.2020 | As at 31.03.2019 |
|--------------------------------|------------------|------------------|
| Tax losses (capital in nature) | 1,047.50         | 804.14           |
| Tax losses (revenue in nature) | 277.95           | 265.04           |
| <b>Total</b>                   | <b>1,325.45</b>  | <b>1,069.18</b>  |

## 9. Income tax asset and liabilities

(₹ in Lakh)

| Particulars                    | As at<br>31.03.2020 | As at<br>31.03.2019 |
|--------------------------------|---------------------|---------------------|
| <b>Non-current tax assets</b>  |                     |                     |
| Advance income tax             | 924.66              | 1,174.45            |
| <b>Total</b>                   | <b>924.66</b>       | <b>1,174.45</b>     |
| <b>Current tax liabilities</b> |                     |                     |
| Income tax payable             | 261.91              | 372.70              |
| <b>Total</b>                   | <b>261.91</b>       | <b>372.70</b>       |

## 10. Other assets

(₹ in Lakh)

| Particulars                    | As at<br>31.03.2020 | As at<br>31.03.2019 |
|--------------------------------|---------------------|---------------------|
| <b>Non Current</b>             |                     |                     |
| Capital advances               | 0.75                | 103.88              |
| Prepaid Expenses               | 158.15              | 45.04               |
| <b>Total</b>                   | <b>158.90</b>       | <b>148.92</b>       |
| <b>Current</b>                 |                     |                     |
| Prepaid Expenses               | 379.87              | 378.95              |
| CENVAT / GST Credit Receivable | 380.47              | 380.90              |
| Advances to creditors          | 29.66               | 4.39                |
| <b>Total</b>                   | <b>790.00</b>       | <b>764.24</b>       |

## 11. Trade receivables

(₹ in Lakh)

| Particulars                                                                                      | As at<br>31.03.2020 | As at<br>31.03.2019 |
|--------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Trade Receivables</b>                                                                         |                     |                     |
| - Secured, considered good                                                                       |                     | -                   |
| - Unsecured, considered good<br>(receivable from related party ₹ 55.42 Lakh (P.Y. ₹ 12.31 Lakh)) | 2,602.62            | 1,913.64            |
| - Trade Receivable - credit impaired                                                             | 222.32              | -                   |
| - Unsecured, considered doubtful (expected credit loss allowance)                                | 659.80              | 498.49              |
| Less: Allowance for doubtful debts                                                               | (882.12)            | (498.49)            |
| <b>Total</b>                                                                                     | <b>2,602.62</b>     | <b>1,913.64</b>     |

- Trade receivables are dues in respect of services rendered in the normal course of business.
- The average credit period on sale of services is 25 days. No interest is charged on trade receivables for the first 25 days from the date of invoice. Thereafter, interest is charged at 12% - 13% per annum on the outstanding balance by the parent company.
- 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<br>31.03.2020 | As at<br>31.03.2019 |
|-------------------------------------------------------------------|---------------------|---------------------|
| Balance at beginning of the year                                  | 498.49              | 456.76              |
| - Unsecured, considered doubtful (expected credit loss allowance) | 161.31              | 41.73               |
| - Trade Receivable - credit impaired                              | 222.32              | -                   |
| <b>Balance at end of the year</b>                                 | <b>882.12</b>       | <b>498.49</b>       |

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

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

(₹ in Lakh)

| Particulars                                             | As at<br>31.03.2020 | As at<br>31.03.2019 |
|---------------------------------------------------------|---------------------|---------------------|
| <b>Current</b>                                          |                     |                     |
| Cash on hand                                            | 0.71                | 0.59                |
| <b>Balance with Banks</b>                               |                     |                     |
| <b>Owned fund</b>                                       |                     |                     |
| - In current accounts                                   | 321.33              | 441.01              |
| <b>Earmarked fund</b>                                   |                     |                     |
| - In current accounts - Unpaid Dividend                 | 16.42               | 6.06                |
| - In current accounts - G Sec                           | 33.27               | 26.28               |
| <b>Cash and cash equivalents</b>                        | <b>371.73</b>       | <b>473.94</b>       |
| <b>Bank Balances other than above</b>                   |                     |                     |
| <b>Balances with Banks</b>                              |                     |                     |
| <b>Owned fund</b>                                       |                     |                     |
| - In deposit accounts                                   | 4,813.77            | 4,917.14            |
| (Earmarked fund of ₹536.14 Lakh (P.Y. ₹662.29 Lakh))    |                     |                     |
| - Accrued interest - bank deposits                      | 184.38              | 158.77              |
| (Earmarked fund of ₹4.50 Lakh (P.Y. ₹Nil) (Net of TDS)) |                     |                     |
| <b>Total</b>                                            | <b>4,998.15</b>     | <b>5,075.91</b>     |

## 13. Equity Share capital

| Particulars                                     | As at<br>31.03.2020<br>Number | As at<br>31.03.2020<br>(₹ in Lakh) | As at<br>31.03.2019<br>Number | As at<br>31.03.2019<br>(₹ in Lakh) |
|-------------------------------------------------|-------------------------------|------------------------------------|-------------------------------|------------------------------------|
| <b>Equity Share capital</b>                     |                               |                                    |                               |                                    |
| <b>Authorised share capital:</b>                |                               |                                    |                               |                                    |
| Equity Shares of ₹ 10/- each with voting rights | 150,000,000                   | 15,000.00                          | 150,000,000                   | 15,000.00                          |
| <b>Issued share capital:</b>                    |                               |                                    |                               |                                    |
| Equity Shares of ₹ 10/- each with voting rights | 104,500,000                   | 10,450.00                          | 104,500,000                   | 10,450.00                          |
| <b>Subscribed and Paid-up share capital</b>     |                               |                                    |                               |                                    |
| Equity Shares of ₹ 10/- each with voting rights | 104,500,000                   | 10,450.00                          | 104,500,000                   | 10,450.00                          |
| <b>Total</b>                                    | <b>104,500,000</b>            | <b>10,450.00</b>                   | <b>104,500,000</b>            | <b>10,450.00</b>                   |

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

| Particulars                             | Opening<br>Balance | Fresh issue | Closing Balance |
|-----------------------------------------|--------------------|-------------|-----------------|
| <b>Equity shares with voting rights</b> |                    |             |                 |
| <b>As at March 31, 2019</b>             |                    |             |                 |
| - Number of shares                      | 104,500,000        | -           | 104,500,000     |
| - Amount (₹) In lakh                    | 10,450.00          | -           | 10,450.00       |
| <b>As at March 31, 2020</b>             |                    |             |                 |
| - 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 31.03.2020      |                                   | As at 31.03.2019      |                                   |
|---------------------------------------------------|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
|                                                   | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| <b>Equity shares with voting rights</b>           |                       |                                   |                       |                                   |
| BSE Limited (Entity having significant influence) | 20,900,000            | 20.00                             | 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                                       | 5,829,132             | 5.58                              | 6,744,600             | 6.45                              |

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 discharging all its liabilities, in proportion to their shareholding.

**14. Other equity**

(₹ in Lakh)

| Particulars       | As at 31.03.2020 | As at 31.03.2019 |
|-------------------|------------------|------------------|
| General reserve   | 1,094.93         | 1,094.93         |
| Retained earnings | 60,854.53        | 55,269.38        |
| <b>Total</b>      | <b>61,949.46</b> | <b>56,364.31</b> |

**14.1 General reserve**

(₹ in Lakh)

| Particulars                   | As at 31.03.2020 | As at 31.03.2019 |
|-------------------------------|------------------|------------------|
| Balance at beginning of year  | 1,094.93         | 1,094.93         |
| Movement during the year      | -                | -                |
| <b>Balance at end of year</b> | <b>1,094.93</b>  | <b>1,094.93</b>  |

The general reserve is 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 31.03.2020 | As at 31.03.2019 |
|------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Balance at beginning of period                                                                                   | 55,269.38        | 48,330.45        |
| Profit attributable to owners of the Company                                                                     | 10,615.53        | 11,351.45        |
| Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of income tax) | 8.97             | 0.36             |
| Loss on dilution of equity in Subsidiary                                                                         | -                | (3.40)           |
| Payment of dividends (including tax on dividend)                                                                 | (5,039.35)       | (4,409.48)       |
| <b>Balance at end of year</b>                                                                                    | <b>60,854.53</b> | <b>55,269.38</b> |

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

## 15. Other financial liabilities

(₹ in Lakh)

| Particulars                                                                                                                                                                         | As at<br>31.03.2020 | As at<br>31.03.2019 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Non-current</b>                                                                                                                                                                  |                     |                     |
| Accrued employee benefits expense Earmarked ₹79.54 Lakh - Bank FDR including accrued interest, ₹ 28.00 Lakh - Mutual Fund (P.Y. ₹26.93 Lakh - Bank FDR, ₹ 25.74 Lakh - Mutual Fund) | 107.54              | 81.29               |
| Lease Liability                                                                                                                                                                     | 9.34                | -                   |
| <b>Total</b>                                                                                                                                                                        | <b>116.88</b>       | <b>81.29</b>        |
| <b>Current</b>                                                                                                                                                                      |                     |                     |
| Security deposits                                                                                                                                                                   | 3,181.54            | 2,748.92            |
| Payable for purchase of Property, plant and equipment                                                                                                                               | 53.66               | 62.00               |
| Accrued employee benefits expense Earmarked ₹28.85 Lakh - Bank FDR including accrued interest (P.Y. ₹24.59 Lakh - Mutual Fund)                                                      | 856.90              | 1,025.15            |
| Unpaid Dividend - Earmarked against current account                                                                                                                                 | 16.42               | 6.06                |
| Contribution to Investor Protection Fund                                                                                                                                            | 269.67              | 367.65              |
| Lease Liability                                                                                                                                                                     | 27.75               | -                   |
| Others (Earmarked (G.sec) ₹33.27Lakh (P.Y. ₹ 26.28 Lakh)                                                                                                                            | 60.36               | 42.33               |
| <b>Total</b>                                                                                                                                                                        | <b>4,466.30</b>     | <b>4,252.11</b>     |

## 16. Trade Payables

(₹ in Lakh)

| Particulars                                                                                | As at<br>31.03.2020 | As at<br>31.03.2019 |
|--------------------------------------------------------------------------------------------|---------------------|---------------------|
| a. Total outstanding dues of micro enterprises and small enterprises (refer note no. 33.2) | 55.65               | 7.82                |
| b. Total outstanding dues of creditors other than micro enterprises and small enterprises  |                     |                     |
| - Payable to related party                                                                 | 2.03                | -                   |
| - Other trade payables                                                                     | 1,148.52            | 340.99              |
| <b>Total (a+b)</b>                                                                         | <b>1,206.20</b>     | <b>348.81</b>       |

## 17. Provisions

(₹ in Lakh)

| Particulars                                               | As at<br>31.03.2020 | As at<br>31.03.2019 |
|-----------------------------------------------------------|---------------------|---------------------|
| <b>Non Current</b>                                        |                     |                     |
| (a) <b>Provision for employee benefits</b>                |                     |                     |
| Provision for gratuity (net)                              | 62.20               | -                   |
| <b>Total</b>                                              | <b>62.20</b>        | <b>-</b>            |
| <b>Current</b>                                            |                     |                     |
| (a) <b>Provision for employee benefits</b>                |                     |                     |
| Compensated absences (refer note no. 34.2)                | 551.32              | 341.87              |
| Provision for gratuity (net) (refer note no. 34.1)        | 283.47              | 69.78               |
| (b) <b>Other provisions</b>                               |                     |                     |
| Provision for Incentive Scheme for DP (refer note no. 36) | 1,003.45            | 569.14              |
| <b>Total (a+b)</b>                                        | <b>1,838.24</b>     | <b>980.79</b>       |

## 18. Other liabilities

(₹ in Lakh)

| Particulars                | As at<br>31.03.2020 | As at<br>31.03.2019 |
|----------------------------|---------------------|---------------------|
| <b>Non-current</b>         |                     |                     |
| Income received in advance | 0.09                | 14.66               |
| <b>Total</b>               | <b>0.09</b>         | <b>14.66</b>        |
| <b>Current</b>             |                     |                     |
| Income received in advance | 56.49               | 32.87               |
| Advances from customers    | 971.93              | 869.06              |
| Statutory remittances      | 563.22              | 483.67              |
| <b>Total</b>               | <b>1,591.64</b>     | <b>1,385.60</b>     |



## 19. Revenue from operations

(₹ in Lakh)

| Particulars                        | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|------------------------------------|----------------------------------|----------------------------------|
| <b>Sale of services comprise :</b> |                                  |                                  |
| Annual Issuer charges              | 7,748.47                         | 6,715.69                         |
| Transaction charges                | 4,290.69                         | 3,927.78                         |
| Users Facility charges             | 330.58                           | 334.07                           |
| Settlement charges                 | 151.87                           | 160.91                           |
| Account Maintenance charges        | 328.32                           | 306.36                           |
| E-Voting charges                   | 365.33                           | 506.23                           |
| CAS charges                        | 930.63                           | 796.21                           |
| IPO/Corporate Action charges       | 2,257.37                         | 1,987.91                         |
| On Line Data charges               | 3,678.59                         | 3,167.80                         |
| Documents Storage charges          | 526.28                           | 533.58                           |
| Inter KRA charges                  | 157.56                           | 159.98                           |
| SEBI PACL Project                  | 940.49                           | 285.10                           |
| Insurance Repository charges       | 44.72                            | 38.16                            |
| E-KYC/C-KYC                        | 396.60                           | 298.52                           |
| Commodity Repository charges       | 88.62                            | 67.83                            |
| Others                             | 269.81                           | 339.04                           |
| <b>Total - Sale of services</b>    | <b>22,505.93</b>                 | <b>19,625.17</b>                 |

## 20. Other income

(₹ in Lakh)

| Particulars                                                                                    | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>a) Interest income earned on financial assets that are measured at amortised cost</b>       |                                  |                                  |
| Bank deposits                                                                                  | 471.91                           | 309.10                           |
| Investments in debt instruments                                                                | 898.27                           | 840.81                           |
| Interest on staff loan                                                                         | 1.26                             | 1.83                             |
| <b>b) Dividend from investments in mutual funds (measured at FVTPL)</b>                        |                                  |                                  |
| Dividend income                                                                                | -                                | 141.54                           |
| <b>c) Other gains or losses:</b>                                                               |                                  |                                  |
| Net gain arising on financial assets measured at FVTPL                                         | 4,177.37                         | 3,269.78                         |
| Gain / (Loss) on Sale / Disposal of Property, plant and equipments and intangible assets (Net) | 15.28                            | 8.59                             |
| <b>d) Other non-operating income</b>                                                           |                                  |                                  |
| Interest from debtors                                                                          | 17.08                            | 26.80                            |
| Interest on Income tax refund                                                                  | 223.45                           | -                                |
| Bad debts recovered/Written back                                                               | 33.42                            | 234.61                           |
| Miscellaneous Income                                                                           | 81.02                            | 86.32                            |
| <b>Total</b>                                                                                   | <b>5,919.06</b>                  | <b>4,919.38</b>                  |

## 21. Employee benefits expense

(₹ in Lakh)

| Particulars                               | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|-------------------------------------------|----------------------------------|----------------------------------|
| Salaries, allowances and bonus            | 4,092.61                         | 3,108.80                         |
| Contribution to provident and other funds | 515.67                           | 191.22                           |
| Staff welfare expenses                    | 121.22                           | 118.81                           |
| <b>Total</b>                              | <b>4,729.50</b>                  | <b>3,418.83</b>                  |

## 22.1. Impairment loss on financial assets

(₹ in Lakh)

| Particulars                                                                                            | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|--------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Impairment loss allowance on trade receivables (Includes Bad Debts ₹ 363.38 Lakh (P.Y. ₹ 248.25 Lakh)) | 749.53                           | 293.60                           |
| <b>Total</b>                                                                                           | <b>749.53</b>                    | <b>293.60</b>                    |

## 22.2. Other expenses

(₹ in Lakh)

| Particulars                                                  | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|--------------------------------------------------------------|----------------------------------|----------------------------------|
| Annual SEBI fees                                             | 235.21                           | 174.26                           |
| Contribution to investor protection fund (refer note no. 35) | 269.67                           | 367.65                           |
| Business promotion expenses                                  | 110.93                           | 188.54                           |
| Incentive Scheme for DPs (refer note no. 36)                 | 438.00                           | 337.00                           |
| Directors' sitting fees                                      | 155.40                           | 139.65                           |
| Auditors' remuneration                                       |                                  |                                  |
| Audit Fees                                                   | 23.00                            | 22.25                            |
| Tax Audit Fees                                               | 1.50                             | 2.00                             |
| Reimbursement of expenses                                    | 1.73                             | 1.02                             |
| Insurance                                                    | 55.43                            | 57.84                            |
| Legal fees                                                   | 251.98                           | 20.44                            |
| Professional and consultancy fees                            | 217.53                           | 199.49                           |
| Postage, telephone and communication charges                 | 514.99                           | 391.37                           |
| Power and fuel                                               | 44.10                            | 52.29                            |
| Printing and stationery                                      | 31.29                            | 35.18                            |
| Rates and taxes                                              | 34.07                            | 53.62                            |
| Short term lease expenses                                    | 241.08                           | 209.76                           |
| Office Maintenance                                           | 142.12                           | 97.01                            |
| Inter KRA Charges Expenses                                   | 750.78                           | 533.67                           |
| Computer technology related expenses                         | 1,536.31                         | 1,398.08                         |
| Travelling and conveyance                                    | 141.51                           | 150.14                           |
| Point of Service (POS) charges                               | 322.40                           | 259.84                           |
| Corporate social responsibility Expenses                     | 679.81                           | 90.98                            |
| AADHAR Authentication Expenses                               | 32.68                            | 70.27                            |
| Warehousing Development and Regulatory Authority Annual Fees | 10.01                            | 15.12                            |
| Expenses for GST Suvidha Provider                            | 44.43                            | -                                |
| Fee for Depository/Exchange                                  | 19.43                            | 3.94                             |
| Data entry charges (PACL/KRA)                                | 647.64                           | -                                |
| Recruitment Charges                                          | 30.56                            | 21.00                            |
| Miscellaneous expenses                                       | 85.32                            | 127.45                           |
| <b>Total</b>                                                 | <b>7,068.91</b>                  | <b>5,019.86</b>                  |

## 22.2.1 CSR Expenditure

(₹ in Lakh)

| Particulars                                                                                                                                                                                      | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| a) The gross amount required to be spent by the Company during the year                                                                                                                          | 270.14                           | 259.52                           |
| 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. | 679.81                           | 90.98                            |

## 23 Taxes

### 23.1. Income tax expense

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

#### 23.1.1 Profit or loss section

(₹ in Lakh)

| Particulars                                                  | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|--------------------------------------------------------------|----------------------------------|----------------------------------|
| Current tax expense                                          | 2,709.00                         | 3,434.20                         |
| Prior period tax adjustment                                  | 111.40                           | -                                |
| Provision for tax for prior year write back ( 23.1.1.a)      | (174.10)                         | -                                |
| Deferred tax                                                 | 326.66                           | (96.13)                          |
| <b>Total income tax expense recognised in Profit or Loss</b> | <b>2,972.96</b>                  | <b>3,338.07</b>                  |

#### 23.1.1.a

Based on the assessment orders received during the year March 31, 2020, the company has written back an amount of ₹174.10 Lakh in respect of previous year.

#### 23.1.2 Other comprehensive section

(₹ in Lakh)

| Particulars                                                              | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|--------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Remeasurements of the defined benefit plans                              | 11.94                            | 0.50                             |
| <b>Total income tax expense recognised in other comprehensive income</b> | <b>(2.97)</b>                    | <b>(0.14)</b>                    |

### 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<br>31.03.2020 | For the year ended<br>31.03.2019 |
|--------------------------------------------------------------|----------------------------------|----------------------------------|
| (A) Profit before tax                                        | 13,644.78                        | 14,820.73                        |
| (B) Enacted tax rate in India                                | 25.170%                          | 29.120%                          |
| (C) Expected tax expenses                                    | 3,434.39                         | 4,315.80                         |
| (D) Other than temporary differences                         |                                  |                                  |
| Effect of change in tax rate                                 | 291.86                           | (89.90)                          |
| Effect of fair value of investments                          | (627.52)                         | (821.06)                         |
| Effect of Income that is exempt from taxation                | (193.22)                         | (269.53)                         |
| Expenses disallowed / (allowed)                              | 130.15                           | 181.36                           |
| Income setoff with brought forward losses/DTA not recognised | -                                | (20.24)                          |
| Other opening adjustment                                     | -                                | 41.64                            |
| Total adjustments                                            | (398.73)                         | (977.73)                         |
| (E) Tax expenses after adjustments (C+D)                     | 3,035.66                         | 3,338.07                         |
| (F) Tax expenses recognised in Profit or Loss                | 3,035.66                         | 3,338.07                         |

## 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<br>31.03.2020 | For the year ended<br>31.03.2019 |
|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| 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)                                                                                                 | 10,615.53                        | 11,351.45                        |
| Basic and Diluted EPS (₹ per share)                                                                                             | 10.16                            | 10.86                            |

## 25. Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' and applied the same to all eligible lease contracts existing on April 1, 2019 using the modified retrospective approach with right-of-use asset recognised at an amount equal to the adjusted lease liability. Accordingly, comparative figures for the corresponding periods, for the year ended and as at March 31, 2020 have not been retrospectively adjusted.

**On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 48.50 lakhs and a lease liability of ₹ 45.63 lakhs.**

The company has elected not to apply the requirement of Ind AS 116 to short term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expenses on a straight line basis over the lease term.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly for all contracts as on April 1, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The discount rate applied to lease liabilities as at April 1, 2019 is 7%.

**Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:**

| Particulars                     | Amount<br>(₹ In lakh) |
|---------------------------------|-----------------------|
| Balance as at 01.04.2019        | 48.50                 |
| Less :Depreciation              | -11.11                |
| <b>Balance as at 31.03.2020</b> | <b>37.39</b>          |

**Amounts recognised in profit and loss**

|                                             | Year ended<br>31.03.2020 |
|---------------------------------------------|--------------------------|
| Depreciation expense on right-of-use assets | 11.11                    |
| Interest expense on lease liabilities       | 2.94                     |

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

| Particulars                   | Amount<br>(₹ In lakh) |
|-------------------------------|-----------------------|
| Current Lease Liabilities     | 9.34                  |
| Non-Current Lease Liabilities | 27.75                 |
| <b>Total</b>                  | <b>37.09</b>          |

The following is the movement in lease liabilities during the year ended March 31, 2020:

| Particulars                                  | Amount<br>(₹ In lakh) |
|----------------------------------------------|-----------------------|
| Balance as at 01.04.2019                     | 45.63                 |
| Add : Finance Cost accrued during the period | 2.94                  |
| Less :Payment of Lease Liabilities           | -11.48                |
| <b>Balance as at 31.03.2020</b>              | <b>37.09</b>          |

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

| Particulars          | Amount<br>(₹ In lakh) |
|----------------------|-----------------------|
| Less than one year   | 9.34                  |
| One to Five years    | 27.75                 |
| More than Five years | 0.00                  |
| <b>Total</b>         | <b>37.09</b>          |

The following is the movement in Security Deposit during the year ended March 31, 2020:

| Particulars                     | Amount<br>(₹ In lakh) |
|---------------------------------|-----------------------|
| Balance as at 01.04.2019        | 7.31                  |
| Add : Interest income           | 0.53                  |
| <b>Balance as at 31.03.2020</b> | <b>7.84</b>           |

## 26. Financial instruments

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

(₹ in Lakh)

| Particulars                                        | Carrying Value   |                  | Fair Value       |                  |
|----------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                    | 31.03.2020       | 31.03.2019       | 31.03.2020       | 31.03.2019       |
| <b>i) Financial assets</b>                         |                  |                  |                  |                  |
| <b>a) Amortised Cost</b>                           |                  |                  |                  |                  |
| Investment in Tax-free bonds & NCD                 | 11,808.41        | 11,825.39        | 12,314.52        | 12,244.42        |
| Trade receivables                                  | 2,602.62         | 1,913.64         | 2,602.62         | 1,913.64         |
| Cash and cash equivalents                          | 371.73           | 473.94           | 371.73           | 473.94           |
| Bank balances other than cash and cash equivalents | 4,998.15         | 5,075.91         | 4,998.15         | 5,075.91         |
| Loans                                              | 23.23            | 19.57            | 23.23            | 19.57            |
| Other financial assets                             | 2,469.69         | 1,627.84         | 2,469.69         | 1,627.84         |
| <b>Total (a)</b>                                   | <b>22,273.83</b> | <b>20,936.29</b> | <b>22,779.94</b> | <b>21,355.32</b> |

(₹ in Lakh)

| Particulars                      | Carrying Value   |                  | Fair Value       |                  |
|----------------------------------|------------------|------------------|------------------|------------------|
|                                  | 31.03.2020       | 31.03.2019       | 31.03.2020       | 31.03.2019       |
| <b>b) FVTPL</b>                  |                  |                  |                  |                  |
| Quoted mutual funds              | 37,858.13        | 35,020.11        | 37,858.13        | 35,020.11        |
| Unquoted mutual funds            | 16,517.74        | 12,179.46        | 16,517.74        | 12,179.46        |
| <b>Total (b)</b>                 | <b>54,375.87</b> | <b>47,199.57</b> | <b>54,375.87</b> | <b>47,199.57</b> |
| <b>c) Others</b>                 |                  |                  |                  |                  |
| Investment in equity instruments | 274.40           | 300.50           | 274.40           | 300.50           |
| <b>Total (c)</b>                 | <b>274.40</b>    | <b>300.50</b>    | <b>274.40</b>    | <b>300.50</b>    |
| <b>Total (a+b+c)</b>             | <b>76,924.10</b> | <b>68,436.36</b> | <b>77,432.81</b> | <b>68,855.39</b> |
| <b>ii) Financial liabilities</b> |                  |                  |                  |                  |
| Amortised Cost                   |                  |                  |                  |                  |
| Trade payables                   | 1,206.20         | 348.81           | 1,206.20         | 348.81           |
| Other financial liabilities      | 4,583.18         | 4,333.40         | 4,583.18         | 4,333.40         |
| <b>Total</b>                     | <b>5,789.38</b>  | <b>4,682.21</b>  | <b>5,789.38</b>  | <b>4,682.21</b>  |

**Fair value hierarchy**

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

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

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

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

| Financial assets        | Fair value as at |            | Fair value hierarchy | Valuation technique(s) and key input(s) |
|-------------------------|------------------|------------|----------------------|-----------------------------------------|
|                         | 31.03.2020       | 31.03.2019 |                      |                                         |
| Mutual funds (Quoted)   | 37,858.13        | 35,020.11  | Level 1              | NAV declared by respective mutual funds |
| Mutual funds (Unquoted) | 16,517.74        | 12,179.46  | Level 2              | NAV declared by respective mutual funds |
| NCD                     | 1,502.55         | 1,496.50   | Level 1              | Quoted price                            |
| Taxfree Bond            | 10,811.97        | 10,747.92  | Level 1              | Quoted price                            |
| Equity                  | 274.40           | 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:

- The fair value of the quoted bonds and mutual fund are based on price quotations at reporting date. The fair value of unquoted instruments and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires the management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of fair value for these unquoted equity investments.



### Disclosure for Level 3

The fair values of the unquoted equity shares have been estimated based on net asset method as per latest financials available.

#### Fair value measurements using significant unobservable inputs (level 3)

A. The following table presents the changes in level 3 items for the periods ended March 31, 2020 and March 31, 2019

| Particulars                                                            | Unlisted equity Shares<br>₹ In Lakhs |
|------------------------------------------------------------------------|--------------------------------------|
| As at 1 April 2018                                                     | Nil                                  |
| Gain/(loss) recognized in Statement of Profit and Loss during the year | Nil                                  |
| As at March 31, 2019                                                   | Nil                                  |
| Gain/(loss) recognized in Statement of Profit and Loss during the year | (26.10)                              |
| As at March 31, 2020                                                   | (26.10)                              |

B. Valuation inputs and relationships to fair value : The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements

| Particulars                   | Fair Value<br>31.03.2020<br>(₹ In Lakhs) |
|-------------------------------|------------------------------------------|
| Net Assets                    | 6,845.77                                 |
| Total number of equity shares | 7,50,00,000                              |
| Net Asset per share (₹)       | 9.13                                     |

## 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, 2020 and March 31, 2019 and revenue for the year ended March 31, 2020 and March 31, 2019.

- 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, 2020 and March 31, 2019.

(₹ in Lakh)

| Particulars                 | As at           |                 |
|-----------------------------|-----------------|-----------------|
|                             | 31.03.2020      | 31.03.2019      |
| Trade payables              |                 |                 |
| < 1 year                    | 1,206.20        | 348.81          |
| 1-5 years                   | -               | -               |
| > 5 years                   | -               | -               |
| Other financial liabilities |                 |                 |
| < 1 year                    | 4,466.30        | 4,252.11        |
| 1-5 years                   | 116.88          | 81.29           |
| > 5 years                   | -               | -               |
| <b>Total</b>                | <b>5,789.38</b> | <b>4,682.21</b> |

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

(₹ in Lakh)

| Particulars               | As at            |                  |
|---------------------------|------------------|------------------|
|                           | 31.03.2020       | 31.03.2019       |
| Investments*              |                  |                  |
| < 1 year                  | 39,120.97        | 12,204.05        |
| 1 - 5 years               | 24,262.04        | 44,019.44        |
| > 5 years                 | 3,075.67         | 3,101.97         |
| <b>Total</b>              | <b>66,458.68</b> | <b>59,325.46</b> |
| Loan                      |                  |                  |
| < 1 year                  | 11.03            | 12.18            |
| 1 - 5 years               | 12.20            | 7.39             |
| > 5 years                 | -                | -                |
| <b>Total</b>              | <b>23.23</b>     | <b>19.57</b>     |
| Other financial assets    |                  |                  |
| < 1 year                  | 479.15           | 426.75           |
| 1 - 5 years               | 1,940.54         | 1,176.09         |
| > 5 years                 | 50.00            | 50.00            |
| <b>Total</b>              | <b>2,469.69</b>  | <b>1,627.84</b>  |
| Trade receivables         |                  |                  |
| < 1 year                  | 2,602.62         | 1,913.64         |
| 1 - 5 years               | -                | -                |
| > 5 years                 | -                | -                |
| <b>Total</b>              | <b>2,602.62</b>  | <b>1,913.64</b>  |
| Cash and cash equivalents |                  |                  |
| < 1 year                  | 371.73           | 473.94           |
| 1 - 5 years               | -                | -                |
| > 5 years                 | -                | -                |
| <b>Total</b>              | <b>371.73</b>    | <b>473.94</b>    |

(₹ in Lakh)

| Particulars                                        | As at           |                 |
|----------------------------------------------------|-----------------|-----------------|
|                                                    | 31.03.2020      | 31.03.2019      |
| Bank balances other than cash and cash equivalents |                 |                 |
| < 1 year                                           | 4,998.15        | 5,075.91        |
| 1 - 5 years                                        | -               | -               |
| > 5 years                                          | -               | -               |
| <b>Total</b>                                       | <b>4,998.15</b> | <b>5,075.91</b> |

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

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 lesser quantum of expenses from foreign currencies, the Group is not much exposed to foreign currency risk.

- **Interest rate risk**

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

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

### Regulatory risk

The Group requires various regulatory approvals, registrations and permissions to operate its business, including at a corporate level as well as at the level of each of its 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 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, 2020.**

| Description of relationship                               | Names of related parties                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Entity having significant influence                       | BSE Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Subsidiary of entity having significant influence         | Marketplace Technologies Private Limited<br>Indian Clearing Corporation Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Associate having significant influence in subsidiary-CCRL | Multi Commodity Exchange of India Ltd<br>BSE Investments Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Director                                                  | Smt. Usha Narayanan, Public Interest Director (upto 01.07.19)<br>Shri R.M.Malla, Public Interest Director (upto 29.07.19)<br>Shri A. Krishnakumar, Public Interest Director (upto 29.07.19)<br>Shri B. Prasada Rao, Public Interest Director (upto 20.10.19)<br>Shri B. V. Chaubal, Public Interest Director (from 30.07.19)<br>Dr. Bimal N. Patel, Public Interest Director (from 27.09.19)<br>Smt. Preeti Saran, Public Interest Director (from 29.11.19)<br>Shri. Umesh Bellur, Public Interest Director (from 30.11.19)<br>Shri. Sidhartha Pradhan, Public Interest Director (from 29.11.19)<br>Shri. Masil Jeya Mohan P., Shareholder Director (from 10.10.19)<br>Shri Nayan Mehta, Shareholder Director (from 28.11.16)<br>Shri Nehal Vora, Shareholder Director, (upto 23.09.19)<br>Shri Nehal Vora, Managing Director, (from 24.09.19) |
| Key Managerial Personnel                                  | Shri Bharat Sheth, CFO (upto 31.12.2019)<br>Shri Girish Amesara, CFO (w.e.f. 01.01.2020)<br>Shri Lalitmohan Sharma, Company Secretary (upto 30.09.2019)<br>Smt. Amita Paunikar, Company Secretary (w.e.f 18.11.2019)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

**Transactions during the year**

(₹ in Lakh)

| Particulars                                          | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|------------------------------------------------------|----------------------------------|----------------------------------|
| <b>BSE Limited</b>                                   |                                  |                                  |
| Rendering of services                                | 172.61                           | 107.12                           |
| Receiving of services                                | 62.03                            | 68.89                            |
| Dividend Paid                                        | 1,003.20                         | 877.80                           |
| Loans and advances – opening deposit received        | -                                | 72.77                            |
| <b>Balances outstanding at the end of the period</b> |                                  |                                  |
| Receivable/ (Payable)                                | 53.39                            | 12.31                            |
| <b>Marketplace Technologies Private Limited</b>      |                                  |                                  |
| Rendering of services                                | 0.11                             | 0.11                             |
| Receiving of services                                | -                                | 6.59                             |
| <b>Balances outstanding at the end of the period</b> |                                  |                                  |
| Receivable/ (Payable)                                | -                                | -                                |
| <b>Indian Clearing Corporation Limited</b>           |                                  |                                  |
| Rendering of services                                | 7.38                             | 6.99                             |
| <b>Balances outstanding at the end of the period</b> |                                  |                                  |
| Receivable/ (Payable)                                | 0.16                             | 0.06                             |
| <b>Multi Commodity Exchange Of India Limited</b>     |                                  |                                  |
| Rendering of services                                | 8.54                             | 8.18                             |
| Sale of equity in CDSL Commodity Repository Ltd      | -                                | 1,200.00                         |
| <b>Balances outstanding at the end of the period</b> |                                  |                                  |
| Receivable/ (Payable)                                | 0.01                             | 0.02                             |

**Transactions during the year**

(₹ in Lakh)

| Particulars                                                  | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|--------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>BSE Investments Limited</b>                               |                                  |                                  |
| Sale of equity in CDSL Commodity Repository Ltd              | -                                | 1,200.00                         |
| Balances outstanding at the end of the year                  | -                                | -                                |
| <b>Key Managerial remuneration*</b>                          |                                  |                                  |
| Shri P. S. Reddy, Managing Director, (upto 31.03.2019)       | -                                | 233.43                           |
| Shri Nehal Vora, Managing Director, (from 24.09.19)          | 107.73                           | -                                |
| Shri Bharat Sheth, CFO, (upto 31.12.2019)                    | 200.87                           | 81.10                            |
| Shri Girish Amesara, CFO, (w.e.f 01.01.2020)                 | 15.29                            | -                                |
| Shri Amol Purandare, Company Secretary, (upto 26.06.2018)    | -                                | 7.46                             |
| Shri Lalitmohan Sharma, Company Secretary, (upto 30.09.2019) | 24.72                            | 13.05                            |
| Smt. Amita Paunikar, Company Secretary, (w.e.f 18.11.2019)   | 15.61                            | -                                |

\* Includes gross salary payable charged in the statement of profit and loss as per pay register and reimbursements.

Company provides long term benefits in the form of Gratuity to Key Managerial person with all employees, cost of the same is not identifiable separately and not disclosed.

**30. Contingent liabilities**

| Particulars                                                         | As at 31.03.2020<br>(₹) In Lakh | As at 31.03.2019<br>(₹) In Lakh |
|---------------------------------------------------------------------|---------------------------------|---------------------------------|
| Claims against the Company not acknowledged as debt in respect of : |                                 |                                 |
| a) Service tax matters                                              | Nil<br>(refer note (ii))        | 3,978.81<br>(refer note (ii))   |
| b) Income tax matters                                               | Nil<br>(refer note (iii))       | 4.92<br>(refer note (iii))      |
| c) Bank Guarantee                                                   | 637.29<br>(refer note (iv))     | 737.29<br>(refer note (iv))     |

- (i) The Parent Company is a party in certain legal proceedings filed by beneficial owners/third parties in the normal course of business. The Parent 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.

The Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019, is a scheme proposed in the Union Budget, 2019, and introduced to resolve all disputes relating to the erstwhile Service Tax and Central Excise Acts, which are now subsumed under GST. The scheme will be for taxpayers who wish to close their pending disputes, with a substantial relief provided by the government.

The Company filed two applications with LDRS committee opting for Scheme, ₹630 Lakh for FY 2012-13 and ₹3841 Lakh for FY 2004-05 to FY 2011-12.

As for FY 2012-13, the company already paid taxes under protest, no demand was raised and discharge certificate has been issued.

For second application of ₹3841 Lakh (FY 2004-05 to FY 2011-12) the LDRS committee computed tax dues and relief separately. The order was passed on January 2, 2020, with a demand of ₹1056.09 Lakh. The same was paid by company on 29.01.2020 in full settlement of all SCNs.

- (iii) Claims against the Company not acknowledged as debt : Income Tax

Appeal with Commissioner of Income Tax (Appeals) for the AY 2011-12 amounting to ₹ Nil (P.Y. ₹4.92 Lakh). ITAT order received in Company favour.

- (iv) Bank Guarantees

As per business requirements bank guarantees issued by banks on behalf of Group against 100% margin (earmarked) on fixed deposit receipts.

### 31. Commitments

| Particulars                                                                                        | As at 31.03.2020<br>(₹) In Lakh | As at 31.03.2019<br>(₹) In Lakh |
|----------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for |                                 |                                 |
| Tangible assets                                                                                    | 30.57                           | 122.50                          |
| Intangible assets                                                                                  | 29.62                           | 8.00                            |
| (b) Other commitments                                                                              | 69.09                           | 84.37                           |

### 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<br>31.03. 2020 | For the year ended<br>31.03. 2019 |
|------------------------------|-----------------------------------|-----------------------------------|
| <b>Segment Revenue</b>       |                                   |                                   |
| Depository Activity          | 16,815.16                         | 15,234.12                         |
| Data Entry and Storage       | 5,572.39                          | 4,290.28                          |
| Repository                   | 133.34                            | 105.99                            |
| <b>Total</b>                 | <b>22,520.89</b>                  | <b>19,630.39</b>                  |
| Less : Inter Segment Revenue | 14.96                             | 5.22                              |
| <b>Total Income</b>          | <b>22,505.93</b>                  | <b>19,625.17</b>                  |
| <b>Segment Results</b>       |                                   |                                   |
| Depository Activity          | 5,405.44                          | 7,354.10                          |
| Data Entry and Storage       | 2,656.93                          | 2,817.29                          |
| Repository                   | (336.65)                          | (270.04)                          |
| <b>Total</b>                 | <b>7,725.72</b>                   | <b>9,901.35</b>                   |



(₹ in Lakh)

| Particulars                                                 | For the year ended<br>31.03. 2020 | For the year ended<br>31.03. 2019 |
|-------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Add/(Less) : Finance income and other unallocable income ** | 5,919.06                          | 4,919.38                          |
| <b>Profit before taxation</b>                               | <b>13,644.78</b>                  | <b>14,820.73</b>                  |
| Less : Provision for taxation                               | 2,972.96                          | 3,338.07                          |
| <b>Profit after taxation</b>                                | <b>10,671.82</b>                  | <b>11,482.66</b>                  |

| Particulars                                                                         | As at 31.03.2020 | As at 31.03.2019 |
|-------------------------------------------------------------------------------------|------------------|------------------|
| <b>Segment assets</b>                                                               |                  |                  |
| Depository Activity                                                                 | 9,120.51         | 8,923.04         |
| Data Entry and Storage                                                              | 1,983.69         | 1,617.02         |
| Repository                                                                          | 276.54           | 314.96           |
| Unallocated                                                                         | 74,951.51        | 67,537.97        |
| <b>Total</b>                                                                        | <b>86,332.25</b> | <b>78,392.99</b> |
| <b>Segment liabilities</b>                                                          |                  |                  |
| Depository Activity                                                                 | 8,110.20         | 6,610.77         |
| Data Entry and Storage                                                              | 996.67           | 369.57           |
| Repository                                                                          | 125.06           | 50.58            |
| Unallocated                                                                         | 515.63           | 418.63           |
| <b>Total</b>                                                                        | <b>9,747.56</b>  | <b>7,449.55</b>  |
| <b>Property, plant and equipment and Intangible assets acquired during the year</b> |                  |                  |
| Depository Activity                                                                 | 867.04           | 572.96           |
| Data Entry and Storage                                                              | 260.95           | 324.02           |
| Repository                                                                          | 21.77            | 13.72            |
| <b>Total Property, plant and equipment and Intangible assets additions</b>          | <b>1,149.76</b>  | <b>910.70</b>    |
| <b>Depreciation and amortization</b>                                                |                  |                  |
| Depository Activity                                                                 | 868.68           | 825.50           |
| Data Entry and Storage                                                              | 262.05           | 106.02           |
| Repository                                                                          | 42.51            | 60.01            |
| <b>Total Depreciation and amortization</b>                                          | <b>1,173.24</b>  | <b>991.53</b>    |

\*\* Other unallocable income mainly includes interest income, dividend income, income from investments and other unallocable miscellaneous income.

### 33. Additional information to the financial statements

#### 33.1 Expenditure in foreign currency:

| Particulars                            | As at 31.03.2020<br>(₹) In Lakh | As at 31.03.2019<br>(₹) In Lakh |
|----------------------------------------|---------------------------------|---------------------------------|
| Conference Expenses                    | 19.98                           | 63.08                           |
| Others (Seminar and Software licenses) | 11.30                           | 12.15                           |

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

| Particulars                                                                                                                             | As at 31.03.2020<br>(₹) In Lakh | As at 31.03.2019<br>(₹) In Lakh |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| (a) Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day | 55.65                           | 7.82                            |
| (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**

| Name of the entity                                          | 31.03.2020                                             |           | 31.03.2019                      |           |
|-------------------------------------------------------------|--------------------------------------------------------|-----------|---------------------------------|-----------|
|                                                             | 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 | 66.24%                                                 | 50,730.78 | 67.69%                          | 48,023.35 |
| CDSL Ventures Limited                                       | 22.05%                                                 | 16,890.63 | 19.84%                          | 14,078.41 |
| CDSL Insurance Repository Limited                           | 2.71%                                                  | 2,078.85  | 2.85%                           | 2,021.96  |
| CDSL Commodity Repository Limited                           | 3.52%                                                  | 2,699.20  | 3.79%                           | 2,690.59  |
| Non-controlling Interest in subsidiary                      | 5.46%                                                  | 4,185.23  | 5.82%                           | 4,129.13  |
| Total                                                       | 100%                                                   | 76,584.69 | 100%                            | 70,943.44 |

| Name of the entity                                          | For the year ended 31.03.2020            |           | For the year ended 31.03.2019            |           |
|-------------------------------------------------------------|------------------------------------------|-----------|------------------------------------------|-----------|
|                                                             | Share in profit or loss                  |           |                                          |           |
|                                                             | As % of consolidated net Profit and Loss | Amount    | As % of consolidated net Profit and Loss | Amount    |
| Parent Company- Central Depository Services (India) Limited | 72.45%                                   | 7,731.81  | 73.48%                                   | 8,437.73  |
| CDSL Ventures Limited                                       | 26.40%                                   | 2,817.83  | 23.80%                                   | 2,733.29  |
| CDSL Insurance Repository Limited                           | 0.53%                                    | 56.75     | 0.94%                                    | 108.13    |
| CDSL Commodity Repository Limited                           | 0.09%                                    | 9.14      | 0.63%                                    | 72.30     |
| Non-controlling Interest in subsidiary                      | 0.53%                                    | 56.29     | 1.14%                                    | 131.21    |
| Total                                                       | 100%                                     | 10,671.82 | 100%                                     | 11,482.66 |

| Name of the entity                                          | For the year ended 31.03.2020                       |             | For the year ended 31.03.2019                       |             |
|-------------------------------------------------------------|-----------------------------------------------------|-------------|-----------------------------------------------------|-------------|
|                                                             | Share in Other Comprehensive Income                 |             |                                                     |             |
|                                                             | As % of consolidated net Other Comprehensive Income | Amount      | As % of consolidated net Other Comprehensive Income | Amount      |
| Parent Company- Central Depository Services (India) Limited | 166.89%                                             | 14.97       | 158.33%                                             | 0.57        |
| CDSL Ventures Limited                                       | -62.54%                                             | -5.61       | 30.56%                                              | 0.11        |
| CDSL Insurance Repository Limited                           | 1.56%                                               | 0.14        | -100.00%                                            | -0.36       |
| CDSL Commodity Repository Limited                           | -3.79%                                              | -0.34       | 11.11%                                              | 0.04        |
| Non-controlling Interest in subsidiary                      | -2.12%                                              | -0.19       | -                                                   | 0           |
| <b>Total</b>                                                | <b>100%</b>                                         | <b>8.97</b> | <b>100%</b>                                         | <b>0.36</b> |

| Name of the entity                                          | For the year ended 31.03.2020                       |           | For the year ended 31.03.2019                       |           |
|-------------------------------------------------------------|-----------------------------------------------------|-----------|-----------------------------------------------------|-----------|
|                                                             | Share in Total Comprehensive Income                 |           |                                                     |           |
|                                                             | As % of consolidated net Total Comprehensive Income | Amount    | As % of consolidated net Total Comprehensive Income | Amount    |
| Parent Company- Central Depository Services (India) Limited | 72.53%                                              | 7,746.78  | 73.49%                                              | 8,438.30  |
| CDSL Ventures Limited                                       | 26.33%                                              | 2,812.22  | 23.80%                                              | 2,733.40  |
| CDSL Insurance Repository Limited                           | 0.53%                                               | 56.89     | 0.94%                                               | 107.77    |
| CDSL Commodity Repository Limited                           | 0.08%                                               | 8.80      | 0.63%                                               | 72.26     |
| Non-controlling Interest in subsidiary                      | 0.53%                                               | 56.10     | 1.14%                                               | 131.29    |
| Total                                                       | 100%                                                | 10,680.79 | 100%                                                | 11,483.02 |

### 34. Employee benefits

#### 34.1 Defined benefits plan – Gratuity

Gratuity is administered through Group Gratuity Scheme with Life Insurance Corporation of India (LIC). The LIC raises demand for annual contribution for gratuity amount based on its own computation without providing entire details as required by the Ind AS 19 “Employee Benefits”. Hence the Group obtains separate actuarial valuation report as required under Ind AS 19 “Employee Benefits” from an independent Actuary. The 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 Group has received the Gratuity fund statement from LIC till December 19. Due to COVID-19 lockdown, Company has not received fund statement from LIC till Mar 20. Hence, for the purpose of calculation of plan asset as on March 20 company has prepared fund movement as per the company's records and rate of return on plan asset is estimated @ 6.80% p.a. as per actuarial report.

| (₹ in Lakh)                                         |            |            |
|-----------------------------------------------------|------------|------------|
| Valuation Result as at                              | 31.03.2020 | 31.03.2019 |
| <b>Reconciliation of defined benefit obligation</b> |            |            |
| Opening Defined Benefit Obligation                  | 312.65     | 277.52     |
| Transfer in/(out) obligation                        | 46.42      | 0.00       |
| Current service cost                                | 48.60      | 27.76      |
| Interest cost                                       | 23.24      | 20.46      |
| Due to Change in financial assumptions              | 168.90     | 3.15       |
| Due to change in demographic assumption             | (22.64)    | 17.56      |

(₹ in Lakh)

| Valuation Result as at                                              | 31.03.2020            | 31.03.2019            |
|---------------------------------------------------------------------|-----------------------|-----------------------|
| Due to experience adjustments                                       | 43.66                 | (19.09)               |
| Past service cost                                                   | 97.76                 | 0.00                  |
| Benefits paid                                                       | (118.98)              | (14.72)               |
| <b>Closing Defined Benefit Obligation</b>                           | <b>599.61</b>         | <b>312.65</b>         |
| <b>Other Comprehensive Income for the current period</b>            |                       |                       |
| Components of actuarial gain/losses on obligations:                 | 0.01                  | 0.50                  |
| Due to Change in financial assumptions                              | 168.89                | 2.65                  |
| Due to change in demographic assumption                             | (22.91)               | 17.56                 |
| Due to experience adjustments                                       | 43.83                 | (19.09)               |
| Return on plan assets excluding amounts included in interest income | 1.50                  | (1.33)                |
| <b>Amounts recognized in Other Comprehensive (Income) / Expense</b> | <b>192.04</b>         | <b>(0.20)</b>         |
| <b>Profit and loss account for the period</b>                       |                       |                       |
| Service cost:                                                       |                       |                       |
| Current service cost                                                | 48.60                 | 27.76                 |
| Past service cost                                                   | 97.63                 | 0.00                  |
| Net interest cost                                                   | 1.49                  | 2.17                  |
| <b>Total included in 'Employee Benefit Expense'</b>                 | <b>148.10</b>         | <b>30.03</b>          |
| <b>Reconciliation of plan assets</b>                                |                       |                       |
| Opening value of plan assets                                        | 289.29                | 213.16                |
| Interest Income                                                     | 21.50                 | 18.19                 |
| Return on plan assets excluding amounts included in interest income | (1.76)                | 1.83                  |
| Contributions by employer                                           | 15.56                 | 71.66                 |
| Benefits paid                                                       | (70.64)               | (14.72)               |
| Adjustment to the Opening fund                                      | 0.00                  | (0.83)                |
| <b>Closing value of plan assets</b>                                 | <b>253.94</b>         | <b>289.29</b>         |
| <b>Funded status of the plan</b>                                    |                       |                       |
| Present value of funded obligations                                 | 599.61                | 312.65                |
| Fair value of plan assets                                           | (253.94)              | (289.29)              |
| <b>Net Liability (Asset)</b>                                        | <b>345.67</b>         | <b>23.36</b>          |
| <b>Reconciliation of net defined benefit liability</b>              |                       |                       |
| Net opening provision in books of accounts                          | 23.36                 | 64.36                 |
| Adjustment to Opening Defined Benefit Obligation                    | 46.42                 | 0.00                  |
| Transfer in/(out) obligation                                        | 0.00                  | (0.07)                |
| Adjustment to the Opening fund                                      | 0.00                  | 0.56                  |
| Employee Benefit Expense as per                                     | 148.10                | 30.03                 |
| Amounts recognized in Other Comprehensive (Income)                  | 191.67                | (0.20)                |
|                                                                     | 409.56                | 94.68                 |
| Benefits paid by the Company                                        | (48.34)               | 0.00                  |
| Contributions to plan assets                                        | (15.56)               | (71.66)               |
| <b>Closing provision in books of accounts</b>                       | <b>345.67</b>         | <b>23.02</b>          |
| <b>Principle actuarial assumptions</b>                              |                       |                       |
| Discount Rate                                                       | 6.80% p.a             | 7.49% p.a             |
| Salary Growth Rate                                                  | 7.00% p.a             | 4.00% p.a             |
| Withdrawal Rates                                                    | 4.16% p.a at all ages | 6.70% p.a at all ages |
| Rate of Return on Plan Assets                                       | 6.80% p.a             | 7.49% p.a             |

### 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, 2020 an amount recognized as an expenses in respect of compensated leave absences is ₹ 363.17 lakh (Previous year ended March 31, 2019 is ₹ 55.14 lakh).

35. As per the rule the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2016 (the "Amended Regulations"). 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 movement of IPF provision is given below:

**Table showing movement of IPF provision:**

(₹ in lakh)

| Particular                                            | For the year ended<br>31.03.2020 | For the year ended<br>31.03.2019 |
|-------------------------------------------------------|----------------------------------|----------------------------------|
| Rate %                                                | 5%                               | 5%                               |
| Opening provision                                     | 367.65                           | 408.39                           |
| Add: Provision made during the year                   | 269.67                           | 367.65                           |
| Less: Amount transferred to IPF Trust during the Year | 367.65                           | 408.39                           |
| Closing Provision                                     | 269.67                           | 367.65                           |

36. 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 ₹ 438 lakh during the year ended March 31, 2020 (₹ 337 lakh during the year ended March 31, 2019) 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 31.03.2020 | As at 31.03.2019 |
|-------------------------------------------------|------------------|------------------|
| Opening provision                               | 569.14           | 531.51           |
| Provision for DP incentive made during the year | 438.00           | 337.00           |
| Amount paid                                     | (3.69)           | (299.37)         |
| Closing provision                               | 1,003.45         | 569.14           |

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

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

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

- 38.** The Group other than CDSL Commodity Repository Limited has elected to exercise the option of new regime of income tax permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Group has recognised Provision for Income Tax for the year ended March 31, 2020 and re-measured its Deferred Tax Assets basis the revised tax rate, prescribed in the said section. Accordingly, adjustment to deferred tax asset and write off of MAT credit of ₹ 197.65 Lakh has been charged to statement of profit and loss

### **39. Corporate Social Responsibility**

As per the provisions of the Section 135 of the Companies Act, 2013, CDSL and CVL are required to spend ₹681.81 lakh on CSR activities. To discharge its obligation, the CDSL and CVL have contributed ₹ 455 lakhs to Prime Minister's National Relief Fund and ₹ 226.81 lakhs to Chief Minister Relief Fund (Maharashtra). As per the expert opinion received by the Group, the contribution to the Chief Minister Relief Fund (Maharashtra) is considered as eligible expenses for CSR activities. During the year CVL has received refund of ₹ 2 lakhs from "Shishu Mandir" (out of expenses for previous year 2018-19) which is remain unspent.

### **40. Long term contracts including derivative contracts**

Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended March 31, 2020.

### **41. Interest on income tax refund and tax provision write back**

Based on the assessment order received during the quarter ended June 30, 2019, the Company had written back an amount of ₹ 174.10 Lakh in respect of assessment year 2013-14 and the same was netted off from tax expense. Further, an amount of ₹ 223.45 Lakh, received as interest on refund has been included in other income during the year ended March 31, 2020.

- 42.** 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 42 of notes forming part of Consolidated Financial Statements**

#### **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 16, 2020

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

##### **B.V. Chaubal**

Chairperson  
DIN: 06497832

##### **Amita Paunikar**

Company Secretary  
Membership No. A17646

##### **Nehal Vora**

Managing Director & CEO  
DIN: 02769054

##### **Girish Amesara**

Chief Financial Officer





Shri Nehal Vora, ED -SEBI addressing the audience at an IAP conducted in Gurugram, Haryana on January 16, 2020.



Shri Nagendraa Parakh, ED -SEBI addressing the audience at an IAP conducted in Gurugram, Haryana on January 16, 2020.

## Abbreviations

| Term     | Description                                                                    | Term                     | Description                                                                              |
|----------|--------------------------------------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------|
| AGM      | Annual General Meeting                                                         | IPO                      | Initial Public Offering                                                                  |
| AIF      | Alternate Investment Fund                                                      | IRDAI                    | Insurance Regulatory and Development Authority of India                                  |
| AMC      | Asset Management Company                                                       | ISIN                     | International Securities Identification Number                                           |
| API      | Application Program Interface                                                  | ISMS                     | Information Security Management System                                                   |
| App      | Application                                                                    | IST                      | Indian Standard Time                                                                     |
| AS       | Accounting Standards                                                           | IT                       | Information Technology                                                                   |
| BCMS     | Business Continuity Management System                                          | KMP                      | Key Managerial Personnel                                                                 |
| BO       | Beneficial Owner                                                               | KRA                      | KYC Registration Agency                                                                  |
| BR       | Business Responsibility                                                        | KYC                      | Know Your Client                                                                         |
| BSE      | BSE Limited                                                                    | LODR                     | SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015                   |
| CAGR     | Compounded Annual Growth Rate                                                  | MCA                      | Ministry of Corporate Affairs                                                            |
| CAS      | Consolidated Account Statement                                                 | MCX                      | Multi Commodity Exchange of India Ltd                                                    |
| CCRL     | CDSL Commodity Repository Limited                                              | MF                       | Mutual Fund                                                                              |
| CFO      | Chief Financial Officer                                                        | MLI                      | Multilateral Instrument                                                                  |
| CIN      | Corporate Identification Number                                                | MOF                      | Ministry of Finance                                                                      |
| CIRL     | CDSL Insurance Repository Limited                                              | N.A /NA                  | Not Applicable                                                                           |
| CM       | Clearing Member                                                                | NBFC                     | Non-Banking Financial Company                                                            |
| CP       | Commercial Paper                                                               | NCLT                     | National Company Law Tribunal                                                            |
| CPCB     | Central Pollution Control Board                                                | NGO                      | Non-Government Organization                                                              |
| CPE      | Continuing Professional Education                                              | NISM                     | National Institute of Securities Market                                                  |
| CSR      | Corporate Social Responsibility                                                | NSDL                     | National Securities Depository Limited                                                   |
| DIN      | Director Identification Number                                                 | NSE                      | National Stock Exchange of India Ltd                                                     |
| DOI      | Digital Object Identifier                                                      | OCI                      | Other Comprehensive Income                                                               |
| DP       | Depository Participants                                                        | PAN                      | Permanent Account Number                                                                 |
| DRS      | Disaster Recovery System                                                       | PBT                      | Profit Before Tax                                                                        |
| DTAA     | Double Taxation Avoidance Agreement                                            | PCS                      | Practicing Company Secretary                                                             |
| ECL      | Expected Credit Loss                                                           | PF                       | Provident Fund                                                                           |
| E VOTING | Electronic Voting                                                              | PFRDA                    | Pension Fund Regulatory and Development Authority                                        |
| EASI     | Electronic Access to Security Information                                      | PID                      | Public Interest Director                                                                 |
| EASIEST  | Electronic Access to Security Information and Execution of Secured Transaction | PIT Regulation           | SEBI (Prohibition of Insider Trading) Regulation, 2015                                   |
| EBITDA   | Earnings Before Interest, Tax, Depreciation And Amortisation                   | PMS                      | Portfolio Management Services                                                            |
| E-CAS    | Electronic Consolidated Account Statement                                      | POA                      | Power of Attorney                                                                        |
| e-IA     | Electronic Insurance Accounts                                                  | RBI                      | Reserve Bank of India                                                                    |
| ENWR     | Electronic Negotiable Warehouse Receipts                                       | RD                       | Regional Director                                                                        |
| FDI      | Foreign Direct Investment                                                      | RI                       | Registered Intermediary                                                                  |
| FEMA     | Foreign Exchange Management Act, 1999                                          | RMC                      | Risk Management Committee                                                                |
| FII      | Foreign Institutional Investors                                                | RONW                     | Return of Net Worth                                                                      |
| FPI      | Foreign Portfolio Investors                                                    | RTA                      | Registrar and Transfer Agent                                                             |
| FPO      | Farmer Producer Organizations                                                  | SCRA                     | Securities Contracts (Regulation) Act, 1956                                              |
| FVTPL    | Fair Value Through Profit and Loss Account                                     | SEBI                     | Securities and Exchange Board of India constituted under the SEBI Act                    |
| FVTOCI   | Fair Value Through Other Comprehensive Income                                  | SEBI (D & P) Regulations | Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 |
| FY       | Financial Year                                                                 | 2018                     |                                                                                          |
| GDP      | Gross Domestic Product                                                         | SEBI Act                 | Securities and Exchange Board of India Act, 1992                                         |
| GIFT     | Gujarat International Finance Tec-City                                         | SPCB                     | State Pollution Control Board                                                            |
| GNL      | GST Network Limited                                                            | SPPI                     | Solely payments of Principal and Interest on the Principal amount outstanding            |
| GSP      | GST Suvudha Provider                                                           | State Government         | Government of a State of India                                                           |
| GST      | Goods and Services Tax                                                         | TDS                      | Tax Deducted at Source                                                                   |
| HPCL     | Hindustan Petroleum Corporation Limited                                        | TM                       | Trading Member                                                                           |
| IAP      | Investor Awareness Programme                                                   | UIDAI                    | Unique Identification Authority of India                                                 |
| ICAI     | Institute of Chartered Accountants of India                                    | WDRA                     | Warehouse Development and Regulatory Authority                                           |
| ICSI     | Institute of Company Secretaries of India                                      |                          |                                                                                          |
| IFSC     | International Financial Services Centre                                        |                          |                                                                                          |
| INR      | Indian National Rupees                                                         |                          |                                                                                          |
| IOCL     | Indian Oil Corporation Limited                                                 |                          |                                                                                          |
| IPF      | Investor Protection Fund                                                       |                          |                                                                                          |





## **Central Depository Services (India) Limited**

Marathon Futurex, A Wing, 25th Floor, Mafatlal Mills Compound,  
N. M. Joshi Marg, Lower Parel (E), Mumbai – 400 013.  
[www.cdslindia.com](http://www.cdslindia.com)