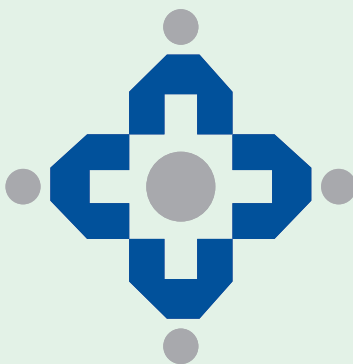


ANNUAL REPORT
2015 - 2016



Central Depository Services (India) Limited

At CDSL...



We celebrate earth day... everyday!

e-Voting

NAD

e-locker

CAS

e-Insurance

Myeasi Will

e-kyc

**DP Statement
Dispatch**

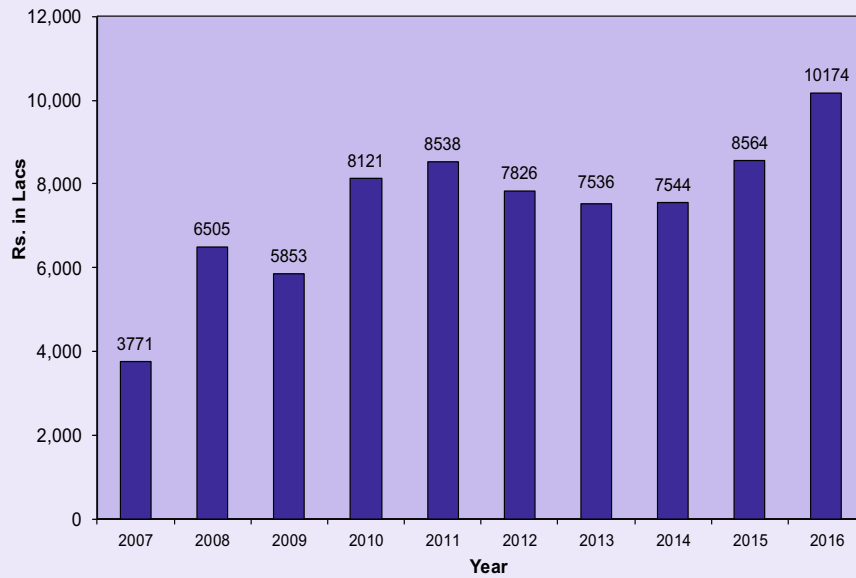
e-Notices

**KYC
Registration**

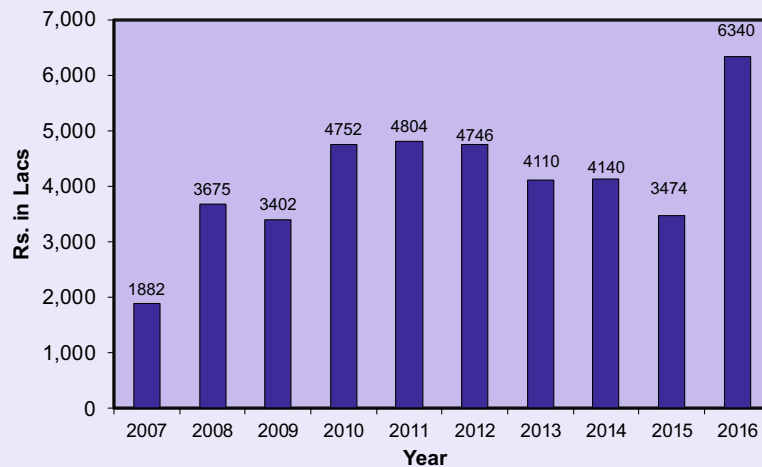
**Depository
Services**

FINANCIAL HIGHLIGHTS (As on 31st March)											(₹) in Lacs	
P & L account	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
Income from Operations	3770.53	6505.27	5852.51	8121.17	8538.48	7825.91	7535.53	7543.93	8564.28	10173.65		
Other Income	1066.29	1338.73	1691.35	2017.36	1670.62	2398.38	2912.97	3001.03	1955.36	1434.20		
Total Income	4836.82	7844.00	7543.86	10138.53	10209.10	10224.29	10448.50	10544.96	10519.64	11607.85		
Total Expenditure	2205.01	2659.46	2886.60	3396.59	3354.73	3318.83	5069.74	5466.15	5749.87	5550.76		
PBDIT	3120.96	5686.57	5053.67	7289.92	7396.38	7259.48	5563.60	5461.55	5260.14	6400.56		
Exceptional / Extraordinary Items						(266.77)	(72.27)	85.16	168.81	3310.40		
Profit Before Tax	2631.81	5184.54	4657.26	6741.94	6854.37	6638.70	5306.49	5163.97	4938.58	9367.49		
Provision for Taxation	749.61	1509.11	1255.19	1990.04	2050.54	1892.98	1196.52	1023.69	1464.88	3027.86		
Profit After Tax	1882.20	3675.43	3402.07	4751.90	4803.83	4745.72	4109.97	4140.28	3473.70	6339.63		
Share Capital	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00	10450.00		
Reserves & Surplus	4812.01	7170.84	9350.31	12638.76	15985.15	18909.09	20573.87	22268.95	22975.61	26170.88		
Net worth	15262.01	17620.84	19800.31	23088.76	26435.15	29359.09	31023.87	32718.95	33425.61	36620.88		
Earning Per Share (₹)	1.80	3.52	3.26	4.55	4.60	4.54	3.93	3.96	3.32	6.07		
Book Value Per Share (₹)	14.60	16.86	18.95	22.09	25.30	28.09	29.69	31.31	31.99	35.04		
Return on Net Worth (%)	12.33%	20.86%	17.18%	20.58%	18.17%	16.16%	13.25%	12.65%	10.39%	17.31%		

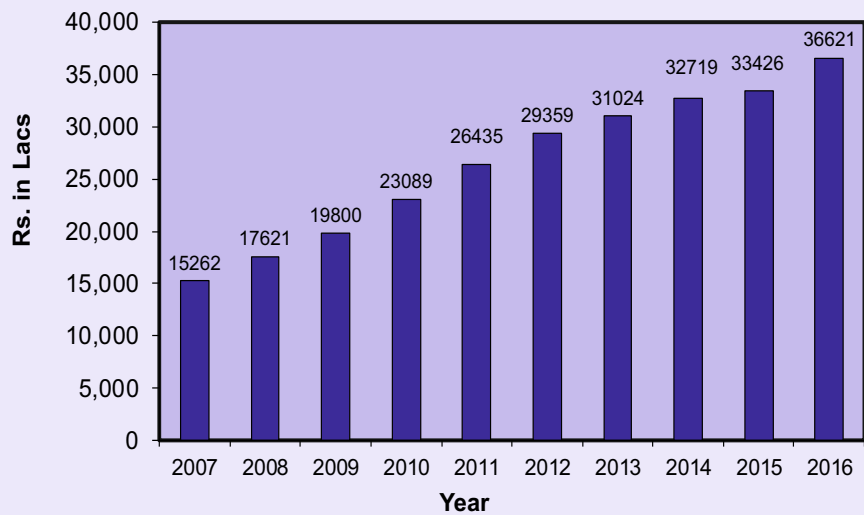
OPERATIONAL INCOME



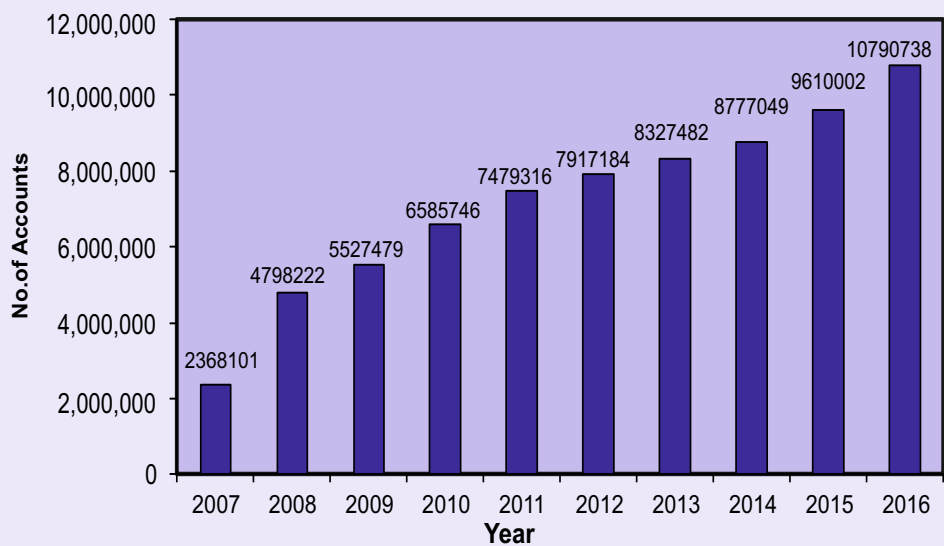
PROFIT AFTER TAX



NET WORTH



BO ACCOUNTS



Central Depository Services (India) Limited**Board of Directors****Public Interest Directors:**

Shri N. Rangachary Chairman (upto 7 th April, 2016)	(Former Chairman, CBDT & IRDAI)
Shri T.S. Krishna Murthy (w.e.f. 8 th April, 2016)	(Former Chief Election Commissioner of India and Secretary, MCA)
Shri T. S. Narayanasami (Upto 7 th April, 2016)	(Former CMD of Bank of India)
Dr. R. N. Nigam (Upto 7 th April, 2016)	[Principal Delhi College Of Arts & Commerce (Retd.)]
Smt. Jayshree Vyas	(Managing Director - Shree Mahila Sewa Sahakari Bank, Ahmedabad)

Shareholder Directors :

Shri Ananth Narayan	(Regional Head, Financial Markets, ASEAN & South Asia Standard Chartered Bank)
Smt. Anshula Kant	(Deputy Managing Director & CFO State Bank of India)
Shri Nehal Vora	(Chief Regulatory Officer BSE Limited)
Shri V. Balasubramaniam	(Chief Business Officer BSE Limited)

Managing Director & CEO :

Shri P. S. Reddy

Management Team

Shri P.S. Reddy	Managing Director & CEO
Shri Cyrus Khambata	Executive Vice President – Business Development [Currently on deputation to CDSL Ventures Limited]
Shri Joydeep Dutta	Group Chief Technology Officer
Shri Bharat Sheth	Senior Vice President & Chief Financial Officer
Shri Sunil Alvares	Senior Vice President – Business Development & Admission Cell
Smt. Nayana Ovalekar	Senior Vice President – Operations
Shri Ramkumar K.	Senior Vice President & Chief Risk Officer [Currently on deputation to CDSL Insurance Repository Limited]

Bankers

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

Auditors

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

Registered Office

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

Corporate Identification Number: U67120MH1997PLC112443

Website of Central Depository Services (India) Limited and its subsidiaries

CDSL : www.cdslindia.com
CVL : www.cvlindia.com
CIRL : www.cirl.co.in
e-Voting : www.evotingindia.com

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Directors' Report

Your Directors have pleasure in presenting the Eighteenth Annual Report, along with Audited Statement of Accounts of your company for the year ended 31st March, 2016. Due to change in issuer tariff structure, the operational income of the company has increased from ₹856.43 million to ₹1017.37 million, resulting in an increase of total income from ₹1051.96 million to ₹1160.79 million.

Financial Highlights

Particulars	Year ended 31 st March, 2016 (₹ million)	Year ended 31 st March, 2015 (₹ million)
Income from Operations	1017.37	856.43
Other Income	143.42	195.54
Total Income	1160.79	1051.96
Expenditure	497.60	402.49
Profit before Depreciation and Taxation	663.19	649.47
Depreciation	34.35	49.04
Profit before exceptional items and tax	628.84	600.43
Exceptional items	331.04	16.88
Profit before contribution to BOPF & Tax	959.88	617.31
Contribution to BOPF	23.12	123.46
Profit Before Tax	936.76	493.85
Provision for Taxation	324.80	160.28
Provision for Deferred Tax for the year	(22.01)	(13.79)
Profit after Tax	633.97	347.36
Balance brought forward	2188.06	2117.40
Profit available for appropriation	2822.03	2464.76
Proposed dividend	261.25	229.90
Tax (including surcharge and education cess on dividend)	53.19	46.80
Transfer to General Reserve	-	-
Surplus carried to Balance Sheet	2507.59	2188.06

The income from operations comprising of transaction charges, annual issuers fees, account maintenance charges, settlement charges, corporate action charges, etc. during the year under review increased to ₹1017.37 million from ₹856.43 million, recording an increase of 19% over the year 2014-15. Pursuant to amendment in regulations for IPF, excess provision of ₹331.04 million made from FY 12-13 to FY 14-15 has been written back and is shown as exceptional income in the current period. Transfer of ₹23.12 million is made to Investor Protection Fund for the current year. After contribution to Investor Protection Fund, Profit Before Tax (PBT) for the year ended 31st March, 2016 increased to ₹936.76 million from ₹493.85 million of previous year, increased by 90%. Profit After Tax (PAT) has increased to ₹633.97 million from ₹347.36 million, increase of 83%. Profit Before Tax & Profit After Tax for the year ended 31st March, 2016 excluding exceptional income increased by 27% & 24% respectively.

Dividend

Looking into the performance of the Company for the year under review and taking note of the increased economic and industrial activity in the present, your directors have recommended a dividend of ₹ 2.50 per share (25%) for the year ended 31st March, 2016.

The Capital Market Environment

The BSE-30 Sensex which opened at 27,954 on 1st April, 2015, touched a high of 29,094 in April 2015 only to close at 25,341 on 31st March, 2016.

According to IMF, growth in China is expected to slow to 6.3 percent in 2016 and 6.0 percent in 2017, primarily reflecting weaker investment growth as the economy continues to rebalance. India and the rest of emerging Asia are generally projected to continue growing at a robust pace, with some countries likely to face strong headwinds from China's economic rebalancing and global manufacturing weakness.

Correspondingly, equity market capital raisings have fallen down by 17 percent. According to Prime Database, the total equity capital raised during FY 2015 – 16 was about ₹48,952 crores as against ₹58,801 crores raised during FY 2014 – 15. Of the above, the funds raised through IPOs was ₹14,772 crores while the funds raised through Qualified Institutional Placement (QIP) route was ₹14,358 crores and through Offer for Sale (OFS) was ₹19,822 crores.

Operational Highlights

With the capital market looking up, your company could register a good growth in its depository operations during the later part of 2015 – 16. Such positive outlook is reflected in the increase in the number of demat accounts opened as well as in the number of transactions executed in the Depository. 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 emphasize on investor education through seminars / workshops.

Securities admitted

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

Securities	Year ended 31 st March 2016	Year ended 31 st March 2015	(%) change over the previous year
Equity Shares	8,814	8,309	6.08
Debt Instruments	9,777	8,481	15.28
Other Securities	21,083	20,293	3.89
Total	39,674	37,083	6.99

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 31 st March, 2016	Year ended 31 st March, 2015	Increase over the previous year (%)
Value (in million₹)	13,267,966	13,942,638	(4.84)
Volume (in million)	227,549	206,012	10.45

Discontinuation of e-warehouse receipts

As per SEBI directive your Board of Directors decided to exit the business of providing depository services for holding e-warehouse receipt balances. Accordingly, e-warehouse receipt balances pertaining to all commodity exchanges held in CDSL system have been

extinguished except two exchanges, National Spot Exchange Ltd. (NSEL) and National Commodity & Derivatives Exchange Limited (NCDEX) which are in the process of being extinguished.

Depository Participants and Service Centres

As on 31st March, 2016, 583 depository participants held valid registration certificates of Securities and Exchange Board of India (SEBI) as compared to 574 valid SEBI registrations as on 31st March 2015. During the year, new registrations were received for 22 DPs but registrations of 13 DPs were withdrawn/ cancelled. With a large DP network, investors spread across 28 States and 7 Union Territories can avail of CDSL's depository services. Further, investors have access to 16,764 DP service centers spread across more than 2000 cities / towns as on 31st March 2016.

Beneficial Owner Accounts

During the year under review, 14.23 lakh Beneficial Owner (BO) accounts were added, taking the total number of such accounts to 145.10 lakhs with the net BO accounts at 107.90 lakhs as on 31st March, 2016. The comparative figures of gross and net BO accounts as on 31st March, 2015 and 31st March, 2016 are given in the following table:

Year ended 31 st March, 2016	Year ended 31 st March, 2015	Increase over the previous year's cumulative figure	
		Number	Percentage
(Gross) 14,510,902	(Gross) 13,087,397	1,423,505	10.88
(Net) 10,790,738	(Net) 9,610,002	11,80,736	12.29

Investor Awareness / Education Seminars

Financial inclusion through retail participation has been a major focus area of your company. We believe investor education can become a significant key to achieving financial inclusion in the capital market. To this end, CDSL conducted around 440 Investor Awareness Programs (IAPs) in the year. This initiative allowed investors across geographies, professions and age groups 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. Although, these IAPs reach out to investors

in major metros, we have already initiated steps to reach the public in tier-2 and tier-3 cities to inculcate the habit of investment in securities. CDSL has tied up with various regional newspapers to attract large number of investors to attend these IAPs. During the IAPs, informative booklets in English, Hindi and other regional languages were distributed for the benefit of investors.

Awards and recognition

During the year 2015-2016, your Company has won the following awards:

- IDC Insight Awards – for excellence in customer experience
- EMC Transformers Award for Best Use of IT to transform Business
- IDG's CIO 100 Awards for WebCDAS project
- IDG's Security Supremo Special Awards for security, risk, governance and compliance
- Dataquest Business Technology Awards for Enterprise Application
- Dataquest Business Technology Awards for Enterprise Security
- Dataquest Business Technology Awards for Datacenter/ Networking Application
- Dataquest Business Technology Awards for Storage/BCP/DR
- Innovative CIO Awards for WebCDAS project

New Initiatives

Consolidated Account Statement (CAS)

SEBI vide its Circular No. CIR/IMD/DP/31/2014 dated 12th November, 2014 mandated depositories to issue a Consolidated Account Statement (CAS) to BOs to enable a single consolidated view of their investments in mutual funds (MF) and securities held in demat form across depositories (CAS). Your company has successfully completed generation and dispatch of CAS (transaction and holding statements) for the months from February 2015 till March 2016.

CDSL has released a facility for beneficial owners whereby by logging on to CDSL website and entry of requisite details and OTP they can download and view CAS.

System Enhancements

During the year your company released many system enhancements for increasing the efficacy of processes. One of the important development was release of enhanced version of Statement of Transaction and Holding. The enhanced version contains additional information on the liquidation / winding up status of listed companies as informed by

stock exchanges, ISIN wise valuation of the securities held, security type of an ISIN e.g equity, debt, mutual fund etc., status of nomination in the demat account (registered / not registered), email id, mobile number after masking first six digits, registration status for SMS alerts etc. A facility has been provided to DPs to set up the statement of transaction and holding for a particular settlement ID for Clearing Member (CM) accounts and choose the sort order of the transaction and holding statement either security type wise or as per the existing sort order of ISIN name.

The Beneficial Owner Module was also revamped during the year to provide additional features like system based validations to comply with regulatory requirements, front end changes to enhance ease of usage, etc.

Mobile App

CDSL has introduced MyEasiApp for Android, Windows and IOS mobile users. All important facilities like information about holding details, transactions, corporate action announcements, etc. is available through this app. The app also facilitates viewing and downloading of CAS, registration for SMS alerts and easi-easiest facility, update of email and mobile number, etc. The easiest trusted users can set up their transactions using this app.

Transaction Cum Holding Statements

As of 31st March, 2016, 172 DPs have availed of the service dispatch of transaction cum holding statements (DOTS and e-DOTS). Dispatch of Bill-Cum-statement services (DBS) are being provided for 16 DPs. In 2015–16, CDSL has processed 10.77 lakh statements.

Myeasiwill

Your Company has launched online Will services 'Myeasiwill' in collaboration with Willjini Succession Services Pvt. Ltd. This simple technology enabled solution for online Will creation enables a transparent and unencumbered succession of assets to the legal heirs. As of 31st March, 2016, we have received 262 registrations.

Distinctive number Database

SEBI vide its circular dated 5th June, 2015 issued guidelines for the operationalization of the Distinctive number database with the objective of maintaining a complete centralized reconciled record of the total issued and listed equity capital including physical and

electronic shares. This database went live in October 2015 and is being maintained by the Depositories. Reconciliation of records with the RTA and the other depository is in progress.

Corporate Bond database

SEBI had, vide its Circular No. CIR/IMD/DF/17/2013 dated October 22, 2013, informed that while currently the information in respect of various Corporate Bonds/Debentures issued by Issuers is available in a fragmented manner and at multiple sources such as websites of Credit Rating Agencies, Depositories, Stock Exchanges, etc., there is a need for having a centralized database regarding Corporate Bonds/Debentures which are available in demat form for public dissemination. Accordingly, SEBI had vide the aforesaid circular advised the Depositories to obtain requisite information regarding Corporate Bonds/Debentures from Issuers, Stock Exchanges, Credit Rating Agencies and Debenture Trustees and to jointly act as a repository of information pertaining to the Corporate Bonds/Debentures.

1. In view of the above mentioned SEBI Circular, with effect from 1st December, 2013, CDSL has started obtaining the required information from the Issuers/RTAs in the specified format and displaying the same on the CDSL website.
2. As further instructed in aforesaid SEBI Circular, for historical information in respect of Corporate Bonds/Debentures for which ISINs were created in Depository System prior to 1st December, 2013, Issuers were requested to submit the required information to CDSL in the specified format. CDSL, in coordination with NSDL, regularly compiles the details and checks for correctness of its data received from Issuers prior to displaying the same on CDSL website.

TRUST – Transaction Using SMS Texting

TRUST is the acronym for the mobile based utility, “Transaction Using Secured Texting”. CDSL’s TRUST utility was formally launched in September 2013.

GPRS based version of TRUST for iPhone, Blackberry and Windows based mobile devices was also released. The TRUST application has been hosted on Google Play Store for easy availability.

KSA/ASA – KYC Servicing Agency/Authorized Servicing Agency

UIDAI (Unique Identification Authority of India) is the agency which issues, manages and services Aadhaar numbers in the country. UIDAI has a scheme of checking the KYC of an Aadhaar card holder using a service called ASA (Authorized Service Agency). This allows an ASA to get response from UIDAI in terms of 'Yes' or 'No' for information provided by the AUA for its client using authorised channel established between ASA and UIDAI. This system however was not found adequate by the market participants as a replacement to KYC, as there was no confirmation of photograph of the person. Moreover, the system had limitations in verifying names and addresses of several localities where the addresses could be written in multiple ways. Hence the ASA saw a rather tepid response from the capital market KYC users.

UIDAI then brought in a concept of KSA (KYC Servicing Agency). In this system, the intermediary was required to obtain and transmit to UIDAI through the KSA the Aadhaar number along with the OTP (One time Password) or Biometric impression or Iris scan image. Thereafter, the demographic details of the Aadhaar card holder viz. Name, Date of Birth, residential address, correspondence address, telephone numbers, mobile number and photograph is shared by UIDAI through the KSA. The user can then view/download the information and ensure completion of KYC for the customer.

CDSL has entered into an agreement with UIDAI for registering as an Authorized Service Agent (ASA). Further, CDSL chose to get itself upgraded to KSA from its existing status as ASA. UIDAI has granted approval to CDSL as ASA/KSA. CDSL has successfully completed final testing for ASA/KSA with live production key and has gone live.

KUA/AUA – KYC User Agency/Authorized User Agency

Since CDSL is seeking participation in various projects where Aadhaar is becoming the de facto proof of identity, CDSL has applied for registration as AUA and KUA with UIDAI. The application is being processed by Aadhaar.

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 28 programs for 426 participants during the year.

Browser based CDAS (Web CDAS)

In order to keep pace with the new technology and provide greater flexibility and ease of use, CDAS application has been made available to the users as a browser based service. All Depository Participants and Registrar & Transfer Agents have successfully shifted to the browser based version during the current year.

Upgraded version of EASI/EASIEST is also released which facilitates user to view real time information and execute transactions. Old CDAS system which was running in parallel with browser based system has since been discontinued.

DIS Issuance, Processing and Scanning:

SEBI had issued directive to strengthen the supervisory and monitoring role of the depositories and its DPs with respect to issuance, processing and scanning of Delivery Instruction Slips (DIS). Your company has successfully implemented all required features in CDSL system within the timelines prescribed by SEBI. While implementing the system, CDSL has ensured that its Depository Participants are required to incorporate minimal changes in their back office systems. Scanning of DISs is also a risk mitigating measure. Scanning of DIS will facilitate offsite inspection of depository participants.

ISO 27001:2013 Certification

Your Company has undergone audit post re-certification for ISO27001:2013 conducted by DNV, and have been recommended for continuation of the Certificate.

ISO 22301:2012 Certification

Your company is also certified for ISO 22301:2012 (Business Continuity Management System).

ISO 9001:2015

Your Depository has undergone recertification audit for ISO 9001:2015 certification by DNV for e-Voting Service and now certified for 3 years.

Implementation of on-premise DoS/DDoS prevention system:

On premise DoS/DDoS prevention system has been implemented at the perimeter level of Internet Infrastructure which is a real-time, behavioral based attack mitigation device that protects infrastructure against application vulnerability exploitation, malware spread, network anomalies, information theft and other emerging cyber-attacks. It also protects against emerging network security threats such as denial of service (DoS) attacks, distributed DoS attacks.

Implementation of DR Automation tool:

Your depository has implemented DR automation tool. This has helped in automating DR shifting process. This has also enabled CDSL to get real-time view of RTO/RPO and reducing the switchover time. DR drills are conducted quarterly and the system is run from DR site for a period ranging from one week to one month. The switcher is completely seamless with no change required at user end.

Implementation of Web Application Firewall (WAF):

WAF has been implemented in reverse-proxy mode which monitors to and fro traffic from Internet to web/application server. It can detect and prevent Open Web Application Security Project (OWASP) threats from Internet.

Implementation of two factor authentication at user login in WebCDAS

Your depository has implemented two factor authentication at user login in WebCDAS. This is as per guidelines of SEBI and one of the security enhancements under cyber security protection measure.

Implementation of Data Centre Infrastructure Management tool

Your depository has implemented eMagic, a Data Centre Infrastructure Management tool. This has helped in centralized monitoring of entire IT infrastructure including Servers, storages, networking links installed at 4 locations. The system gives automatic alarm on various threshold utilization set by the IT administrators. The system also consolidates the entire IT inventory, error log consolidation of critical hardware infrastructure and change management activities within IT infrastructure. Basic Security Incident Event Management (SIEM) tool has been integrated in DCIM tool.

e-Locker

CDSL has launched e-Locker facility for easi/easiest users wherein users can store various types of documents which they can view/download and share.

CDSL has also enabled users to store information related to various financial instrument holdings.

Yearly statement for easi/easiest users

Your depository has provided facility to easi/easiest users to generate transaction cum holding statement for a financial year.

Procurement of new storages at DAKC Navi Mumbai and Hyderabad

One of the major IT infrastructure investments was for the replacement of storage which was reaching end of life and end of support in November 2016. Similar capacity storage boxes procured in 2008-09 and placed at primary and DR site was also to be replaced. With a view to provision for growth over next 5 years, and leverage some of the recent technology features like all flash storage, data at rest encryption, deduplication, smaller footprint for achieving data center space and power savings, CDSL had decided to procure the EMC XtremIO solution.

CDSL's National Academic Depository(C-NAD)

During the year under review, your company has pursued National Academic Depository (NAD) Project on a voluntary basis and actively engaged Universities in the State of Maharashtra. Consequently, in addition to University of Mumbai; Solapur University, Gondwana University-Gadchiroli and Dr. Babashaheb Ambedkar Technological University, Lonere – Raigad have joined the C-NAD system. Hosting of results of these Universities are at various stages of implementation. Meanwhile, discussions with Ministry of Human Resource Development (MHRD) are in progress to enable Depositories to launch the NAD project on a pan India basis under the overall guidance and supervision of MHRD. The project envisages leveraging on the existing digital platforms like Aadhaar and DigiLocker of Department of Electronics and Information Technology (DeitY).

e-Voting

As on 31st March, 2016, 4217 companies have signed agreements with CDSL to conduct e-Voting. CDSL has on the e-Voting system recorded 8119 instances of voting carried out by 3792 Companies. You will be pleased to note that CDSL has successfully renewed STQC (Standardization Testing and Quality Certification) for a further period of three years. This is the second renewal.

e-Notices

In light of Green Initiative in the Corporate Governance by Ministry of Corporate Affairs, CDSL has started offering the services to companies for sending documents to its shareholders electronically. As on 31st March, 2016, a total of 259 companies have signed for availing the services.

Corporate Social Responsibility (CSR)

The Ministry of Corporate Affairs (MCA) vide its circular dated 27th February, 2014 notified Section 135 and Schedule VII of the Companies Act 2013 relating to Corporate Social Responsibility (CSR) the provisions of which came into effect from 1st April, 2014. The CSR provisions require companies satisfying certain criteria to spend 2% of its average net profits of the last three years on CSR activities defined in the rules framed in this regard. During the year the company was required to spend ₹ 197 lakhs on CSR activities inclusive of ₹ 94 lakhs unspent amount of previous year. As per the recommendation of the CSR Committee and approval of the Board, for the financial year 2015-16 the company contributed ₹ 35.19 lakhs, to a registered Charitable Trust Association of Parents of Mentally Retarded Children, Mumbai named as AADHAR. Balance amount of ₹ 162 lakhs will be spent on CSR project that will be undertaken in the year 2016-17.

The report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annex A

Employees' initiative towards Social Responsibility:

Employees of the company took initiative in the month of February 2016 to cater to NGOs to meet their basic requirements of clothing along with stationary items. Two NGOs viz. SUPPORT MUMBAI (Society undertaking Poor People Onus for Rehabilitation) and The Salvation Army (Home for Orphan, old & blind) were shortlisted for this purpose. Driven by the social obligation an overwhelming response was seen from the employees. 13 bags of clothes and stationery collected by the employees were donated to these NGOs.

Prevention of Money Laundering Act

The Prevention of Money Laundering Act, 2002 (PMLA) has been brought into force with effect from 1st July, 2005. Subsequent amendments had been done to the PMLA Act 2002 and Prevention of Money-laundering (Maintenance of Records) Rules 2005 vide SEBI circular CIR/MIRSD/1/2014 dated 12th March, 2014. CDSL and its depository participants fall under the category of 'intermediaries' under section 12 of the SEBI Act and hence, PMLA and the policy guidelines issued by the regulators to combat money laundering are applicable to depository operations.

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

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

Subsidiaries of CDSL

➤ CDSL Ventures Limited

Your company had floated a wholly owned subsidiary in the year 2006 viz:- CDSL Ventures Ltd. (CVL) to undertake the common KYC for investors in Mutual Fund industry. CVL is the pioneer in the common KYC system. After promulgation of SEBI {KYC (Know Your Client) REGISTRATION AGENCY} Regulations, 2011, CVL became the first KRA registered with SEBI. The regulations mandate the intermediaries to upload the KYC of all clients to the KRA. An investor now does not have to do KYC again while approaching another intermediary in the capital market. CVL today holds about 132.54 lakh records of Capital Market Investors under the KRA i.e. the about 64% market share. Due to large no. of records, CVL has been able to achieve an all -time high operational income of ₹ 2098.98 Lakhs (₹ 1949.50 lakhs in 2014-15) and a profit before tax of ₹ 1591.41 Lakhs (₹ 1388.81 lakhs in 2014-15)

CVL –New Initiatives:

1. Aadhaar Verification:

CVL has obtained registration with UIDAI as an Authorised User Agency (AUA) and KYC User Agency (KUA). The services of Aadhaar would be offered to all intermediaries.

2. On line Account Opening:

CVL is in the process of having the online Account Opening platform for all intermediaries. The same shall integrate KYC of KRA/UIDAI and also e-sign.

CDSL Insurance Repository Limited

Your Company had under the “Guidelines on Insurance repositories and electronic issuance of insurance policies” issued by IRDAI, floated a separate subsidiary viz:- CDSL Insurance Repository Ltd. (CDSL IR), in the year 2011 to provide policyholders a facility to keep insurance policies in electronic form and to undertake changes, modifications and revisions in the insurance policy with speed and accuracy in order to bring about efficiency, transparency and cost reduction in the issuance and maintenance of insurance policies. Leading public sector and private sector insurance companies have contributed to the equity capital of CDSL IR. So far the repository has opened about 2.92 lakh e-Insurance Accounts (e-IA) in which it holds 58549 insurance policies in electronic form as on 31st March, 2016. Due to non-participation of LIC, about 36,386 insurance policies are pending conversion into electronic form. CDSL IR had tied up with nineteen life insurance companies and three general insurance companies for holding policies in electronic form.

Ownership Pattern

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

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

Details of the equity shares held by the shareholders of the company are given in Annex B to the Directors' Report. In terms of directions issued by SEBI on the strength of the recommendations of the Jalan Committee, effective steps are under way to ensure that the Stock Exchange does not hold more than 24% of the equity shares in a depository.

Listing of Securities

Your company has applied to SEBI seeking approval to list its securities on any recognized stock exchange other than its sponsor exchange. This will provide an exit route to the shareholder/s who want to exit or off load part of their holding by way of offer for sale.

However the holding of all sponsors taken together at all times shall not be less than 51% of the total share capital of the company. Meanwhile SEBI vide its circular no. CIR/MRD/DSA/01/2016 dated January 01, 2016 notified guidelines for listing of exchanges and depositories.

Fixed Deposits

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

Directors

As per SEBI (Depositories and Participants) (Amendment) Regulations, 2012, the appointment and re-appointment of all shareholder directors on the governing board of depository shall be with the prior approval of SEBI. Further the public interest directors on the governing board shall be nominated by SEBI. Accordingly, SEBI vide its letter dated 30th March, 2016 approved appointment of Shri Nehal Vora, Chief Regulatory Officer-BSE Ltd., Shri V. Balasubramaniam, Chief Business Officer, BSE Ltd. and Smt. Anshula Kant, Deputy Managing Director & CFO, State Bank of India as Shareholder Directors on the Board of CDSL. Shri Nehal Vora and Smt. Anshula Kant were appointed as Additional Directors on 25th July, 2015 and Shri V. Balasubramaniam was appointed as Additional Director on 26th August, 2015 and they will hold office till commencement of the Eighteenth Annual General Meeting.

Further SEBI vide its letter dated 9th March, 2016 approved appointment of Shri T.S. Krishna Murthy as Public Interest Director/ Independent Director. Shri T.S. Krishna Murthy was appointed as Additional Director on 30th March, 2016 and will hold office till commencement of the Eighteenth Annual General Meeting.

During the year under review, Shri Parveen Kumar Gupta, Deputy Managing Director & GE (GM) & CFO - State Bank of India, was appointed as Shareholder Director w.e.f. 25th April, 2015. He resigned w.e.f. 6th July, 2015.

Shri Ashishkumar Chauhan resigned w.e.f. 14th August, 2015. Shri Ananth Narayan retires by rotation at the Eighteenth Annual General Meeting and is eligible for re-appointment. The Board recommends appointment of Shri T.S. Krishna Murthy, Shri Nehal Vora, Shri V. Balasubramaniam, Smt. Anshula Kant and Shri Ananth Narayan G as Directors on the Board.

Shri N. Rangachary, Dr. R.N. Nigam and Shri T.S. Narayansami ceased to be Public Interest Directors on Board of CDSL due to completion of their tenures on 7th April, 2016 as per SEBI approval letter No. MRD/DP/OW/8444/2013 dated 8th April, 2013.

The Board has placed on record its appreciation of the valuable services rendered by Shri N. Rangachary, Shri Ashishkumar Chauhan, Dr. R.N. Nigam Shri T.S. Narayansami and Shri Parveen Kumar Gupta during their tenure as directors of the company.

Auditors

Deloitte Haskins & Sells, Chartered Accountants and the Statutory Auditors whose term is valid upto ensuing Annual General Meeting have furnished a certificate to the effect that their appointment, if made, would be in accordance with the limit specified under Section 139(1) of the Companies Act, 2013. Their appointment as Statutory Auditors of the company is required to be made by a Special Resolution pursuant to Section 139 of the said Act.

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

Considering the nature of operations of your company, the provisions of Section 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. The company has, however, used information technology extensively in its operations.

Other Green Initiatives

The company provides securities depository services and depository related services through robust IT infrastructure. Company has even advised its Depository Participants to restrict the use of paper, go paperless wherever possible and to send to those clients statement of accounts electronically who have opted to receive statements electronically by email. The company is popularizing execution of instructions electronically by the Depository Participants as a green initiative measure.

The company is encouraging corporates to conduct e-Voting in general meetings as well as voting on certain resolutions electronically by providing them a system on cost effective

basis. The company is also sending notices, annual reports on behalf of corporates to their investors. Filings are made by the companies electronically with CDSL using document manager.

Whenever the company purchases servers, storages and computer machines, it is ensured that they are energy-efficient products using safer materials and reducing the environmental impact of technology and design for recyclability.

The company entirely replaced traditional fluorescent tubes and Compact Fluorescent light fittings with environmental friendly, energy efficient, most economical and non-hazardous LED fittings.

Foreign Exchange Earnings and Outgo

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

Particulars	Year ended 31 st March, 2016 (₹ in million)	Year ended 31 st March, 2015 (₹ in million)
Earnings	Nil	Nil
Travel expenses	3.99	2.27
Others	0.20	0.16
Total	4.19	2.43

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 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.

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

Implementation of Code of Corporate Governance

As per the SEBI (Depositories and Participants) (Amendment) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for the listed companies mutatis mutandis are applicable to the depository. Your company had been, observing the Code of Corporate Governance by adopting most of the good corporate governance policies as under Schedule V, Regulation 34(3) and 53(f) of Securities Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulation, 2015. The status of implementation of the Code of Corporate Governance is given in Annex B.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year ended 31st March, 2016 is attached as Annex C.

Appointment of Directors

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

Board Evaluation

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

Report by Internal Complaints Committee

As per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the Act) it is mandatory for every employer to constitute a Committee to be known as the 'Internal Complaints Committee'. Accordingly, the Committee was

constituted by Board and it meets periodically to review the complaints, if any, received from female employees.

The company is required to include in its Annual Report the number of cases filed under the Act, if any, and their disposal.

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

Particulars of Employees

Information as required under Rule (5) (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed to this report as Annex E.

Human Resource Development

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

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as Annex F.

Acknowledgement

With profound sorrow and grief the Board condoled the sudden, untimely and unfortunate demise of Shri Satish Budhakar on 27th March, 2016 due to massive cardiac arrest. Shri Budhakar was the Senior Vice President and Group Company Secretary of CDSL.

The Board placed on record its appreciation for the invaluable contribution made by Shri Satish Budhakar towards the progress of CDSL Group companies.

Your Directors place on record their sincere gratitude for the support, guidance and cooperation the company received from Ministry of Finance, SEBI and other regulatory

agencies. The Directors also acknowledge with thanks the continued support of the BSE Ltd. the holding company, Beneficial Owners, Depository Participants, Stock Exchanges, Clearing Houses, Issuers, and Registrar and Transfer Agents. The Directors also express their appreciation for the unflinching dedication of the employees whose performance, professionalism and commitment for rendering high quality services to the clientele of the company has been commendable.

For and on behalf of the Board

Sd/-

T.S. Krishna Murthy
Chairman
(DIN: 00279767)

Date : 28th April, 2016

Place : Mumbai

Annex A

Annual Report on CSR activities.

1. It is company's policy to spend the amount allocated for CSR expenditure on activities listed in schedule VII of the Companies Act, 2013 and the rules framed thereunder.
2. Consequently the Board constituted the Corporate Social Responsibility Committee consisting of the following members:
 - i. Shri T.S. Krishna Murthy, chairman (Independent Director)
 - ii. Smt. Jayshree Vyas (Independent Director)
 - iii. Shri Nehal Vora (Shareholder Director)

The CSR Committee decided to identify Trusts / NGOs which carry out CSR activities and which have experience and expertise in implementing CSR projects.

3. The average of the Net Profit of the company for last three financial years: ₹ 5136 Lacs.
4. Prescribed CSR expenditure: ₹ 103 Lacs (two per cent of the amount in item 3 above)
5. Details of CSR spent during the Financial Year
 - a. Total amount to be spent for the financial year: ₹ 197 Lacs (inclusive of amount unspent of previous year- ₹ 94 Lacs)
 - b. Amount Unspent: ₹ 162 Lacs
 - c. The manner in which the amount spent during the financial year is detailed below:

(₹ In Lacs)

Sr. No	Association of Parents of Mentally Retarded Children, Mumbai	Sector in which the project is covered	State where projects or program was undertaken	Amount outlay	Amount spent on the projects or programs	Cumulative Expenditure up to the reporting period	Amount Spent Direct or through implementing agency
1.	Association of Parents of Mentally Retarded Children, Mumbai-AADHAR	Charitable Trust.	Maharashtra	164*	35.19	35.19	35.19
	Total			164*	35.19	35.19	35.19

* Amount outlay for AADHAR project by CDSL and CVL jointly

6. The AADHAR project is still under progress and hence we shall use the unspent amount in the year 2016-2017. Your Company is in the process of identifying more projects for the year 2016-17.
7. The Chairman of the Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

Sd/-

P. S. Reddy
Managing Director & CEO

Sd/-

T.S. Krishna Murthy
Chairman of the CSR Committee

Place: Mumbai

Date : 28th April, 2016

Corporate Governance

Company's Philosophy on Code of Corporate Governance

Corporate governance practices based on fairness, equity, accountability, transparency and commitment to ethical values have driven company's business. The company has prescribed Code of Conduct and Ethics for its directors and Key Management Personnel. It has also framed a policy which is applicable for all employees of the company preventing them from dealing with any price sensitive capital market related information whether authenticated or otherwise. The policies and business strategies of the company aim at providing secure and efficient depository services to investors within the prescribed legal framework. Business strategies are framed and implemented within compliance requirements.

Board of Directors

a) Composition

As on 31st March 2016, the Board consisted of ten directors including the Managing Director & CEO. Shri N. Rangachary, Dr. R.N. Nigam and Shri T.S. Narayansami ceased to be Public Interest Directors on the Board of CDSL due to expiry of their tenures on 7th April, 2016 as per SEBI approval letter No. MRD/DP/OW/8444/2013 dated 8th April, 2013. Shri T.S. Krishna Murthy was appointed as independent/public interest directors on 30th March, 2016 and as a Chairman of the Board w.e.f. 8th April, 2016. The remaining 2 vacancies of Public interest Directors are being filled by SEBI. As on 8th April, 2016 there are six non-executive directors of which four are sponsor/shareholder directors and two are independent/public interest directors.

All the Directors have disclosed about their other Directorship and Membership on the Board Committees of other companies. Details of other directorships and memberships on the Board Committees in other companies as on 31st March, 2016 are as under:

Name of the Director	Category	No. of directorships in other companies	No. of Board Committee memberships in other companies	No. of Chairmanships in Board Committees of other companies
Smt. Jayshree Vyas	Non-Executive-Independent	7	-	-
Shri T.S. Krishna Murthy	Non-Executive-Independent	7	10	9
Shri Ananth Narayan G.	Non-Executive	3	-	-
Shri Nehal Vora	Non-Executive	5	4	-
Shri V. Balasubramaiaam	Non-Executive	2	-	-
Smt. Anshula Kant	Non-Executive	6	1	-
Shri P. S. Reddy	Managing Director & CEO	1	1	-

b) Meetings and Attendance

The Board meets atleast once in a quarter to review the quarterly financial results and operations of the company. In addition, the Board also meets as and when necessary to address specific issues relating to the business. During the year, the Board met six times i.e. on 25th April, 2015, 25th July, 2015, 31st October, 2015, 4th December, 2015, 30th January, 2016 and 30th March, 2016. Details of attendance of the Directors at the Board meetings and the last Annual General Meeting are given hereunder:

Attendance of the Directors at the Board Meetings and AGM:

Meeting Venue	CDSL Board Room, 16th floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001							
	Meeting date and time	25 th April, 2015, 11.45 a.m	25 th July, 2015 11.45 a.m.	31 st Oct, 2015 11.45 a.m.	4 th Dec, 2015 2.30 p.m.	30 th Jan, 2016 12.15 p.m.	30 th Mar, 2016 2.00 p.m	AGM 11 th June, 2015 3.15 p.m
Name of the Director								
Shri N. Rangachary	✓	✓	✓	✓	✓	✓	✓	✓
Shri T.S. Krishna Murthy	NA	NA	NA	NA	NA	✓	NA	NA
Shri T. S. Narayanasami	X	✓	✓	✓	X	✓	X	X
Dr. R. N. Nigam	✓	✓	✓	✓	✓	✓	✓	✓
Smt. Jayshree Vyas	✓	✓	✓	✓	✓	✓	✓	✓
Shri Ashishkumar Chauhan	✓	X	NA	NA	NA	NA	NA	X
Shri Ananth Narayan G	✓	✓	X	X	✓	✓	X	X
Shri Nehal Vora	NA	✓	✓	X	✓	✓	NA	NA
Shri V. Balasubramaniam	NA	NA	✓	✓	X	✓	NA	NA
Smt. Anshula Kant	NA	✓	✓	✓	✓	X	NA	NA
Shri P.S. Reddy	✓	✓	✓	✓	✓	✓	✓	✓

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

To ensure smooth functioning of the company, the Board has constituted various Board Committees, including Audit Committee, Nomination and Remuneration / Compensation and Committee and Ethics Committee.

c. Board Procedures

The Board meetings are governed by the predetermined agenda. The Agenda along with the comprehensive notes and background material are circulated well in advance before

each meeting to all Directors for facilitating effective discussion and decision making. The information as specified in Annexure IA of regulation 17 to 27 of SEBI, (Listing Obligations & Disclosure Requirements) Regulations is regularly made available to the Board. The proceedings of the meetings of the Board and its Committees are recorded in the form of minutes and the draft minutes are circulated to the Board / Committee for perusal. The important decisions taken at the Board meetings are communicated to the concerned departments promptly.

d. Committees of the Board

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

I. Audit Committee

a) Composition of the Committee

The Audit Committee consists of 4 non-executive directors, out of which two third are independent/public interest directors. The members on the Audit Committee possess expertise in the fields of finance, accounting, banking and capital market. The Statutory Auditors, internal and concurrent auditors and heads of functional departments are permanent invitees to the Audit Committee meetings. The Company Secretary acts as the secretary to the Committee. The scope of activities and terms of reference of the Audit Committee is as set out in Regulation 18 read with Part C of schedule II of Securities Exchange Board of India (Listing Obligations and requirements) Regulations, 2015 along with Section 177 of the Companies Act, 2013. The following directors are members of the Committee:

1. Shri T. S. Krishna Murthy
2. Shri V. Balasubramaniam
3. Smt. Jayshree Vyas
4. Smt. Anshula Kant

b) Role of the Audit Committee

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

c) Meetings and Attendance

The Committee met four times during the year 2015-16 i.e. on 25th April-2015, 25th July-2015, 31st October-2015 and 30th January-2016. The record of attendance of the members of the Committee at these meetings is given hereunder:

Sr. No.	Name of the member	No. of meetings held during the tenure	No. of meetings attended
1.	Shri N. Rangachary	4	4
2.	Dr. R.N.Nigam	4	4
3.	Shri V. Balasubramaniam	2	1
4.	Smt. Jayshree Vyas	4	4
5.	Smt. Anshula Kant	2	2
6.	Shri T. S. Narayanasami	4	2

II. Nomination and Remuneration / Compensation Committee

As per section 178(2) of the Companies Act, 2013 every listed company and such other class or classes of companies, as may be prescribed are required to constitute the Nomination and Remuneration/Compensation Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors. The following directors are members of the Committee:

1. Shri T. S. Krishna Murthy
2. Smt. Jayshree Vyas
3. Shri Ananth Narayan G
4. Smt. Anshula Kant
5. Shri V. Balasubramaniam

The Committee's terms of reference includes identifying suitable candidates for various director positions, reviewing annually the remuneration to be paid to the whole time directors and employees and recommending fixation / revision in the remuneration for approval of the Board within the maximum limit approved by the members. Other responsibilities include reviewing and changing corporate governance policies. The Committee also decides on recruitment and personnel policy of CDSL.

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

Sr. No.	Name of the member	No. of meetings held during the tenure	No. of meetings attended
1	Shri T. S. Narayanasami	4	4
2	Shri N. Rangachary	4	4
3	Smt. Jayshree Vyas	4	4
4	Shri. Ananth Narayan G	4	3
5	Smt. Anshula Kant	3	2

6. Corporate Social Responsibility Committee :

As mentioned in Section 135 of the Companies Act, 2013 every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

In view of the above provisions your Company has formed a Corporate Social Responsibility Committee which is composed as under:

1. Shri T. S. Krishna Murthy
2. Smt. Jayshree Vyas
3. Shri Nehal Vora

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

Meeting of Independent Directors (Public Interest Directors)

During the year under review, the Independent Directors met two times i.e. on 25th July, 2015 and 30th March, 2016 to review the performance of the company and to exchange the views on critical issues. The Committee at its meeting held on 30th March, 2016 carried out evaluation of the performance of non-independent directors, Board as a whole and its Committee and the Chairperson of the Company. All the Independent Directors were present at the meeting.

Details of remuneration paid to the directors**Managing Director**

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

Non-Executive Directors:

The non-executive Directors are paid remuneration by way of sitting fee. The Company pays sitting fee of ₹25,000/- for attending each Board meeting and Committee meetings to the non-executive directors. The Chairman is paid sitting fee of ₹50,000/- for attending each Board meeting and Committee meeting chaired by him.

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

Name	Shri N. Rangachary	Shri T. S. Narayanasami	Dr. R. N. Nigam
Director Identification Number	00054437	01786981	06566372
Date of Birth	10.06.1938	18.05.1949	21.02.1944
Qualification	FCA, FICWAI, FCS	B.SC (Chennai University)	M.Com (Delhi University) LLB, Post Graduate in Company Law Ph. D (Management Accounting)
Salary (₹)	-	-	-
Commission (₹)	-	-	-
Sitting fee (₹)	1350000	400000	425000
Other compensation (₹)	-	-	-
Total (₹)	1350000	400000	425000

Name	Smt. Jayshree Vyas	Shri Ashishkumar Chauhan*	Shri V. Balasubramaniam*
Director Identification Number	00584392	00898469	00625701
Date of Birth	03.07.1953	16.03.1968	30.07.1971
Qualification	B.Com CA with Advanced Accountancy (ICAI)	B.Tech. in mechanical engineering (IIT), Mumbai Post Graduate Diploma in Management (IIM), Kolkatta	M.Com (Mumbai University) ICWAI Certified Information Systems Auditor
Salary (₹)	-	-	-
Commission (₹)	-	-	-
Sitting fee (₹)	500000	25000	75000
Other compensation (₹)	-	-	-
Total (₹)	500000	25000	75000

Name	Shri Ananth Narayan G %%	Shri Nehal Vora*	Smt. Anshula Kant*
Director Identification Number	05250681	02769054	06998644
Date of Birth	18.05.1969	11.08.1973	07. 09.1960
Qualification	B. Tech (Electrical Engg.), (IIT) Mumbai MBA, (IIM) Lucknow	Commerce degree from Mumbai University and a MMS (Finance) Mumbai University	Post Graduate in Economics from Delhi School of Economics. Certified Associate of Indian Institute of Bankers
Salary (₹)	-		-
Commission (₹)	-		-
Sitting fee (₹)	0	200000	200000
Other compensation (₹)	-		
Total (₹)	0	200000	200000

Name	Shri T.S. Krishna Murthy
Director Identification Number	00279767
Date of Birth	16.05.1940
Qualification	Masters in Fiscal Studies from the University of Bath, U.K.
Salary (₹)	-
Commission (₹)	-
Sitting fee (₹)	25000
Other compensation (₹)	
Total (₹)	25000

Name	Shri P.S. Reddy
Director Identification Number	01064530
Date of Birth	20.02.1963
Qualification	B.A. (Economics), (Andhra University, Visakhapatnam) M.A. (Economics), (University of Hyderabad)
Salary (₹)@	8368800
Perquisites (₹)	54600
Total salary to director	8423400
Sitting fee (₹)	-
Provident Fund	602556
Variable compensation (₹)	1656324
Director remuneration (₹)	1,06,82,280

- Sitting Fees are paid to the Nominating Institutions.
- Shri Ashish Kumar Chauhan, Nominee Director of BSE Limited ceased to be Director w.e.f. 14th August, 2015
- Standard Chartered Bank does not wish to receive any sitting fees for the Board meetings attended by its Nominee Director on the Board.
- Salary includes, sum total of Basic, HRA, MA, LTA, Leave Encashment paid during the year 2015-16.

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

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

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

For the purpose of carrying out performance evaluation exercise, four types of Evaluation forms were devised in which the evaluating authority has allotted to the individual Director, the Board as a whole, its Committees and the Chairperson, appropriate rating such as Excellent, Very Good, Good or Satisfactory depending upon the performance.

Such evaluation exercise has been carried out

- (i) on Independent Directors by the Board on 30th March, 2016
- (ii) on Non-Independent Directors by all the Independent Directors in separate meeting held for the purpose on 30th March, 2016
- (iii) on the Board as a whole and its Committees by all the Independent Directors in separate meeting held for the purpose on 30th March, 2016
- (iv) on the Chairperson by the Independent Directors in separate meeting held on 30th March, 2016 after taking into account the views of the Executive/Non-Executive Directors
- (v) on individual Directors by the Nomination and Remuneration/ Compensation Committee on 30th March, 2016

Having regard to the industry, size and nature of business your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

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

Notes to Financial Statements furnish the transactions with related parties, as stipulated under 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.

	15 th Annual General Meeting	16 th Annual General Meeting	17 th Annual General Meeting
Day & Date	Monday 10 th June, 2013	Thursday, 5 th June, 2014	Thursday, 11 th June, 2015
Time	1.30 p.m.	2.00 p.m.	3.15 p.m.
Venue	BSE Board Room, 26 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	BSE Convention Hall, First Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	CDSL Board Room, 16 th Floor, P.J. Towers, Dalal Street, Mumbai 400001.
Book Closure	- Nil -	- Nil -	- Nil -
Payment of Dividend	₹ 2 per share i.e. 20%	₹ 2 per share i.e. 20%	₹ 2.2 per share i.e 22%
Dividend payment date	10 th June, 2013	5 th June, 2014	11 th June, 2015
No. of Special resolutions set out at the AGM	1	2	2

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

CEO / CFO Certificate

As required under Schedule V, Regulation 34(3) and 53(f) of Securities Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulation, 2015 the CEO/ CFO

Certificate for the FY 2015-16 signed by Shri P. S. Reddy, Managing Director & CEO and Shri Bharat Sheth, Chief Financial Officer form part of the Annual Report.

Disclosures

Disclosures on materially significant related party transactions

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

Related party transactions

The Members of the Company have, vide Special Resolution passed in the 17th Annual General Meeting held on 11th June, 2015, consented to the Company entering into Related Party Transactions to the extent of ₹10 crores during the year 2015-16. In accordance with the Members' consent your company has entered into transactions with related party within the aforesaid limit. All such transactions were in the ordinary course of business and on an arm's length basis. Although the provisions of Section 188 of the Companies Act, 2013 are not attracted, your company had sought Members' approval for all related party transactions as a measure of good corporate governance. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. Similarly, a Special Resolution has also been proposed in the Notice convening 18th Annual General Meeting seeking Members' approval for related party transactions to the extent of ₹ 1114.64 Lakhs to be entered into with related parties during the financial year 2016-17

Details of non-compliance(s) by the company

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

Compliance with mandatory requirements

Your company has complied with all the mandatory requirements of the Code of Corporate Governance (declaration attached as Annex-I) to the extent they are applicable to a depository. A certificate from M/s. Pramod S. Shah & Associates, Practicing Company Secretaries confirming the compliance, is annexed to the Directors' Report and forms part of the Annual Report.

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

Audit Qualifications

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

Whistle Blower Policy

Your Company has adopted a Whistle Blower Policy with an objective to provide employees a framework and to establish a formal mechanism or process whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication. In accordance with the Policy and to comply with the Code of Ethics for Directors and Key Management Personnel as prescribed under SEBI (Depositories and Participants) (Amendment) Regulations, 2012, an Ethics Committee has been constituted comprising of Shri T.S.Krishna Murthy, Shri Nehal Vora and Smt. Jayshree Vyas. The employees can make Disclosures to the Ethics Committee regarding any malpractices or event or activity that may have occurred in the organization and which may be considered as unethical or fraudulent. The employees may, where the matters are of grave nature, make Protected Disclosures directly to the Chairperson of the Ethics Committee.

Means of Communications

- The company issues communiqués to its depository participants and to Registrar and Transfer Agents as and when necessary.
- Beneficial Owners registered for CDSL's internet services easi and easiest can view and monitor their accounts online.
- Beneficial Owners registered for CDSL's internet services easi and easiest can now view and monitor their accounts through Myeasi Mobile App.
- Beneficial Owners registered for CDSL's SMS alert facility SMART are informed about any debit in their accounts by way of SMS.

- The website of the Company www.cdslindia.com acts as the primary source of information regarding the operations of the Company. Important developments in the depository, financial results and media releases are being displayed on the Company's website www.cdslindia.com.
- CDSL Infoline', a bi-monthly publication and e-infoline, a monthly publication of the company, provides latest updates to the market participants.
- Your Company also allows DPs to submit BO Grievance Reports and internal audit reports electronically.
- The Company has 14 shareholders as on March 31, 2016. The main channel of communication to the shareholders is through annual report which includes inter alia, the Directors' report, the Auditors' report, Report on corporate governance, Audited financial statements and other important information. The quarterly results of the company are displayed on the website.
- The Annual General Meeting is the principal forum for face-to-face communication with shareholders, where the Board responds to the specific queries of the shareholders.

Code of Conduct

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

General Shareholder Information

Eighteenth Annual General Meeting

Day & Date	Wednesday, 1 st June, 2016
Time	2.30 p.m
Venue	CDSL Board Room, 16 th Floor, P.J. Towers, Dalal Street, Mumbai 400001.
Book Closure	- Nil -
Payment of Dividend	25%
Dividend payment date	1 st June, 2016

Financial Year:

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

Listing on Stock Exchange

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

Registrar and Transfer Agent

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

Share Transfer System:

The company has Share Allotment and Transfer Committee. The Committee consists of non-executive directors. Shri T.S. Krishna Murthy is the Chairman of the Committee.

Shareholding Pattern

The company's issued and paid up capital of ₹104.50 crores consists of 10.45 crore shares of ₹10/- each. Details of the shares held by different shareholders as on 31st March, 2016 are as follows:

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

Annual Report

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

Address for Correspondence

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

Central Depository Services (India) Limited
17th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001
Tel : (Direct) 022 – 227228619
(Board) 22723333 / 22723224
Fax : 022 – 22722072
Email : raghunathr.cirl@cdslindia.com

For and on behalf of the Board

Place : Mumbai
Date : 28th April, 2016

Sd/-
T.S. Krishna Murthy
Chairman
(DIN: 00279767)

Annex-I

Declaration as required with respect to the Code of Conduct

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2016.

P. S. Reddy
Managing Director & CEO

Place : Mumbai
Date : 28th April, 2016

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

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

To,

The Members,

Central Depository Services (India) Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, 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 31st March, 2016 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;

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

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

We further report that

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

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

During the period, all the decisions in the Board Meetings were carried out unanimously.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in Annexure I.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. (As mentioned above and listed in Annexure I)

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

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

Date: 28th April, 2016
Place: Mumbai

Annexure I

1. Employees' Provident Fund Act, 1952 and Rules
2. Professional Tax Act, 1975 and Rules
3. Payment of Gratuity Act, 1972
4. Apprentices Act, 1961
5. Contract Labour (R&A) Act, 1970
6. Employment Exchanges (Compulsory Notification of vacancies) Act, 1959
7. Employees State Insurance Act, 1947
8. Employees Provident Fund & Misc provisions Act, 1952
9. Equal Remuneration Act, 1976
10. Minimum Wages Act, 1948
11. Payment of Bonus Act, 1965
12. Shop and Establishment Act
13. Income Tax Act, 1961
14. Finance Act, 1994

Management Discussion and Analysis Report

1. Introduction

Your Company is engaged in the business of providing depository services in India in respect of various types of securities through depository participants. As a depository, your company is an important Market Infrastructure Institution and has put in place necessary infrastructure for recording allotment and transfer of securities in dematerialized form and to protect the interest of the investors.

2. Industry Structure and Developments

As a depository, CDSL extends its services to investors through depository participants who provide an interface between the depository and the beneficial owners. The clearing corporations of stock exchanges are electronically connected for processing settlement of transactions. The activities like dematerialization and rematerialisation of securities, corporate actions such as issue of rights and bonus shares, consolidation, subdivision and redemption of securities are carried out by the issuers of securities or their Registrars and Transfer Agents who have established electronic connectivity with your company.

To leverage the infrastructure and information for the benefit and protection of investors with a view to make the capital market a safer place, your company has launched many investor friendly systems such as Mobile App, CAS, etc.

Gaining the experience over a period of 17 years of its operations, CDSL has leveraged its expertise by setting up CDSL Ventures Limited – the 1st and largest KYC Registration Agency (KRA) in the country and CDSL Insurance Repository Limited for demat of insurance policies.

3. Opportunities and Threats

We believe that the competitive advantage in the services CDSL offers will set it apart as the depository of choice. Through efficient systems and processes and a customer centric approach, CDSL aims to be both differentiated and relevant to the needs of the investor. This is being done by focusing on increasing efficiencies, continuing investment in technologies, robust risk management systems and complete bouquet of products / services.

Opportunities

Participation of Indian retail investors through equity mutual funds route has improved. Total inflows in FY 2016 have been close to ₹68,000 crores. The (Market Capitalization) MCap/GDP ratio has fallen to attractive levels. Given the improving outlook for economic growth and lower Mcap/GDP, the outlook for equities is positive.

The Ministry of Corporate Affairs (MCA) has notified that every listed company or a company having not less than one thousand shareholders should provide their shareholders a facility to exercise their right to vote at general meetings by electronic means.

Further, SEBI has already made it mandatory for all the listed companies to register for e-Voting, in case of all Postal Ballots and General Meetings. CDSL has been offering e-Voting facility from November 2009 and more than 4000 companies have signed agreement for availing of its e-Voting facility.

Threats

Chinese economy has been facing slow down. Due to this, we could see some difficult times in future. This may lead to increased volatility in emerging markets including India. Consequently, the delivery based trading may take a downward trend which will impact the billable transactions in depository.

Recently, SEBI has come out with a circular advising DPs to convert existing accounts into Basic Service Demat Account (BSDA) as per guidelines given in their circular. Due to this DPs will not be in position to charge AMC to BSDA accounts which will result in significant revenue impact for the DPs. This may lead to DPs closing down the dormant/non remunerative demat accounts.

During FY 2015-16, 13 DPs surrendered their DP registrations. Many DPs are finding it unviable to remain in this business due to increase in compliance and operational costs and therefore, surrender their DP registrations. DPs are the face of the depository for BOs and a continuation of this trend may dent the availability of demat services.

4. Segment wise / product wise Performance

The depository services of CDSL cannot be classified into different business segments or

products. Its performance may, therefore, be viewed in an integrated manner from the data furnished hereunder:

a. Operational highlights:

Sr. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015	Growth in percentage (%) terms
1.	Beneficial Owner Accounts			
	- Gross	14,510,902	13,087,397	10.88
	- Net	10,790,738	9,610,002	12.29
2.	Holdings of securities			
	Value (in million ₹)	13,267,966	13,942,638	(4.84)
	Volume (in million)	227,549	206,012	10.45
3.	Number of Depository Participants	583	574	1.57

b. Financial Performance

The company registered a gross income of ₹ 1160.79 million in 2015-16 as against ₹ 1051.96 million in the previous financial year. The profit after tax amounted to ₹ 633.97 million as against the net profit of ₹ 347.36 million in the previous year, reflecting an increase of 83% over the previous year. The increase in Profit After Tax is mainly attributed to exceptional income of ₹ 331.04 million on account of write back of excess provision made towards IPF from FY 12-13 to FY 14-15. The financial performance of the company is mainly dependent on the capital market conditions.

Discussion on financial performance with respect to operational performance for the year 2015 - 16

1. Operating Revenues:

The income from operations was ₹ 1017.37 million as against ₹ 856.43 million for the previous year. The major contributors towards operational income were custodial fees from Issuers at ₹ 481.35 million, Transaction charges at ₹ 258.42 million and IPO / corporate action charges at ₹ 107.07 million.

2. Other Income :

Other income consisting of interest on bank deposits, interest on debt investment, dividend from mutual funds, profit earned on sale of mutual fund units and rental income, was at ₹ 143.42 million, registering a decrease of 27% over the previous year.

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

Total expenses including personnel cost, system maintenance charges, other expenses and depreciation amounted to ₹ 531.95 million as compared to ₹ 451.53 million for the previous year.

4. Contribution to Beneficial Owners Protection Fund amounting to ₹ 23.12 million is made in the current year as against ₹ 123.46 million in the previous year.

5. Profit :

(i) Profit Before Tax (PBT) amounted to ₹ 936.76 million as against ₹ 493.85 million for the previous year.

(ii) A sum of ₹ 302.79 million was provided for Income Tax for the year ended 31st March, 2016.

The net profit for the year ended 31st March 2016 was ₹ 633.97 million as against ₹ 347.36 million for the previous year.

Future Outlook

FY 2015-16 has been one of the best for IPO Market in the last five years. Despite turbulent secondary markets, 24 main-board IPOs came to the market collectively raising ₹ 14,461 crore (previous year 8 IPOs raised ₹ 2,770 crore). According to

Prime Database FY 2016-17 looks promising. Already at the beginning of the year, there are 25 companies holding SEBI approval wanting to raise over ₹ 12,500 crore and another 6 companies wanting to raise about ₹ 3,000 crore awaiting SEBI approval. As per Asian Development Bank (ADB), India's GDP is expected to grow 7.4% in FY 2016-17. The International Monetary Fund (IMF) has also projected a growth rate of 7.5% for FY 2016-17. The interest rates are also expected to trend downwards. This will lead to significant pick up in Capital Market activities. Should this trend continue, this augurs well for your company, whose major income component is closely linked to the Capital market.

6. Risk Management

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

A Risk Management Committee has been constituted to assess and recommend strategies to mitigate the risks involved in depository and depository participant business. SEBI vide its circular no. CIR/MRD/DP/1/2015 dated January 12, 2015 advised the depositories to appoint a Chief Risk Officer and to establish a clear comprehensive and well documented risk management framework to continuously identify, evaluate and assess applicable risks in depository system, suggest measures to mitigate risk wherever applicable. The Board consequently appointed Shri Ramkumar K. as Chief Risk Officer who shall organize meetings of risk management Committee and report to the Board. The company also had appointed M/s. M. P. Chitale & Co. for risk assessment and preparation of Risk Management policy of CDSL. They have submitted a comprehensive report in October 2015 and your company has meticulously implemented the recommendations contained in the said report of M/s. M.P. Chitale & Co.

As a risk management measure, SMS alerts are sent by CDSL directly to BOs for any debit transaction, modifications in important client details like address, nominee etc., pledge transactions, credits received through dematerialization, IPOs and /or corporate actions. Also, Consolidated Account statements are sent by CDSL directly to BOs wherever email ids are available with CDSL. Also, with a view to reducing risks for BOs in cases where POAs are given to stockbrokers/DPs, CDSL has submitted to SEBI a concept paper suggesting appropriate risk mitigation measures.

CDSL has continued with its policy to lay more stress on compliance so as to ensure that the integrity of the depository system is not compromised, since this is a key driver for sustainable growth. Your company has also obtained a Special Contingency Insurance Policy to cover risks associated with Securities Depository Operations with indemnity limit of ₹50 Crores (Any one Accident) and ₹100 Crores (Any one Year) covering the company and its depository participants. The aforesaid policy also covers Cyber Risk Liability with a sub- limit of ₹20 Crores. Your Company has also taken an insurance policy covering risks associated with operations in warehouse receipts held in electronic form with indemnity limit of ₹5 Crores (Any one Accident) and ₹10 Crores (Any one Year).

CDSL performs periodic Information Systems Audit with a view to secure its IT environment and to improve various IT related processes. The comprehensive System Audits which covers entire IT infrastructure is carried out by external system auditors. Your Company has undergone recertification audit and is now certified for ISO 27001:2013. Your Company is also certified with coveted ISO 22301:2012 certification for its Business Continuity Management System.

The compliance of audit is done promptly, the progress of which is monitored by IT Strategy Committee.

7. Monitoring of DP Operations

Evaluation of adequacy of internal controls and procedures of the DPs is done by CDSL through annual inspections. Over and above the annual supervision, as mandated by SEBI, the DPs are required to upload their operational data and other information in a Risk Assessment Template to CDSL on half yearly basis to enable risk based assessment and rating of DPs as per their risk exposure. A module has

been developed by CDSL for risk rating of its DPs. SEBI will issue guidelines on frequency of inspection and size of sample for inspection of DPs based on their risk rating.

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

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

During the year CDSL conducted inspection of 578 Main DPs, 134 live connected branch DPs and 516 service centers (total 1228). During the year CDSL also conducted inspection of 86 RTAs. Some of the common non-compliances observed were viz: 1) KYC documents not uploaded to KRA within 10 days of opening of account, 2) in case of rejection of demat request, share certificates and rejection letter received from RTA not returned to the concerned BO within 7 days, 3) in case of off-market transfer, consideration/purpose not mentioned on DIS, 4) details of verification with BO not mentioned on DIS for transactions in dormant account, 5) all associated persons have not passed NISM Series VI examination, 6) Compliance officer is not NISM Series IIIA certified, 7) risk based client categorization as required under PMLA not done, 8) income details of the clients not captured in the system etc. During the year 39 DPs were referred to the Disciplinary Action Committee. A penalty of ₹1,24,950/- was imposed on 23 DPs for various non compliances and warning letters were issued to 16 DPs for delayed submission of compliance.

Cautionary Statement:

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

Place : Mumbai

Date : 28th April, 2016

For and on behalf of the Board

Sd/-

T.S. Krishna Murthy

Chairman

(DIN: 00279767)

Annex D**Profile of Director who is liable to retire by rotation and seek reappointment and of Additional Directors appointed during the year who hold the office until the Commencement of the Annual General Meeting.****Shri Nehal Vora**

Shri Nehal Vora is the Chief Regulatory Officer of BSE Limited and a Board member of Indian Clearing Corporation Limited. He is member of the Risk Management Review Committee of SEBI.

His other Board Memberships include that of National Power Exchange Ltd, Asian Indices Pvt. Ltd., The BSE Institute Ltd. and Institutional Investor Advisory Services India Limited (IIAS).

Shri Nehal started his career with Securities and Exchange Board of India (SEBI) in 1996. He spent the next 10 years in various functions including the Derivatives and New Products Department, covering policy, product and process innovation in areas of derivatives. He implemented the T+2 rolling settlement and system of Straight through Processing for the Institutional trades.

After making his mark at SEBI, Nehal joined DSP Merrill Lynch Ltd. as Director, Law and Compliance. Here, he headed the Broking and Investment Banking Compliance for a period of 3 years. In recognition of his commitment and dedication to the Compliance Function at DSP Merrill Lynch, he was awarded OGC Living the Mission Award in 2008 by Merrill Lynch.

In 2009, he joined BSE Limited and today heads all the Regulatory functions of BSE Ltd. including membership compliance, surveillance, inspection, investigation, regulatory communication, investor services, listing compliance and regulatory legal.

Shri Nehal is the Chair of the Cyber Resilience Taskforce of The Affiliate Members Consultative Committee (AMCC) of The International Organization of Securities Commissions (IOSCO). This is the first such Committee on cyber resilience which analyzed cyber preparedness of SROs and Market Participants across the globe and has

given considerations on a Micro and Marco level to face cybercrime.

He is frequently invited to international forums and conferences to share his knowledge and present his views. He is also a lecturer at the National Institute of Securities Markets (NISM).

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

Smt. Anshula Kant

Smt. Anshula Kant is a Post- Graduate in Economics from Delhi School of Economics. Qualified as a Certified Associate of the Indian Institute of bankers in 1990.

Smt. Kant joined State Bank of India as a Probationary Officer in 1983. She has handled many crucial assignments over three decades in the Bank and has gained experience in Retail Banking, Corporate Credit, Cross- Border Trade and Banking in Developed Markets- both retail and wholesale. Till recently she was Dy. Manager Director & Chief Operating Officer in the National Banking Group. Earlier she headed the Bombay Circle of the Bank as Chief General Manager, covering the States of Maharashtra & Goa.

Her other assignments include those as General Manager, Performance Planning & review, Corporate Centre, Mumbai; Chief Executive Officer, Singapore; Assistant General Manager of Special Commercial Branch, Varanasi, a leading Carpet and Silk Export Centre; and Chief Manager, Credit Appraisal Cell, LHO, Lucknow.

Shri V. Balasubramaniam

Shri V. Balasubramaniam is the Chief Business Officer at the BSE Ltd. (Bombay Stock Exchange) responsible for the markets business encompassing Equities, Equity Derivatives, Debt, Interest Rate Futures, Currency Derivatives, Mutual Fund Distribution platform at BSE and also in-charge of all the new initiatives planned by BSE including the setting up of Commodities Market and the international exchanges in GIFT City. He also till recently oversaw the listings business, market data business and trading operations of BSE.

He was instrumental in taking the BSE to achieve leadership position with market share of over 45 % in a short span of 15 months in the Currency Derivatives.

He is part of the Executive Management Committee which oversees the day-to-day functioning of the exchange and he has served in numerous boards viz. the Central Depository Services of India Ltd, BSE Institute Limited, Asia Index Pvt. Ltd. a joint venture between BSE and S&P Dow Jones Index, BFSI Sector Skill Council, BSE Investments, Bank of India Shareholding Ltd., Calcutta Stock Exchange etc. He currently serves as the Board Member of the Futures Industry Association – Asia and is the Co-Chair of the Capital Markets Working Group of FICCI.

He has close to 25 years of experience in Capital Markets & Exchange industry and was also part of the core team involved in setting up the National Stock Exchange of India as it's first professional team member and was instrumental in setting up the Capital Market segment, creating the Nifty-50 index, setting up NCFM the first certification programme in stock markets and the equity derivatives segment among others. He also worked in Reliance Group for almost a decade before joining BSE.

Shri Balasubramaniam is a Masters in Commerce from Mumbai University and a Rank holder from the Institute of Cost Accountants of India.

Shri Taruvai Subayya Krishna Murthy

He is a former Indian Revenue Service Officer and was the Chief Election Commissioner (C.E.C) of India (February 2004 - May 2005). He had earlier served in the Election Commission of India as a Commissioner since January 2000.

Shri Krishna Murthy started his career as a probationary officer at the Bank of India (1961-1963) and later as an Indian Revenue Service officer in 1963. He served the government at various levels including as Secretary, Department of Company Affairs.

As Secretary, Department of Company Affairs, he is credited with setting up of Investor Education and Protection Fund set up from unclaimed dividends of companies.

Having served number of ministries in New Delhi including Shipping and Finance, he was deputed to the Hindustan Shipyard Limited in Visakhapatnam. One of the key jobs he has handled was that of Chief Commissioner of Income Tax in Bombay. He has also served as an IMF advisor in Ethiopia and Georgia.

As Chief Election Commissioner he was an observer to the elections in Zimbabwe and the U.S Presidential Elections in 2004. In 2005, Shri Krishna Murthy was appointed by the Supreme Court of India to conduct the elections 2005 to the Board of Control for Cricket in India (B.C.C.I) in order to ensure free and fair polls amidst the different factions within the BCCI.

Shri Ananth Narayan G

Shri Ananth Narayan G, presently, is a Regional Head, Financial Markets, ASEAN and South Asia Standard Chartered Bank.

Shri Ananth has over 22 years of experience in the banking industry. He holds a B.Tech (Electrical Engineering) from The Indian Institute of Technology (IIT) Bombay and a MBA from The Indian Institute of Management (IIM) Lucknow.

He joined Standard Chartered Bank in August 2009 as Head of FXRC Trading, South Asia. He was the Head of Financial Markets, South Asia from March 2012 to September 2015. He is the Regional Head of Financial Markets, ASEAN & South Asia since 1st October 2015.

As Regional Head of Financial Markets, he has responsibility for business strategy, performance and people for Financial Markets across ASEAN and South Asia. Prior to Standard Chartered Bank he was with Citibank in Mumbai till 2005 (Director & Head of FICC Trading), and with Deutsche Bank in Mumbai (Head of Rates Sales & Trading, South Asia – till August 2009)

Shri Ananth is a director on the boards of Standard Chartered Securities (India) Ltd, Central Depository Services (India) Ltd. (CDSL), Fixed Income Money Market and Dealers Association (FIMMDA) and Foreign Exchange Dealers Association of India (FEDAI).

Shri Ananth has been a part of various RBI Committees (including the one that launched FX Options in India, Interest Rate Futures, Financial Stability, Financial Benchmarks etc). He appears in print and television media for views on financial markets. He is passionate about learning, ethics & integrity, people, collaboration, and innovation.

Annex-E

Statement under Section 134(3) of the Companies Act 2013 read with the Rule (5)(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Depositories and Participants)(Amendment) Regulations 2012

Name & Qualification	Age in years	Designation	Remuneration received (₹)	Experience (No. of years)	Date of commencement of employment	Last employment & designation
Shri P. S. Reddy M.A.	53	MD & CEO	1,06,82,280	27	8 th November, 2006	BSE Chief General Manager – Surveillance & Inspection
* Shri Cyrus Khambata M.Com, LLB, CAIIB	60	Executive Vice President	74,72,408	38	18 th May, 1998	Bank of India - Officer
Shri Joydeep Dutta BE(EE), MS(EE), MS(Comp.Sc)	56	Chief Technology Officer	68,95,692	34	7 th July, 2014	CIO Advisory & IT consultant

Notes:

1. Remuneration includes basic salary, performance linked incentive, other allowances, company's contribution to provident fund and taxable value of perquisites.
2. The said executives are not relatives of any Directors of the company.
* Remuneration paid to Shri Cyrus Khambata is reimbursed by CDSL Ventures Limited.

CEO AND CFO CERTIFICATE

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

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

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that -
 - i. there have not been any significant changes in internal control over financial reporting during the year under reference;
 - ii. there have not been a significant change in accounting policy during the year requiring disclosure in the notes to the financial statements; and
 - iii. there have not been any instances during the year of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

P. S. Reddy
Managing Director & CEO

Bharat Sheth
Chief Financial Officer

Place : Mumbai
Date: 28th April, 2016

Annexure F

MGT - 9 Extract of Annual Return

I. REGISTRATION AND OTHER DETAILS

i)	CIN:-	U67120MH1997PLC112443
ii)	Registration Date –	12/12/1997
iii)	Name of the Company -	Central Depository Services (India) Limited
iv)	Category / Sub-Category of the Company – Company having Share capital	Company having Share capital
v)	Address of the Registered office and contact details	Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Fort, Mumbai 400001 Maharashtra Tel No. 22723333
vi)	Whether listed company	No
Vii)	Name , Address and Contact details of Registrar and Transfer Agen, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held held	Applicable Section
1	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	U67120MH2005PLC155188	Holding	54.2	2(46) of the Companies Act, 2013
2	CDSL Ventures Ltd Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai- 400001	U93090MH2006PLC164885	Subsidiary	100	2(87) of the Companies Act, 2013
3	CDSL Insurance Repository Limited Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai- 400001	U74120MH2011PLC219665	Subsidiary	51	2(87) of the Companies Act, 2013

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

i) Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	total shares	Demat	Physical	Total	total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	56634600	-	56634600	54.20	56634600	-	56634600	54.20	0
e) Banks / FI	44864600	-	44864600	42.93	44864600	-	44864600	42.93	0
f) Any Other....	1000000		1000000	0.96	1000000		1000000	0.96	0
Sub-total (A) (1):-	102499200	-	102499200	98.09	102499200	-	102499200	98.09	0
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
a) Any Other....									
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	102499200	-	102499200	98.09	102499200	-	102499200	98.09	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/ FI	2000000	-	2000000	1.91	2000000	-	2000000	1.91	0
c) Central Govt									
d) State Govt (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	2000000	-	2000000	1.91	2000000	-	2000000	1.91	0
2. Non-Institutions									
a) Bodies Corp									
i) Indian	800	-	800	-	800	-	800	-	0
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	800	-	800	-	800	-	800	-	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2000800	-	2000800	1.91	2000800	-	2000800	1.91	0
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	104500000	-	104500000	100	104500000	-	104500000	100	0

(ii) Shareholding of Promoters

Sr No	Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	
1	BSE Ltd.	56634600	54.2	-	56634600	54.2	-	0
2	Bank of India	5820000	5.57	-	5820000	5.57	-	0
3	Bank of Baroda	5300000	5.07	-	5300000	5.07	-	0
4	State Bank of India	10000000	9.57	-	10000000	9.57	-	0
5	Canara Bank	6744600	6.45	-	6744600	6.45	-	0
6	HDFC Bank Ltd	7500000	7.18	-	7500000	7.18	-	0
7	The Calcutta Stock Exchange Association	1000000	0.96	-	1000000	0.96	-	0
8	Union Bank of India	2000000	1.91	-	2000000	1.91	-	0
9	Standard Chartered Bank	7500000	7.18	-	7500000	7.18	-	0

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

Sr No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	102499200	98.09	NA	NA
	Date wise Increase / Decrease in Promoters				
2	Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change	No change	NA	NA
3	At the End of the year	102499200	98.09	NA	NA

(iv) Shareholding Pattern of top ten Shareholders other than Directors, Promoters and Holders of GDRs and ADRs)

Sr No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Bank of Maharashtra				
	At the beginning of the year	2000000	1.91	2000000	1.91
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change	No change	No change	No change
	At the End of the year (or on the date of separation, if separated during the year)	2000000	1.91	2000000	1.91

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	P. S. Reddy (MD & CEO)	Total Amount
	Gross salary		
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9945879	9945879
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	54331	54331
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	10000210	10000210
	Ceiling as per the Act	5% of Net Profit	

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Shri N. Rangachary	Shri T. S. Narayanasami	Dr. R. N. Nigam	Smt. Jaysree Vyas	Shri Ashishkumar Chaunhan	Shri V. Balasubramaniam	
3.	Independent Directors -Fee for attending board / committee meetings -Commission -Others, please specify	1070000	590000	285000	420000			2365000
	Total (1)							2365000
4.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify					195000	225000	680000
	Total (2)							680000
	Total (B)=(1+2)							3045000
	Total Managerial Remuneration							
	Overall Ceiling as per the Act							

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Shri Bharat Sheth	Shri. Satish Budhakar	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4112853	3981495	8094348
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32400	135849	168249
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of Profit - others, specify...			
5	Others, please specify			
	Total	4145253	4117344	8262597

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Central Depository Services (India) Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

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

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

We conducted our audit of the financial statements in accordance with the Standards on

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on

- March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts as at the year end. The Company does not have any outstanding derivative contracts as at the year end.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

MUMBAI, April 28, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the 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, 2016 in conjunction with our audit of the 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included

obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 issued by the Institute of Chartered Accountants of India.

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

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

MUMBAI, April 28, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) According to the information and explanations given to us, the Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) The Company has not granted any loans, made investments or provided guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in this regard in the case of the Company.
- (vi) To the best our knowledge and according to the information and explanations given

to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Value Added Tax, Income-tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. There were no amounts payable in respect of Sales Tax, Customs Duty, Work Contract Tax, and Excise Duty.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, cess, Sales Tax, Customs Duty, Work Contract Tax, Value Added Tax and Excise Duty and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax and Service Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Sr. No.	Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs in lakh.)	Amount Unpaid (Rs in lakh.)
1	Service Tax	Service Tax	The Commissioner of Service Tax, Mumbai	FY 2004-05 to 2008-09	1,790.71	1,790.71
2	Service Tax	Service Tax	The Commissioner of Service Tax, Mumbai	FY 2009-10	465.38	465.38
3	Service Tax	Service Tax	The Commissioner of Service Tax, Mumbai	FY 2007-08 to 2011-12	5.91	5.91

There are no dues of Sales Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2016 on account of disputes.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government and has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

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

MUMBAI, April 28, 2016

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
Balance Sheet as at March 31, 2016

(₹) In Lakh

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	10,450.00	10,450.00
(b) Reserves and surplus	4	26,170.89	22,975.61
2 Non-current liabilities			
(a) Other Long term liabilities	5	2,303.33	2,229.83
3 Current liabilities			
(a) Trade payables	6		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		634.59	597.20
(b) Other current liabilities	7	1,727.03	4,797.81
(c) Short-term provisions	8	3,823.28	2,985.15
TOTAL		45,109.12	44,035.60
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		295.14	467.00
(ii) Intangible assets		63.73	113.70
(b) Non-current investments	10	20,890.56	22,029.98
(c) Deferred tax assets	11	747.62	527.48
(d) Long-term loans and advances	12	1,196.59	1,145.34
2 Current assets			
(a) Investments	10	16,222.05	14,070.78
(b) Trade receivables	13	969.58	371.23
(c) Cash and Bank Balances	14	4,025.21	4,845.85
(d) Short-term loans and advances	15	163.47	183.40
(e) Other current assets	16	535.17	280.84
TOTAL		45,109.12	44,035.60
See accompanying notes forming part of the financial statements	1- 30		

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

T. S. Krishna Murthy
Chairman

P. S. Reddy
Managing Director & CEO

G. K. Subramaniam
Partner

Bharat Sheth
Sr. Vice President
& Chief Financial Officer

Place : Mumbai,
Date : April 28, 2016

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED			
Statement of Profit and Loss for the year ended March 31, 2016 (₹) In Lakh			
Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
I. Revenue from operations	17	10,173.65	8,564.28
II. Other income	18	1,434.20	1,955.36
III. Total Revenue (I + II)		11,607.85	10,519.64
IV. Expenses:			
Employee benefits expense	19	1,949.30	1,687.29
Depreciation and amortisation expense	9	343.47	490.37
Other expenses (Including contribution to IPF ₹231.25 Lakh in current year (Refer Note no. 26)	20	3,257.99	3,572.21
Total expenses		5,550.76	5,749.87
V. Profit before exceptional items and tax		6,057.09	4,769.77
VI. Exceptional items	26	3,310.40	168.81
VII Profit before tax		9,367.49	4,938.58
VIII Tax expense:			
Current tax		3,248.00	1,537.00
Current tax expenses relating to prior years		-	65.83
Net current tax expenses		3,248.00	1,602.83
Deferred tax		(220.14)	(137.95)
IX Profit for the year		6,339.63	3,473.70
X Earnings per equity share Basic and Diluted EPS		6.07	3.32
XI Nominal value per share (₹)		10.00	10.00
Weighted average number of shares		104,500,000	104,500,000
See accompanying notes forming part of the financial statements	1- 30		

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

T. S. Krishna Murthy
Chairman

P. S. Reddy
Managing Director & CEO

G. K. Subramaniam
Partner

Bharat Sheth
Sr. Vice President
& Chief Financial Officer

Place : Mumbai,
Date : April 28, 2016

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
Cash Flow Statement for the year ended March 31, 2016

Particulars	For the year ended March 31, 2016 (₹) In Lakh	For the year ended March 31, 2015 (₹) In Lakh
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXES	9,367.49	4,938.57
Net Profit for non-cash and other items to be disclosed separately		
Add : Depreciation	343.47	490.37
Provision for Doubtful Debts	110.00	127.36
Bad debts written off	148.97	183.29
Provision for Gratuity and Leave Encashment	36.61	29.47
Provision for diminution in the value of investments	28.65	-
Less : Profit on redemption of units of Mutual Funds/Bonds/ETF	13.67	808.97
Write back of provision for diminution in the value of investments	-	19.79
Dividend Income from Mutual Funds	220.51	209.83
Profit on Sale of Fixed Assets	1.29	2.55
Interest on Fixed Deposits	394.21	369.53
Interest on Bonds	657.01	417.58
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	8,748.50	3,940.81
<u>Adjustment for changes in working capital</u>		
Trade Receivables	(857.32)	(348.57)
Short-term loans and advances	19.93	(39.60)
Other current assets and Long term loans & advances	(46.39)	-
Trade payables	37.39	168.67
Other long term liabilities	73.50	35.82
Other current liabilities	(3,033.16)	1,393.10
Short-term provisions	279.27	(0.02)
CASH GENERATED FROM OPERATIONS	5,221.72	5,150.21
Taxes Paid	(3,128.15)	(1,582.67)
A NET CASH FLOW FROM /(USED IN) OPERATING ACTIVITIES	2,093.56	3,567.54
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed assets	(185.34)	(219.90)
Sale of Fixed Assets	1.46	4.39
Purchase of Investments	(9,573.68)	(21,031.25)
Purchase of Investments - Earmarked	(16.56)	(13.80)
Sale proceeds of Investments	8,563.43	20,437.30
Deposits with Banks - Deposit	(1,990.00)	(4,790.00)
Deposits with Banks - Accept	2,890.00	3,505.85
Dividend Received	220.51	209.83
Interest Received	843.00	755.27
B NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES	752.82	(1,142.31)

<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Dividend Paid including Dividend Distribution Tax	(2,767.03)	(2,445.19)
C NET CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES	(2,767.03)	(2,445.19)
NET INCREASE / (DECREASE) IN	79.36	(19.96)
CASH & CASH EQUIVALENTS (A+B+C)		
Cash and Cash Equivalents at the beginning of the period	55.85	75.81
Cash and Cash Equivalents at the end of the period	135.21	55.85
	79.36	(19.96)
1 . Cash and Cash Equivalents comprise		
Cash and Cheques on Hand	0.38	0.21
With scheduled bank on		
Current Accounts	133.60	54.41
With RBI - Current Account	1.23	1.23
	135.21	55.85
2. Reconciliation of Cash and Cash Equivalents		
Cash and Bank Balances as per Balance Sheet	4,025.21	4,845.85
Bank Deposits with initial maturity date after three months	3,890.00	4,790.00
Cash and Cash Equivalents as per Cash Flow Statement	135.21	55.85

Notes :

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

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

T. S. Krishna Murthy
Chairman

P. S. Reddy
Managing Director & CEO

G. K. Subramaniam
Partner

Bharat Sheth
Sr.Vice President
& Chief Financial Officer

Place : Mumbai,
Date : April 28, 2016

Notes forming part of the Financial Statements for the year ended 31st March 2016

1. General Information

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

2. Significant Accounting Policies:

a) General

Basis of accounting and preparation of financial statements

The financial statements are prepared on the historical cost convention, on the accrual basis of accounting and conform to accounting principles of the Company in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Use of Estimates

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

b) Fixed Assets

Fixed assets are shown at their original cost of acquisition including taxes, duties, freights and other incidental expenses relating to acquisition and installation,

incurred until the asset is ready to put to use for its intended purpose, less accumulated depreciation and accumulated impairment losses, if any.

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

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

c) Software Costs

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

d) Depreciation/Amortization/Impairment Loss

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

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

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

The carrying amounts of assets are reviewed at each Balance Sheet date if there is an indication of impairment based on internal and external factors. The asset is treated as impaired when its carrying cost exceeds the recoverable amount.

Impairment loss, if any, is charged to the Statement of Profit and Loss for the period in which the asset is identified as impaired. Reversal of impairment loss recognized in the prior years is recorded when there is an indication that impairment losses recognized for the asset, no longer exist or have decreased.

e) Investments

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

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

f) Employee Benefits

Short term Employee Benefits are estimated and provided for.

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

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

(i) Defined Contribution Plans:

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

Contributions to the defined contribution plans are charged to Statement of Profit and Loss for the respective financial year as and when services are rendered by the employees.

(ii) Defined Benefits Plans:

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

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

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

g) Current tax and deferred tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. The deferred tax for timing differences between the book and tax profits for the year is accrued for, using the tax rates and laws those have been substantively enacted as of the balance sheet date. Deferred tax assets arising from differences are recognised to the extent that there is reasonable certainty that these would be realised in future.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

h) Foreign Currency Translation

All foreign currency transactions are recorded at exchange rate prevailing on the date of the transaction. All foreign currency current assets/liabilities are translated at the rates prevailing on the date of the Balance Sheet. Foreign exchange rate difference arising on settlement/ conversion is recognized in the Statement of Profit and Loss.

i) Revenue Recognition

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

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

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

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

j) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

k) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

l) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

m) Earnings per share

Basic earnings per share are computed by dividing the profit for the year by the weighted average number of equity shares outstanding during the year.

n) Operating Cycle

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

Note 3 - Share Capital				
Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	(₹) In Lakh	Number	(₹) In Lakh
Authorised				
Equity Shares of ₹10/- each with voting rights	150,000,000	15,000.00	150,000,000	15,000.00
Issued, Subscribed and Paid up				
Equity Shares of ₹10/- each with voting rights	104,500,000	10,450.00	104,500,000	10,450.00
Total	104,500,000	10,450.00	104,500,000	10,450.00

Note 3a Share Capital						
Notes:						
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the						
Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Closing Balance
Equity shares with voting rights						
Year ended March 31, 2016						
- Number of shares	104,500,000	-	-	-	-	104,500,000
- Amount (₹) In Lacs	10,450.00	-	-	-	-	10,450.00
Year ended March 31, 2015						
- Number of shares	104,500,000	-	-	-	-	104,500,000
- Amount (₹) In Lacs	10,450.00	-	-	-	-	10,450.00

Note 3b Share Capital				
Notes:				
(i) Details of shares held by each shareholder holding more than 5% shares:				
Class of shares / Name of shareholder	As at March 31, 2016		As at March 31, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
BSE Limited (Holding Company)	56,634,600	54.20	56,634,600	54.20
State Bank of India	10,000,000	9.57	10,000,000	9.57
HDFC Bank Limited	7,500,000	7.18	7,500,000	7.18
Standard Chartered Bank	7,500,000	7.18	7,500,000	7.18
Canara Bank	6,744,600	6.45	6,744,600	6.45
Bank of India	5,820,000	5.57	5,820,000	5.57
Bank of Baroda	5,300,000	5.07	5,300,000	5.07

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

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

Note 4 - Reserves and surplus

Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
a. General Reserve		
Opening Balance	1,094.93	1,094.93
(+) Current year transfer	-	-
Closing Balance	1,094.93	1,094.93
b. Surplus in Statement of Profit and Loss		
Opening balance	21,880.68	21,174.02
(+) Net Profit for the year	6,339.63	3,473.69
(-) Proposed Dividend (including Dividend Distribution Tax)	3,144.35	2,767.03
(-) Transfer to Reserves	-	-
Closing Balance	25,075.96	21,880.68
Total	26,170.89	22,975.61

Note 5 - Other Long Term Liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Trade Payables		
Accrued employee benefits expense	50.37	30.37
(b) Security Deposits	2,252.50	2,199.00
(c) Others	0.46	0.46
Total	2,303.33	2,229.83

Note 6 - Trade payables		
Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Accrued employee benefits expense	541.37	437.02
(ii) Payable to Holding Company	-	7.12
(iii) Other trade payables	93.22	153.06
Total	634.59	597.20

Note 7 - Other current liabilities		
Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Income received in advance	68.06	69.29
(b) Other payables		
(i) Statutory dues	98.66	36.66
(ii) Payable for purchase of Fixed Assets (including payable to Marketplace Technologies Pvt. Ltd. ₹5.12 Lacs (previous year ₹10.24 Lacs)	7.47	52.67
(iii) Contribution to Investor Protection Fund (Refer Note no. 26)	773.11	3,852.26
(iv) Advances received from customers	733.98	751.31
(v) Others (Other include deposits and SEBI advances)	45.75	35.62
Total	1,727.03	4,797.81

Investor Education and Awareness Programme :

During the year, out of the penalty collected on account of late transfer of securities by Depository Participants to beneficial owner accounts, ₹15.50 lacs (Previous Year ₹10.26 lacs) utilized for conducting various investor education and awareness programme. Balance of ₹1.22 lacs (Previous year ₹2.51 lacs) is to be utilised for the said programme has been disclosed in "Other Current Liabilities"

Beneficial Owner’s Protection Fund :

As advised by SEBI, the Company had set up a Trust called “CDSL Beneficial Owner’s Protection Fund”(BOPF). As per the rules of the said Fund, corpus is constituted mainly out of a) 5% of profits of depository and b) penalties collected from Depository Participants (DPs).

Details of the Fund account disclosed in “Other Current Liabilities” are given below:

Particulars	As at 31/03/2016	As at 31/03/2015
	(₹) In Lakh	(₹) In Lakh
Opening Balance	11.76	7.78
Add :		
Penalties levied (net)	3.96	3.98
Other Contributions	-	-
Less : Funded	-	-
Closing Balance	15.72	11.76

Note 8 - Short term provisions

Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Provision for employee benefits		
Compensated absences	199.04	170.00
(b) Other provisions		
Wealth tax	-	2.27
Provision for Proposed Dividend	2,612.50	2,299.00
Provision for Dividend Distribution Tax on Proposed Dividend	531.85	468.03
Provision for Income Tax (Net of Advance Tax Rs. 3328.75, previous year Rs. 2010.16)	198.37	45.85
Provision for Incentive Scheme for DPs (Ref Note no. 27)	281.52	-
Total	3,823.28	2,985.15

Note 9 - Fixed Assets											(₹) In Lakh	
Particulars	Gross Block				Accumulated Depreciation & Amortisation				Net Block			
	As at April 1, 2015	Additions	Disposals	As at March 31, 2016	As at April 1, 2015	Depreciation & Amortisation charged for the period	On disposals	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015		
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹		
A Tangible Assets												
Building - Freehold	173.77 (173.77)	-	-	173.77 (173.77)	173.76 (173.76)	-	-	173.76 (173.76)	0.01 (0.01)	0.01 (0.01)		
Building - Leasehold	500.78 (500.78)	-	-	500.78 (500.78)	331.68 (281.60)	50.08 (50.08)	-	381.76 (331.68)	119.02 (169.10)	169.10 (219.19)		
Plant and Equipment	1,532.77 (1,594.78)	27.72 (122.52)	8.11 (184.53)	1,552.38 (1,532.77)	1,406.36 (1,456.00)	97.09 (134.89)	8.11 (184.53)	1,495.34 (1,406.36)	57.04 (126.41)	126.41 (138.78)		
Furniture and Fixtures	389.41 (385.57)	1.56 (3.84)	0.64	390.33 (389.41)	318.95 (285.97)	27.27 (32.98)	0.64	345.58 (318.95)	44.75 (70.46)	70.46 (99.60)		
Vehicles	129.04 (124.31)	-	6.09 (14.33)	122.95 (129.04)	72.91 (55.06)	28.93 (30.81)	6.09 (12.96)	95.75 (72.91)	27.20 (56.13)	56.13 (69.25)		
Computers	206.35 (196.34)	27.12 (10.01)	36.82	196.65 (206.35)	194.07 (177.36)	18.89 (16.71)	36.82	176.14 (194.07)	20.51 (12.28)	12.28 (18.98)		
Office equipment	131.07 (129.02)	8.13 (2.83)	4.50 (0.78)	134.70 (131.07)	98.46 (83.03)	13.96 (15.75)	4.33 (0.32)	108.09 (98.46)	26.61 (32.61)	32.61 (46.00)		
Total (A)	3,063.19 (3,104.57)	64.53 (158.26)	56.16 (199.64)	3,071.56 (3,063.19)	2,596.19 (2,512.78)	236.22 (281.22)	55.99 (197.81)	2,776.42 (2,596.19)	295.14 (467.00)	467.00 (591.81)		
B Intangible Assets												
Computer software (other than internally generated)	1,751.12 (1,638.74)	57.28 (112.38)	9.03	1,799.37 (1,751.12)	1,637.42 (1,428.27)	107.25 (209.15)	9.03	1,735.64 (1,637.42)	63.73 (113.70)	113.70 (210.47)		
Total (B)	1,751.12 (1,638.74)	57.28 (112.38)	9.03	1,799.37 (1,751.12)	1,637.42 (1,428.27)	107.25 (209.15)	9.03	1,735.64 (1,637.42)	63.73 (113.70)	113.70 (210.47)		
Grand Total (A+B)	4,814.31 (4,743.31)	121.81 (270.64)	65.19 (199.64)	4,870.93 (4,814.31)	4,233.61 (3,941.05)	343.47 (490.37)	65.02 (197.81)	4,512.06 (4,233.61)	358.87 (580.70)	580.70 (802.28)		
Previous Year												

Note : Figures disclosed in brackets pertains to that of the previous year.

Note 10 - Investments				
Particulars	As at March 31, 2016		As at March 31, 2015	
	Non current investments	Current portion of Long term investments	Non current investments	Current portion of Long term investments
	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh
Long term Investments (At Cost)				
Investment in Subsidiaries (Trade)				
Investment in Equity shares (Unquoted)	3,630.00	-	3,630.00	-
Other Investments				
Investment in Equity shares (Unquoted)	0.50	-	0.50	-
Investment in Debentures (Quoted)	9,066.55	-	7,584.94	500.00
Investment in Government Securities (Quoted)	-	-	-	0.10
Investment in Units of Mutual funds (Quoted)	8,176.95	9,883.65	10,800.74	7,259.87
Investment in Units of Mutual funds (Quoted) - Earmarked	16.56	13.80	13.80	
Total	20,890.56	9,897.45	22,029.98	7,759.97

Particulars	As at March 31, 2016 (₹) In Lakh	As at March 31, 2015 (₹) In Lakh
Current Investments (At Cost or Fair value whichever is less)		
Investment in Units of Mutual funds (Unquoted)	5,856.05	5,904.51
Investment in Units of Mutual funds-ETF (Quoted)	468.55	406.30
Total	6,324.60	6,310.81

Particulars	As at March 31, 2016		As at March 31, 2015	
	Non current investments	Current Investments	Non current investments	Current Investments
	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh
Total Investments	20,890.56	16,222.05	22,029.98	14,070.78

Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
Aggregate book value of quoted investments	27,626.06	26,565.75
Aggregate market value of quoted investments	31,271.05	28,500.84
Aggregate amount of unquoted investments	9,486.55	9,535.01

Note 10 A - Investments		
Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Investment in Equity instruments	3,630.50	3,630.50
(b) Investments in Debentures / Bonds	9,066.55	8,085.04
(c) Investments in Mutual Funds	24,444.21	24,385.22
Total (A)	37,141.25	36,100.76
Less : Provision for diminution in the value of Investments (B)	(28.65)	-
Total (A)-(B)	37,112.60	36,100.76

Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
Aggregate amount of unquoted investments	3,630.50	3,630.50

Type	Name of the Body Corporate	Relationship	No. of Shares / Units		(₹) In Lakh	
			As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Details of Non current investments					
	Investment in Subsidiaries (Trade)					
	a) Investment in Equity shares					
Unquoted	CDSL Ventures Limited (Fully paid up)	Subsidiary	4,500,000.00	3,000,000.00	2,100.00	2,100.00
Unquoted	Central Insurance Repository Limited (Fully paid up)	Subsidiary	15,299,994.00	15,299,994.00	1,530.00	1,530.00
					3,630.00	3,630.00
	Investment in Others					
	b) Investment in Equity shares					
Unquoted	Belapur Railway Station Commercial Company Ltd. (BRSCCL) (Fully paid up)	Others	5,000.00	5,000.00	0.50	0.50
					0.50	0.50
	c) Investment in Debentures / Bonds					
Quoted	7.21% RECL Tax Free bonds 211122		50.00	50.00	500.04	500.05
Quoted	7.22% PFC Tax Free Bond Series 95 291122		50.00	50.00	500.03	500.05
Quoted	7.18% IRFCL Tax Free Bonds 190223		130,000.00	130,000.00	1,305.63	1,306.51
Quoted	7.19% IRFC Tax Free Bond 31072025		50.00	-	500.56	-
Quoted	8.01% NHB Tax Free Bonds 300823		70.00	70.00	700.26	700.35
Quoted	7.17% NHB Tax Free Bonds 010123		50.00	50.00	502.74	503.17
Quoted	8.35% NHAI Tax Free Bonds 221123		70.00	70.00	700.16	700.21
Quoted	8.20% NHAI Tax Free Bonds 250122		72,500.00	72,500.00	749.51	753.84
Quoted	8.18% NHPC Tax Free Bonds 021123		22,547.00	22,547.00	225.47	225.47
Quoted	8.19% NTPC Tax Free Bonds 040324		50.00	50.00	500.04	500.05
Quoted	8.41% NTPC Tax Free Bonds 161223		31,665.00	31,665.00	316.65	316.65
Quoted	8.20% PFC Tax Free Bonds 010222		100,000.00	100,000.00	1,042.78	1,052.01
Quoted	7.15% NTPC Tax Free Bond 21082025		50.00	-	500.33	-
Quoted	7.17% RECL Tax Free Bond 23072025		50.00	-	500.42	-
Quoted	8.18% RECL Tax Free Bonds 111023		50.00	50.00	521.93	526.58
					9,066.55	7,584.94

f) Investment in Government Securities		Others				
Quoted	11.50% GOI 2015 -21052015		-	10.00	-	0.10
g) Investment in Units of Mutual funds						0.10
Quoted	Birla Sun Life Interval Income Fund - Annual Plan 5 - Direct Plan Growth	8,266,208.66		8,266,208.66	900.00	900.00
Quoted	Birla Sun Life Fixed Term Plan - Series KC (368days) - Direct Plan Growth	7,186,155.00			718.62	-
Quoted	Birla Sun Life Fixed Term Plan - Series KK (367days) - Direct Plan Growth	4,658,410.00			465.84	-
Quoted	Birla Sun Life Fixed Term Plan - Series KM (368days) - Direct Plan Growth	5,600,000.00			560.00	-
Quoted	Birla Sun Life Fixed Term Plan - Series KQ (368days) - Direct Plan Growth	8,492,604.00			849.26	-
Quoted	DSP BlackRock FMP S146-12M-Dir-G	7,145,126.66			714.51	-
Quoted	DSP BlackRock FMP S153-12M-Dir-G	4,110,414.88			411.04	-
Quoted	DSP BlackRock FMP S149-12M-Dir-G	4,015,030.87			401.50	-
Quoted	DSP BlackRock FMP S161-12M-Dir-G	-	6,549,900.00		-	654.99
Quoted	DSP BlackRock FMP S109-12M-Dir-G	5,720,279.01			572.03	-
Quoted	DHFL Pramerica Fixed Maturity Plan Series 63 - Direct Plan - Growth	-	6,500,000.00		-	650.00
Quoted	DHFL Pramerica Fixed Maturity Plan Series 70 (2 Years)- Direct Plan - Growth	138,027.00			13.80	-
Quoted	HDFC FMP 370D Apr 2014 (2) - Direct Plan- GR	-	4,079,690.00		-	407.97
Quoted	HDFC Annual Interval Fund Sr1-Plan A - Direct Plan- GR	5,756,368.55			630.00	630.00
Quoted	HDFC FMP 377Days March2014 (1) - Direct Plan- GR	-	14,468,207.00		-	1,446.83
Quoted	ICICI Prudential Fixed Maturity Plan-Series 73-369 days Plan S - Direct Plan-Cum	-	4,793,668.00		-	479.37
Quoted	ICICI Prudential Fixed Maturity Plan-Series 74-370 days Plan V - Direct Plan-Cum	-	4,000,000.00		-	400.00
Quoted	ICICI Prudential Fixed Maturity Plan-Series 74-369 days Plan I - Direct Plan-Cum	-	5,565,133.00		-	556.51
Quoted	ICICI Prudential Interval Fund Sr-VI-Annual Interval Plan C- Direct Plan-Cum	5,887,877.00			644.20	644.20
Quoted	ICICI Prudential Fixed Maturity Plan-Series 72-366 days Plan K - Direct Plan-Cum	3,483,042.00			348.30	-
Quoted	IDFC Fixed Term Plan Series 83 - Direct Plan - Growth	3,422,758.56			342.28	-
Quoted	IDFC Fixed Term Plan Series 24 - Direct Plan - Growth	6,000,000.00			600.00	-
Quoted	IDFC Fixed Term Plan Series 27 - Direct Plan - Growth	3,000,000.00			300.00	-
Quoted	Reliance Yearly Interval Fund - Series 5 - Direct Plan Growth Plan	4,496,856.79			490.00	490.00
Quoted	Reliance Fixed Horizon Fund - XXV - Series 18 - Direct Plan Growth Plan	4,000,000.00			400.00	-
Quoted	Sundaram Fixed Term Plan DO 366 Days Direct Growth	5,360,560.00			536.07	-
Total of Current portion of Long term investments (e+f+g)					9,897.45	7,259.87
					9,897.45	7,759.97

Details of Current Investments						
h) Investment in Units of Mutual funds						
Unquoted	Axis Liquid Fund - Direct Plan - DDR	94,399.36	177,210.13	797.24	1,772.65	
Unquoted	Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend-Direct Plan	-	2,893,085.08	-	304.68	
Unquoted	DSP Ultra Short Fund- Direct-Plan - DDR	6,955,046.28	11,881,190.96	1,093.90	1,193.04	
Unquoted	DWS Instia Cash Plus Fund -Direct -DDR	-	287,319.20	-	288.19	
Unquoted	DWS Ultra Short Term Fund-Direct-DDR	-	816,170.89	-	81.76	
Unquoted	Reliance Money Manager Direct -DDR	61,062.53	-	1,001.08	-	
Unquoted	Reliance Short Term Fund - Direct - Monthly Dividend Plan DDR	7,474,815.86	7,231,190.93	826.26	787.92	
Unquoted	Religare Invesco Liquid Fund - Direct-DDR	-	-	592.58	-	
Unquoted	Sundaram Select Debt Asset Plan -Direct-MDR	12,501,497.70	12,090,422.58	1,544.99	1,476.26	
				5,856.05	5,904.51	
i) Investment in Units of Mutual funds- Exchange Traded Fund						
Quoted	Sensex Prudential ICICI ETF (SPICE)	120,000.00	100,000.00	335.00	279.68	
Quoted	Reliance R*Share SENSEX ETF	30,000.00	-	78.29	-	
Quoted	Reliance R*Share NIFTY ETF	100,000.00	150,000.00	83.91	126.62	
				497.20	406.30	
				6,353.25	6,310.81	
				(28.65)	-	
				6,324.60	6,310.81	
	Less: Diminution in the value of investments					
	Total of Current Investments					
	Total Investment			37,112.61	36,100.76	

Note 11 - Deferred tax assets		
Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
Deferred tax assets		
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	278.99	223.27
Provision for incentive scheme for DPs	97.43	-
Provision for doubtful debts / advances	179.31	141.25
On difference between book balance and tax balance of fixed assets	191.89	162.96
Total	747.62	527.48

Note 12 - Long term Loans and Advances - Unsecured, considered good		
Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Capital Advances	22.13	3.80
(b) Security Deposits (Deposit with Holding Company)	72.77	73.42
(c) Advance Income tax (net of provisions ₹7817.59 previous year ₹7812.59)	1,093.03	1,060.37
(d) Prepaid Expenses	8.66	7.75
Total	1,196.59	1,145.34

Note 13 - Trade Receivables		
Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
Outstanding for a period exceeding six months (from the date due for payment)		
Secured, considered good	-	2.29
Unsecured, considered good	-	-
Unsecured, considered doubtful	77.89	408.13
Less: Provision for doubtful debts	(77.89)	(408.13)
Total (A)	-	2.29
Others	-	
Secured, considered good	-	265.82
Unsecured, considered good	1,409.82	103.12
Less: Provision for doubtful debts	(440.24)	-
Total (B)	969.58	368.94
Total (A) + (B)	969.58	371.23

Note 14- Cash and Bank Balances				
Particulars	As at March 31, 2016		As at March 31, 2015	
	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh
(a) Cash on hand		0.38		0.06
(b) Cheques, drafts on hand		-		0.15
(c) Balances with banks		4,024.83		4,845.64
i) in current account	134.83		55.64	
ii) in deposit account	3,890.00		4,790.00	
Total		4,025.21		4,845.85

Notes :

- (I) Of the above, balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is - ₹ 135.21 Lakh (As at March 31, 2015 ₹55.85 Lakh)
- (ii) Balances in Deposit Account with Banks includes ₹900 Lakh (As at March 31, 2015 ₹1,900 Lakh), which have an remaining maturity of more than 12 months
- (iii) Balances with banks includes amount in earmarked accounts ₹1.23 Lakh (As at March 31, 2015, ₹1.23 Lakh)

Note 15 - Short-term loans and advances - Unsecured considered good				
Particulars	As at March 31, 2016		As at March 31, 2015	
	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh
(a) Advances to related parties				
CDSL Insurance Repository Limited	-		17.74	
CDSL Ventures Limited	-	-	28.12	45.86
(b) Loans and advances to employees		10.30		17.88
(c) Prepaid Expenses		104.75		59.86
(d) Balances with Government authorities (CENVAT Credit receivable)		22.93		26.38
(e) Others				
Advances given	10.41		18.34	
Sundry deposits	15.08	25.49	15.08	33.42
Total		163.47		183.40

Note 16 - Other current assets		
Other Current Assets	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
Interest accrued but not due on -		
(a) Bonds	286.45	242.48
(b) Fixed Deposits	202.60	38.36
Others	46.12	-
Total	535.17	280.84

Note 17 Revenue from operations		
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Sale of services (Refer Note (i) below)	10,141.77	8,493.24
(b) Other operating revenues (Refer Note (ii) below)	31.88	71.04
Total	10,173.65	8,564.28
Notes		
(i) Sale of services comprise :		
Annual Issuer Charges	4,813.51	3,546.27
Transaction charges	2,584.23	2,832.68
Users Facility charges	420.69	414.45
Settlement charges	171.72	182.46
Account Maintenance Charges	257.43	239.75
E-Voting Charges	446.08	496.27
ECAS Charges	230.54	-
IPO/Corporate Action Charges	1,070.07	619.26
Others	147.50	162.10
Total - Sale of services	10,141.77	8,493.24
(ii) Other operating revenues comprise:		
Interest from debtors	15.03	29.30
Bad debts recovered	16.85	41.74
Total - Other operating revenues	31.88	71.04

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Interest on fixed deposits	394.21	369.53
(b) Interest income from long term investments (Bonds)	657.01	225.20
(c) Interest income from current investments (Bonds)	-	192.38
(d) Dividend Income - (Current Investments)	220.51	209.83
(e) Net gain/(loss) on sale of investments (Current investments)	13.67	808.96
(g) Other non - operating income	148.80	149.46
Total	1,434.20	1,955.36

Note

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	(₹) In Lakh	(₹) In Lakh
Other non-operating income comprises:		
Rental income from operating leases	100.45	90.95
Profit on sale of fixed assets [net of expenses]	1.29	2.55
Miscellaneous income	8.06	7.96
Provision for Diminuation in investment written back	39.00	48.00
Total - Other non-operating income	148.80	149.46

Note 19 - Employee Benefits Expense

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Salaries, wages and bonus	1,759.84	1,517.43
(b) Contribution to provident and other funds	90.40	80.59
(c) Staff welfare expenses	99.06	89.28
Total	1,949.30	1,687.29

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Annual SEBI fees	132.25	115.09
(b) Bad Debts Written Off	148.97	183.29
(c) Contribution to investor protection fund (Refer Note no.26)	231.25	1,234.64
(d) Business promotion expenses	116.95	29.91
(e) Incentive Scheme for DPs (Refer Note no.27)	281.52	-
(f) Directors' sitting fees	32.00	30.45
(g) Auditors' remuneration	-	
Audit Fees	11.00	7.25
Tax Audit Fees	1.00	0.75
Reimbursement of expenses	0.44	0.24
(h) Insurance	104.03	109.24
(i) Legal, professional and consultancy fees	131.31	104.81
(j) Postage, telephone and communication charges (net of recoveries)	442.09	255.31
(k) Power and fuel	66.56	57.86
(l) Printing and stationery	22.63	18.41
(m) Provision for diminution in the value of investments (net of reversals)	28.65	(19.79)
(n) Rates and taxes	23.86	15.80
(o) Rent	314.36	298.29
(p) Repairs to buildings	138.08	137.52
(q) Repairs to machinery	711.46	712.75
(r) Travelling and conveyance	133.01	99.31
(s) Water charges	2.87	2.76
(t) Miscellaneous expenses	38.51	30.96
(u) Provision for doubtful debts	110.00	127.36
(v) Corporate social responsibility (Refer Note no.29)	35.19	20.00
Total	3,257.99	3,572.21

Note 21 Additional information to the financial statements

Particulars	As at 31st March, 2016	As at 31st March, 2015
	(₹) In Lacs	(₹) In Lacs
21.1 Contingent liabilities (to the extent not provided for)		
(i) Contingent liabilities		
Claims against the Company not acknowledged as debt	2,266.83	2,266.83
(a) The Company is a party in certain legal proceedings filed by beneficial owners/third parties in the normal course of business. The Company does not expect the outcome of these proceedings to have any material adverse effect on its financial conditions, results of operations and cash flow. Amount is not ascertainable.		
(b) Claims against Company not acknowledged as debt : Service Tax		
The Commissioner of Service Tax, Mumbai has issued Show cause cum Demand Notice (SCN) on 21 st 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 Show cause cum Demand Notice (SCN) on 4 th October 2010 to CDSL demanding service tax amount of ₹465 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 Show cause cum Demand Notice (SCN) on 23 rd April 2012 to CDSL demanding service tax amount of ₹5.91 Lakh on the charges recovered by CDSL for wrong availment of Cenvat Credit on Group Mediclaim policy in respect of staff for FY 2007-08 to FY 2011-12.		
Company has obtained two legal opinions which states that CDSL is not liable for the service tax as demanded in the aforesaid notice. Company has filed a comprehensive reply based on jurisdiction and merits, vide its letter dated 25 th November 2009, 2 nd November 2010 and 8 th July 2013 to the SCNs respectively and requested for personal hearing in the matter. Till date no reply from Service Tax Department has been received.		
(c) Claims against Company not acknowledged as debt : Income Tax		
Appeal pending with Commissioner of Income Tax (Appeals) for the AY 2011-12 amounting to ₹4.92 Lakh.		
21.2 Commitments :	As at 31st March, 2016	As at 31st March, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Estimated amount of contracts remaining to be executed on capital account		
Tangible assets	251.30	19.00
Intangible assets	9.40	20.09
(b) Other commitments	121.54	248.35
21.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
Based on the information available with the Company, the balance due to Micro and Small Enterprises as defined under the MSMED Act, 2006 is ₹ NIL. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006 (Previous year ₹ Nil).		
21.4 Expenditure in foreign currency :	As at 31st March, 2016	As at 31st March, 2015
	(₹) In Lakh	(₹) In Lakh
Travelling Expenses	40.23	22.66
Others	3.38	1.59

Note 22 Disclosures under Accounting Standards

Particulars

Description of relationship	Names of related parties
Holding Company	BSE Limited
Subsidiaries	CDSL Ventures Limited CDSL Insurance Repository Limited
Fellow Subsidiaries & Joint Venture (with whom there are transactions)	Marketplace Technologies Private Limited Indian Clearing Corporation Limited BOI Shareholding Limited (up to 08.01.2016)
Key Management Personnel (KMP)	Shri P S Reddy - MD and CEO

(₹) In Lacs

Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	KMP	Total
Remuneration paid	-	-	-	106.79	106.79
	-	-	-	(100.00)	(100.00)
Rendering of services	11.32	188.96	35.69	-	235.96
	(6.24)	(203.68)	(43.27)	-	(253.19)
Receiving of services	255.94	21.57	30.72	-	308.23
	(85.81)	(1.00)	(76.38)	-	(163.19)
License agreements-Rent & Maintenance	301.09	-	-	-	301.09
	(306.48)	-	-	-	(306.48)
Finance (including loans and equity contributions in cash or in kind)- Dividend Paid	1245.96	-	-	-	1245.96
	(1132.69)	-	-	-	(1132.69)
<u>Balances outstanding at the end of the year</u>					
Trade receivables	7.59	-	2.44	-	10.03
	-	(45.86)	(2.56)	-	(48.42)
Loans and advances-Deposit given	72.77	-	-	-	72.77
	(73.42)	-	-	-	(73.42)
Trade payables	-	-	5.12	-	5.12
	(7.12)	-	(17.69)	-	(24.81)

Note: Figures in brackets relate to the previous year

Note 23 Disclosures under Accounting Standards

Particulars	For the Year ended 31 March 2016	For the Year ended 31 March 2015
	(₹) In Lacs	(₹) In Lacs
Earnings per share		
<u>Basic and Diluted</u>		
<u>Total operations</u>		
Net profit for the year from continuing operations	6,339.63	3,473.70
Less: Preference dividend and tax thereon	-	-
Net profit for the year from continuing operations attributable to the equity shareholders	6,339.63	3,473.70
Weighted average number of equity shares	104,500,000	104,500,000
Par value per share (₹)	10.00	10.00
Earnings per share from continuing operations - Basic & Diluted (₹)	6.07	3.32

24. The Company has determined the liability for Employee Benefits as at March 31, 2015 in accordance with the revised Accounting Standard 15 on “Employee Benefits” prescribed in Companies (Accounting Standards) Rules, 2006.

a) Defined benefit plans-Gratuity-As per Actuarial Valuation on March 31, 2016

(₹in Lakh)

A	Expenses Recognized in the Statement of Profit and Loss for the year ended	31/03/2016	31/03/2015
1	Current Service Cost	13.46	16.45
2	Past Service Cost	-	-
3	Interest Cost	10.23	9.90
4	Expected Return on Plan Assets	-	(8.95)
5	Net Actuarial (Gain)/ Loss recognized for the year	(3.02)	(5.54)
6	Expenses recognized in the Statement of Profit and Loss	20.67	11.86
B	Net Asset / (Liability) recognized in the Balance Sheet		
1	Present Value of Obligation	161.56	133.89
2	Fair Value of Plan Assets	144.86	126.13
3	Funded Status	(16.70)	(7.76)
4	Unrecognised Actuarial Gain/ (Loss)	-	-
5	Net Assets / (Liability) recognized in the Balance Sheet	(16.70)	(7.76)
C	Changes in present value of obligations		
1	Present Value of Obligation as at April 01	133.89	112.58
2	Interest Cost	10.23	9.90
3	Current Service Cost	13.46	16.45
4	Past Service Cost	-	-
5	Benefits Paid	(4.38)	(0.93)
6	Actuarial (Gain)/Loss on Obligation	8.36	(4.11)
7	Present Value of Obligation as at March 31	161.56	133.89
D	Changes in Fair Value of Plan Assets		
1	Fair Value of plan assets as at April 01	126.13	107.95
2	Adjustment in opening balance	0.47	-
3	Expected Return on plan assets	-	8.95
4	Contributions	11.26	8.73
5	Benefits Paid	(4.38)	(0.93)
6	Actuarial Gain / (Loss) on plan assets	11.38	1.43
7	Fair Value of plan assets as at March 31	144.86	126.13

E Fair Value of plan assets			
1	Fair Value of plan assets as at April 01	126.13	107.95
2	Adjustment in opening balance	0.47	-
3	Actual Return on plan assets	11.38	10.38
4	Contributions	11.26	8.73
5	Benefits Paid	(4.38)	(0.93)
6	Fair Value of plan assets as at March 31	144.86	126.13
7	Funded Status	(16.70)	(7.76)
8	Excess of Actual over estimated return on plan assets	11.38	1.43
F Actuarial Gain / (Loss) Recognized			
1	Actuarial Gain/(Loss) for the year (Obligation)	(8.36)	4.11
2	Actuarial Gain / (Loss) for the year (Plan Assets)	11.38	1.43
3	Total Gain / (Loss) for the year	3.02	5.54
4	Actuarial Gain / (Loss) recognized for the year	3.02	5.54
5	Unrecognized Actuarial Gain / (Loss) at March 31	-	-
G Movements in the Liability recognized in the Balance Sheet			
1	Opening Net Liability	7.76	4.63
2	Adjustment in opening balance	(0.47)	-
3	Expenses recognized in the Statement of Profit and Loss	20.67	11.86
4	Contribution Paid	(11.26)	(8.73)
5	Closing Net Liability	16.70	7.76
H Actuarial Assumptions			
1	Mortality	IALM(2006-08)Ult	IALM(2006-08)Ult
2	Discount Rate as at March 31	7.51%	7.77%
3	Rate of Increase in Compensation	4.00%	4.00%
4	Expected average remaining service (years)	12.30	16.05
5.	Withdrawal Rate		
	- 0 to 42 years	4.51%	2.28%
6.	Expected Rate of Return on plan assets	8.00%	8.00%
I Membership Data			
	Number of Employees	179	176
	Total Monthly Salary (Rs. In lakh)	44.71	42.11
	Average Age (in Years)	38.61	37.95
	Average Past Service (in Years)	8.16	7.58

J Experience Adjustments					
Particulars	Gratuity – Funded Plan				
	2015-16	2014-15	2013-14	2012-13	2011-12
Defined Benefit Obligation at the end of the year	16,156,173	13,388,504	11,257,541	10,282,360	8,927,421
Plan Assets at the end of the year	14,486,607	12,612,631	10,794,740	9,056,856	7,552,963
Net obligation as at the year end	1,669,566	775,873	462,801	1,225,504	1,374,458
Experience adjustment on plan liabilities – Gain / (Loss)	528,855	493,335	417,104	(669,596)	51,986
Experience adjustment on plan assets – Gain / (Loss)	(1,137,849)	143,199	36,033	146,982	257,147
Actuarial Gain / (Loss) due to change in assumptions	(1,364,503)	(82,762)	634,229	544,085	61,325

b) Gratuity is administered through Group Gratuity Scheme with Life Insurance Corporation of India. The LIC raises demand for annual contribution for gratuity amount based on its own computation without providing entire details as required by the Accounting Standard 15. Hence the company obtains separate actuarial valuation report as required under Accounting Standard 15 from an independent Actuary. The maximum amount as per these two valuation reports is recognized as liability in the books of accounts. The expected return on plan assets is based on market expectation at the beginning of the year, for the returns over the entire life of the related obligations.

c) Amount Recognized as an expenses in respect of Compensated Leave Absences is ₹59.15lakh (₹48.83lakh for the year ended March 31, 2015)

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

26. SEBI had issued Depositories and Participants (Amendment) Regulations, 2012 on September 11, 2012 (the "2012 Regulations"). According to the 2012 Regulations, depositories are required to establish and maintain an Investor Protection Fund (the "IPF") for the protection of interest of beneficial owners and every depository is required to credit 25% of its profits every year to the Investor Protection Fund.

Accordingly, the Company had credited a total sum of ₹ 3,852.26 lakh from FY 2012-13 to FY 2014-15 to the IPF as at March 31, 2015.

On January 21, 2016, SEBI has issued the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2016 (the “Amended Regulations”). According to these Amended Regulations, every depository shall credit 5% or such percentage as may be specified by the Board, of its profits from depository operations every year to the IPF. These Amended Regulations shall be deemed to have come into force from September 11, 2012. Pursuant to the aforesaid Amended Regulations, the amount to be credited to the IPF as at March 31, 2015 should have been ₹ 541.86 lakh. Consequently, the excess amounts of ₹ 3,310.40 lakh credited earlier to the IPF has been written back and the same has been disclosed as exceptional item in the Statement of Profit and Loss for the current year.

During the previous year, the Company had received a sum of ₹ 168.81 lakh on account of the refund of municipal taxes for FYs 2010-11, 2011-12, 2012-13 from BSE Limited. Considering the nature and quantum of the said transaction, the same was disclosed as an exceptional item.

- 27.** 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 ₹ 281.52 lakh being 20% of incremental revenue on issuer income for the year ended March 31, 2016 for DP incentive scheme.

- 28.** For the year ended March 31, 2016, the Company has determined the IPF contribution at ₹ 231.25 lakh being 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. During the FY 2014-15 however, as per the 2012 Regulations, the Company calculated IPF contribution of ₹1,234.64 lakh, being 25% of the profits of the Company before tax, available after making such contribution

29. Corporate Social Responsibility

The gross amount required to be spent by company during the year is ₹ 103 lakh.

Amount spent during the year of ₹ 35.19 lakh was for the purpose other than construction / acquisition of any asset. The entire amount was paid in cash during FY 2015-16 (₹ 20 lakh for previous year)

- 30.** Previous year's figures have been re grouped/ classified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes 1 to 30

For and on behalf of the Board of Directors

T.S. Krishna Murthy
Chairman

P. S. Reddy
Managing Director & CEO

Bharat Sheth
Sr. Vice President
& Chief Financial Officer

Mumbai
28th April, 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are

required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs.9,848 Lakh as at March 31, 2016, total revenues of Rs. 2,414 Lakh and net cash flows amounting to Rs. 22 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based

solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary companies' incorporated in India internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

1. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
2. The Group has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts as at the year end. The Group does not have any outstanding derivative contracts as at the year end.
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm Registration No. 117365W)

G. K. Subramaniam

Partner
(Membership No. 109839)

ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT**(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)****Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and

appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

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

MUMBAI, April 28, 2016

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
Consolidated Balance Sheet as at March 31, 2016 (₹) In Lakh

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	10,450.00	10,450.00
(b) Reserves and surplus	4	30,759.84	26,490.27
2 Minority Interest		1,408.20	1,430.48
3 Non-current liabilities			
(a) Deferred tax liabilities	11	-	2.06
(b) Other Long term liabilities	5	2,303.33	2,229.83
4 Current liabilities			
(a) Trade payables	6		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		729.32	707.80
(b) Other current liabilities	7	1,747.12	4,815.76
(c) Short-term provisions	8	3,968.64	2,992.67
TOTAL		51,366.45	49,118.87
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		302.36	514.09
(ii) Intangible assets		64.93	155.17
(b) Non-current investments	10	19,361.33	21,172.20
(c) Deferred tax assets	11	769.12	539.13
(d) Long-term loans and advances	12	1,428.39	1,202.54
2 Current assets			
(a) Investments	10	21,678.22	17,753.92
(b) Trade receivables	13	1,293.04	690.85
(c) Cash and Bank Balances	14	5,581.65	6,560.42
(d) Short-term loans and advances	15	248.45	211.72
(e) Other current assets	16	638.96	318.83
TOTAL		51,366.45	49,118.87
See accompanying notes forming part of the financial statements	1- 30		

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

G. K. Subramaniam

Partner

Place : Mumbai,

Date : April 28, 2016

For and on behalf of the Board of Directors

T. S. Krishna Murthy

Chairman

P. S. Reddy

Managing Director & CEO

Bharat Sheth

Sr. Vice President
& Chief Financial Officer

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED				
Consolidated Statement of Profit and Loss for the year ended March 31, 2016				
(₹) In Lakh				
Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015	
I. Revenue from operations	17	12,285.30	10,541.51	
II. Other income	18	1,656.72	2,176.13	
III. Total Revenue (I + II)		13,942.02	12,717.64	
IV. Expenses:				
Employee benefits expense	19	2,156.25	1,915.78	
Depreciation and amortisation expense	9	419.05	624.19	
Other expenses (Including contribution to IPF ₹231.25 lakh in current year) (Refer Note no. 28)	20	3,773.25	4,084.27	
Total expenses		6,348.55	6,624.24	
V. Profit before exceptional and tax		7,593.47	6,093.40	
VI. Exceptional item	26	3,310.40	168.81	
VII Profit before tax		10,903.87	6,262.21	
VIII Tax expense				
Current tax		3,787.00	1,997.00	
Current tax expense relating to prior years		(42.72)	67.83	
Net current tax expense		3,744.28	2,064.83	
Deferred tax		(232.05)	(144.56)	
IX Profit before the share of minority interest		7,391.64	4,341.94	
X Share of Minority Interest		(22.28)	(23.98)	
XI Profit after the share of minority interest		7,413.92	4,365.92	
XII Earnings per equity share				
Basic and Diluted EPS		7.09	4.18	
XIII Nominal value per share (₹)		10.00	10.00	
Weighted average number of shares		104,500,000	104,500,000	
See accompanying notes forming part of the financial statements	1- 30			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

G. K. Subramaniam
Partner

Place : Mumbai,
Date : April 28, 2016

For and on behalf of the Board of Directors

T. S. Krishna Murthy
Chairman

P. S. Reddy
Managing Director & CEO

Bharat Sheth
Sr. Vice President
& Chief Financial Officer

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
Consolidated Cash Flow Statement for the year ended March 31, 2016

	For the year ended March 31, 2016	For the year ended March 31, 2015
	(₹) In Lakh	(₹) In Lakh
CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAXES	10,903.87	6,262.21
Net Profit for non-cash and other items to be disclosed separately		
Add : Depreciation and amortisation	419.05	624.19
Provision for Doubtful debts	111.41	127.36
Bad debts written off	149.27	183.29
Provision for Gratuity and Leave encashment	38.54	32.02
Provision for diminution in the value of investments	28.65	-
Less :Net gain on sale of current investments	13.55	985.37
Write back of provision for diminution in the value of investments	-	19.79
Write back of provision for doubtful debts	-	13.45
Dividend income from current investments	272.25	265.75
Profit on sale of fixed assets	1.29	2.55
Interest on fixed deposits	607.09	436.92
Interest on bonds	657.01	417.58
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	10,099.60	5,087.66
<u>Adjustment for changes in working capital</u>		
Trade Receivables	(862.87)	(368.89)
Short term loans and advances	(36.73)	9.23
Long term loans and advances and other current assets	(46.39)	-
Trade payables	21.52	174.52
Other long term liabilities	73.50	35.82
Other current liabilities	(3,026.54)	1,401.21
Short term provisions	279.26	(0.01)
CASH GENERATED FROM OPERATIONS	6,501.35	6,339.54
Taxes Paid	(3,662.22)	(2,044.41)
A NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	2,839.13	4,295.13
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(191.45)	(260.22)
Sale of fixed assets	6.72	4.39
Purchase of Investments	(13,212.18)	(24,743.39)
Purchase of Investments - Earmarked	(16.56)	(13.80)
Sale proceeds of Investments	11,100.27	24,375.45
Fixed deposits with banks invested during the year	(3,135.00)	(6,465.14)
Fixed deposits with banks matured during the year	4,215.14	4,005.85
Dividend received	272.25	265.75
Interest received	990.08	887.15
B NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	29.27	(1,943.96)

<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Dividend Paid including Dividend Distribution Tax	(2,767.03)	(2,445.19)
Sale of Equity Shares in subsidiary	-	97.50
C NET CASH FLOW USED IN FINANCING ACTIVITIES	(2,767.03)	(2,347.69)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	101.37	3.48
Cash and Cash Equivalents at the beginning of the year	95.28	91.80
Cash and Cash Equivalents at the end of the year	196.65	95.28
	101.37	3.48
1 . Cash and Cash Equivalents comprise		
Cash and Cheques on Hand	31.35	0.35
With scheduled bank on		
Current Accounts	164.07	93.70
With RBI - Current Account	1.23	1.23
	196.65	95.28
2. Reconciliation of Cash and Cash Equivalents		
Cash and Bank Balances as per Balance Sheet	5,581.65	6,560.42
Bank Deposits with initial maturity date after three months	5,385.00	6,465.14
Cash and Cash Equivalents as per Cash Flow Statement	196.65	95.28

Note :

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

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

G. K. Subramaniam
Partner

Place : Mumbai,
Date : April 28, 2016

For and on behalf of the Board of Directors

T. S. Krishna Murthy
Chairman

P. S. Reddy
Managing Director & CEO

Bharat Sheth
Sr.Vice President
& Chief Financial Officer

1. General Information

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

2. Significant Accounting Policies:

a) General

Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable.

Principles of consolidation

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

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

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

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest
CDSL Ventures Limited	India	100.00 %
CDSL Insurance Repository Limited	India	54.25 %
- On its own name		51.00 %
- Through CDSL Venture Ltd.		3.25 %

- c. Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted to shareholders of the company.

Use of Estimates:

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

a) Fixed Assets

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

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

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

b) Software Costs

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

c) Depreciation/Amotization/Impairment Loss

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

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

The carrying amounts of assets are reviewed at each Balance Sheet date if there is an indication of impairment based on internal and external factors. The asset is treated as impaired when its carrying cost exceeds the recoverable amount. Impairment loss, if any, is charged to the Statement of Profit and Loss for the period in which the asset is identified as impaired. Reversal of impairment loss recognized in the prior years is recorded when there is an indication that impairment losses recognized for the asset, no longer exist or have decreased.

d) Investments

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

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

e) Employee Benefits

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

Short term Employee Benefits are estimated and provided for.

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

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

(i) Defined Contribution Plans:

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

Contributions to the defined contribution plans are charged to Statement of

Profit and Loss for the respective financial year as and when services are rendered by the employees.

(ii) Defined Benefits Plans:

- a) Gratuity:** Gratuity for employees is covered by Gratuity Scheme with Life Insurance Corporation of India and the contribution thereof is paid/provided for. Provision for Gratuity is made on the basis of actuarial valuation on Projected Unit Credit Method as at the end of the period.
- b) Compensated absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

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

f) Current tax and deferred tax

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

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

g) Foreign Currency Translation

All foreign currency transactions are recorded at exchange rate prevailing on the date of the transaction. All foreign currency current assets/liabilities are translated at the rates prevailing on the date of the Balance Sheet. Foreign exchange rate difference arising on settlement/ conversion is recognized in the Statement of Profit and Loss.

h) Revenue Recognition

In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognised net of service tax provided that at

the time of performance it is not unreasonable to expect ultimate collection. If at the time of raising of any claim it is unreasonable to expect ultimate collection, revenue recognition is postponed till the time the ultimate collection is made.

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

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

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

i) Provisions and Contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

j) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

k) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

l) Earnings per share

Basic earnings per share are computed by dividing the profit for the year by the weighted average number of equity shares outstanding during the year.

m) Operating Cycle

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

Note 3 - Share Capital				
Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	(₹) In Lakh	Number	(₹) In Lakh
Authorised				
Equity Shares of ₹10/- each with voting rights	150,000,000	15,000.00	150,000,000	15,000.00
Issued, Subscribed and Paid up				
Equity Shares of ₹10/- each with voting rights	104,500,000	10,450.00	104,500,000	10,450.00
Total	104,500,000	10,450.00	104,500,000	10,450.00

Note 3a - Share Capital						
Particulars						
Notes:						
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the						
Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Closing Balance
Equity shares with voting rights						
Year ended March 31, 2016						
- Number of shares	104,500,000	-	-	-	-	104,500,000
- Amount (₹) In Lakh	10,450.00	-	-	-	-	10,450.00
Year ended March 31, 2015						
- Number of shares	104,500,000	-	-	-	-	104,500,000
- Amount (₹) In Lakh	10,450.00	-	-	-	-	10,450.00

Note 3b - Share Capital				
Particulars				
Notes:				
(i) Details of shares held by each				
Class of shares / Name of shareholder	As at March 31, 2016		As at March 31, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
BSE Limited (Holding Company)	56,634,600	54.20	56,634,600	54.20
State Bank of India	10,000,000	9.57	10,000,000	9.57
HDFC Bank Limited	7,500,000	7.18	7,500,000	7.18
Standard Chartered Bank	7,500,000	7.18	7,500,000	7.18
Canara Bank	6,744,600	6.45	6,744,600	6.45
Bank of India	5,820,000	5.57	5,820,000	5.57
Bank of Baroda	5,300,000	5.07	5,300,000	5.07

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

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

Note 4 - Reserves and surplus		
Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
a. General Reserve		
Opening Balance	1,094.93	1,094.93
(+) Current year transfer	-	-
Closing Balance	1,094.93	1,094.93
b. Surplus in Statement of Profit and Loss		
Opening Balance	25,395.34	23,796.45
(+) Net Profit for the year	7,413.92	4,365.92
(-) Proposed Dividend (including Dividend Distribution Tax)	3,144.35	2,767.03
Closing Balance	29,664.91	25,395.34
Total	30,759.84	26,490.27

Note 5 - Other Long Term Liabilities		
Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Trade Payables		
Accrued employee benefits expense	50.37	30.37
(a) Security Deposits	2,252.50	2,199.00
(b) Others	0.46	0.46
Total	2,303.33	2,229.83

Note 6 - Trade payables		
Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Accrued employee benefits expense	572.91	464.99
(ii) Payable to Holding Company	-	7.12
(iii) Other trade payables	156.41	235.69
Total	729.32	707.80

Note 7 - Other current liabilities		
Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Income received in advance	68.06	69.29
(b) Other payables		
(i) Statutory dues	109.96	41.74
(ii) Payable for purchase of Fixed Assets (including payable to Marketplace Technologies Pvt. Ltd. ₹5.12 lakh, previous year ₹10.24 lakh)	8.38	58.99
(iii) Contribution to Investor Protection Fund (Refer Note no. 26)	773.11	3,852.26
(iv) Advances received from customers	735.86	752.78
(v) Others (Others include deposits and amounts received from DPs towards SEBI fees)	51.75	40.70
Total	1,747.12	4,815.76

Investor Education and Awareness Programme :

During the year, out of the penalty collected on account of late transfer of securities by Depository Participants to beneficial owner accounts, ₹15.50 lakh (Previous Year ₹10.26 lakh) utilized for conducting various investor education and awareness programme. Balance of ₹1.22 lakh (Previous year ₹2.51 lakh) is to be utilised for the said programme has been disclosed in "Other Current Liabilities"

Beneficial Owner's Protection Fund :

As advised by SEBI, the Company had set up a Trust called "CDSL Beneficial Owner's Protection Fund"(BOPF). As per the rules of the said Fund, corpus is constituted mainly out of a) 5% of profits of depository and b) penalties collected from Depository Participants (DPs). Details of the Fund account disclosed in "Other Current Liabilities" are given below:

Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
Opening Balance	11.76	7.78
Add :		
Penalties levied (net)	3.96	3.98
Other Contributions	-	-
Less : Funded	-	-
Closing Balance	15.72	11.76

Note 8 - Short term provisions

Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Provision for employee benefits		
Compensated absences	201.65	171.62
(b) Other provisions		
Wealth tax	-	2.27
Provision for Proposed Dividend	2,612.50	2,299.00
Provision for Dividend Distribution Tax on Proposed Dividend	531.85	468.03
Provision for Income Tax (Net of Advance Tax ₹ 4,504.29 lakh, previous year ₹ 2,589.62 lakh)	335.22	45.85
Provision for MAT	5.90	5.90
Provision for Incentive Scheme for DPs (Refer Note no. 27)	281.52	-
Total	3,968.64	2,992.67

Note 9 - Fixed Assets												
(₹) In Lakh												
Particulars	Gross Block				Accumulated Depreciation and Amortisation				Net Block			
	As at April 1, 2015	Additions	Disposals	As at March 31, 2016	As at April 1, 2015	Depreciation and Amortisation charged for the year	On disposals	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015		
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹		
A Tangible Assets												
Building - Freehold	173.77	-	-	173.77	173.76	-	-	173.76	0.01	0.01		
Building - Leasehold	(173.77)	-	-	(173.77)	(173.76)	-	-	(173.76)	(0.01)	(0.01)		
Plant and Equipment	500.78	-	-	500.78	331.69	50.08	-	381.77	119.01	169.09		
Furniture and Fixtures	(500.78)	-	-	(500.78)	(281.61)	(50.08)	-	(331.69)	(169.09)	(219.17)		
Vehicles	1,939.16	27.72	8.11	1,958.77	1,770.94	134.18	8.11	1,897.01	61.76	168.22		
Computers	(1,972.08)	(151.61)	(184.53)	(1,939.16)	(1,764.57)	(190.90)	(184.53)	(1,770.94)	(168.22)	(207.51)		
Office equipment	390.29	1.56	0.64	391.21	319.78	27.34	0.64	346.48	44.73	70.51		
Total (A)	3,521.28	64.63	56.16	3,529.75	3,007.20	276.18	55.99	3,227.39	302.36	514.09		
	(3,528.12)	(192.80)	(199.64)	(3,521.28)	(2,863.15)	(341.85)	(197.80)	(3,007.20)	(514.08)	(664.99)		
B Intangible Assets												
Computer software (other than internally generated)	2,052.87	57.88	16.89	2,093.86	1,897.70	142.87	11.64	2,028.93	64.93	155.17		
Total (B)	2,052.87	57.88	16.89	2,093.86	1,897.70	142.87	11.64	2,028.93	64.93	155.17		
	(1,911.32)	(141.55)	-	(2,052.87)	(1,615.37)	(282.33)	-	(1,897.70)	(155.17)	(295.95)		
Grand Total (A+B)	5,574.15	122.51	73.05	5,623.61	4,904.90	419.05	67.63	5,256.32	367.29	669.26		
Previous Year	(5,439.44)	(334.35)	(199.64)	(5,574.15)	(4,478.52)	(624.18)	(197.80)	(4,904.90)	(669.25)	(960.94)		

Note : Figures disclosed in bracket pertains to previous year.

Note 10 - Investments				
Particulars	As at March 31, 2016		As at March 31, 2015	
	Non current investments	Current portion of Long term investments	Non current investments	Current portion of Long term investments
	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh
Investments				
Investment in Equity shares (Unquoted)	0.50	-	0.50	-
Investment in Debentures (Quoted)	10,367.32	-	7,584.94	500.00
Investment in Government Securities (Quoted)	-	-	-	0.10
Investment in Units of Mutual funds (Quoted)	8,976.95	13,546.87	13,572.96	8,950.86
Investment in Units of Mutual funds (Unquoted)	16.56	13.80	13.80	-
Total	19,361.33	13,560.67	21,172.20	9,450.96

Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
Current Investments (At Cost or Fair value whichever is less)		
Investment in Units of Mutual funds (Unquoted)	7,649.00	7,896.67
Investment in Units of Mutual funds-ETF (Quoted)	468.55	406.30
Total	8,117.55	8,302.96

Particulars	As at March 31, 2016		As at March 31, 2015	
	Non current investments	Current Investments	Non current investments	Current Investments
	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh
Total Investments	19,361.33	21,678.22	21,172.20	17,753.92

Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
Aggregate book value of quoted investments	33,390.05	31,028.96
Aggregate market value of quoted investments	37,980.41	33,482.65
Aggregate book value of unquoted investments	7,649.50	7,897.15

Note 10 A - Investments		
Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Investment in Equity instruments	0.50	0.50
(b) Investments in Government securities	-	0.10
(c) Investments in Debentures / Bonds	10,367.32	8,084.94
(d) Investments in Mutual Funds	30,700.37	30,840.59
Total (A)	41,068.19	38,926.13
Less : Provision for diminution in the value of Investments (B)	(28.65)	-
Total (A)-(B)	41,039.54	38,926.13

Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
Aggregate amount of unquoted investments	0.50	0.50

Type	Name of the Body Corporate	Relationship	No. of Shares / Units		(₹) In Lakh	
			As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Details of Non current investments					
	Investment in Others					
a)	Investment in Equity shares					
Unquoted	Equity Shares-Belapur Railway Station Commercial Company Ltd. (Fully paid up)	Others	5,000.00	5,000.00	0.50	0.50
					0.50	0.50
b)	Investment in Debentures / Bonds					
Quoted	7.21% RECL Tax Free bonds 211122		50.00	50.00	500.04	500.05
Quoted	7.22% PFC Tax Free Bond Series 95 291122		50.00	50.00	500.03	500.05
Quoted	7.18% IRFCL Tax Free Bonds 190223		130,000.00	130,000.00	1,305.63	1,306.51
Quoted	7.19% IRFC Tax Free Bond 31.07.2025		50.00	-	500.56	-
Quoted	8.01% NHB Tax Free Bonds 300823		70.00	70.00	700.26	700.35
Quoted	7.17% NHB Tax Free Bonds 010123		50.00	50.00	502.74	503.17
Quoted	8.35% NHAI Tax Free Bonds 221123		70.00	70.00	700.16	700.21
Quoted	8.20% NHAI Tax Free Bonds 250122		72,500.00	72,500.00	749.51	753.84
Quoted	8.18% NHPC Tax Free Bonds 021123		22,547.00	22,547.00	225.47	225.47
Quoted	8.19% NTPC Tax Free Bonds 040324		50.00	50.00	500.04	500.05
Quoted	8.41% NTPC Tax Free Bonds 161223		31,665.00	31,665.00	316.65	316.65
Quoted	8.20% PFC Tax Free Bonds 010222		100,000.00	100,000.00	1,042.78	1,052.01
Quoted	7.15% NTPC Tax Free Bond 21.08.2025		50.00	-	500.33	-
Quoted	7.17% RECL Tax Free Bond 23.07.2025		50.00	-	500.42	-
Quoted	8.18% RECL Tax Free Bonds 111023		50.00	50.00	521.93	526.58
Quoted	7.11% NHAI Tax Free Bonds 18.09.2025		30.00	-	300.03	-
Quoted	7.16% PFC Tax Free Bonds 17.07.2025		50.00	-	500.32	-
Quoted	7.17% RECL Tax Free Bonds 23.07.2025		50.00	-	500.42	-
					10,367.32	7,584.94

c)	Investment in Units of Mutual funds						
Quoted	Birla Sun Life Fixed Term Plan - Series KC (368days) - Gr. Direct					7,186,155.00	718.62
Quoted	Birla Sun Life Fixed Term Plan - Series KK (367days) - Gr. Direct					4,658,410.00	465.84
Quoted	Birla Sun Life Fixed Term Plan - Series KM (368days) - Gr. Direct					5,600,000.00	560.00
Quoted	Birla Sun Life Fixed Term Plan - Series KQ (368days) - Gr. Direct					8,492,604.00	849.26
Quoted	DSP BlackRock FMP S146-12M-Dir-G	-				7,145,126.66	714.51
Quoted	DSP BlackRock FMP S153-12M-Dir-G	-				4,110,414.88	411.04
Quoted	DSP BlackRock FMP S149-12M-Dir-G	-				4,015,030.87	401.50
Quoted	DSP BlackRock FMP S109-12M-Dir-G	-				5,720,279.01	572.03
Quoted	DSP BlackRock FMP S161-12M-Dir-G	6,549,900.00			654.99	-	-
Quoted	DHFL Pramerica Fixed Maturity Plan Series 63 - Direct Plan - Growth	6,500,000.00			650.00	-	-
Quoted	DHFL Pramerica Fixed Maturity Plan Series 70 (2 Years)- Direct Plan - Growth	-				138,027.00	13.80
Quoted	HDFC FMP 370D Mar2014 (1) - Direct Plan- GR	4,384,836.00			438.48	4,384,836.00	438.48
Quoted	HDFC FMP 371D Feb 2014(2) Sr 29 - Direct Plan- GR	6,000,000.00			600.00	6,000,000.00	600.00
Quoted	HDFC FMP 370D Apr 2014 (2) - Direct Plan- GR	4,079,690.00			407.97	-	-
Quoted	HDFC FMP 377Days March2014 (1) - Direct Plan- GR	14,468,207.00			1,446.82	-	-
Quoted	ICICI Prudential Fixed Maturity Plan-Series 72-366 days Plan K - Direct Plan-Cum	-				3,483,042.00	348.30
Quoted	ICICI Prudential Fixed Maturity Plan-Series 73-369 days Plan P - Direct Plan-Cum	12,303,571.00			1,230.36	12,303,571.00	1,230.36
Quoted	ICICI Prudential Fixed Maturity Plan-Series 73-366 days Plan A - Direct Plan-Cum	3,284,400.00			328.44	3,284,400.00	328.44
Quoted	ICICI Prudential Fixed Maturity Plan-Series 73-369 days Plan S - Direct Plan-Cum	4,793,668.00			479.37	-	-
Quoted	ICICI Prudential Fixed Maturity Plan-Series 74-370 days Plan V - Direct Plan-Cum	4,000,000.00			400.00	-	-
Quoted	ICICI Prudential Fixed Maturity Plan-Series 74-369 days Plan I - Direct Plan-Cum	5,565,133.00			556.51	-	-
Quoted	IDFC Fixed Term Plan Series 24 - Direct Plan - Growth	-				6,000,000.00	600.00
Quoted	IDFC Fixed Term Plan Series 27 - Direct Plan - Growth	-				3,000,000.00	300.00
Quoted	IDFC Fixed Term Plan Series 83 - Direct Plan - Growth	-				3,422,758.56	342.28
Quoted	Reliance Fixed Horizon Fund - XXV - Series 18 - Direct Plan Growth Plan	-				4,000,000.00	400.00
Quoted	Reliance Fixed Horizon Fund - XXVIII - SR 19-Direct-Growth	165,632.40			16.56	-	-
Quoted	Reliance Fixed Horizon Fund - XXV - Series 24 - Direct Plan Growth Plan	5,000,000.00			500.00	5,000,000.00	500.00
Quoted	Reliance Fixed Horizon Fund - XXV - Series 26 - Direct Plan Growth Plan	4,840,140.49			484.01	4,840,140.49	484.01
Quoted	Sundaram Fixed Term Plan DO 366 Days Direct Growth	-				5,360,560.00	536.07
Quoted	Birla Fixed Term Plan Series JY - Direct - Gr	-				3,544,730	354.47

f)	Investment in Units of Mutual funds					
Quoted	Birla Sun Life Interval Income Fund - Annual Plan 5 - Gr.-Direct	8,266,208.66	8,266,208.66	900.00	900.00	900.00
Quoted	Birla Sun Life Fixed Term Plan - Series KC (368days) - Gr. Direct	7,186,155.00		718.62		-
Quoted	Birla Sun Life Fixed Term Plan - Series KK (367days) - Gr. Direct	4,658,410.00		465.84		-
Quoted	Birla Sun Life Fixed Term Plan - Series KM (368days) - Gr. Direct	5,600,000.00		560.00		-
Quoted	Birla Sun Life Fixed Term Plan - Series KQ (368days) - Gr. Direct	8,492,604.00		849.26		-
Quoted	DSP BlackRock FMP S146-12M-Dir-G	7,145,126.66		714.51		-
Quoted	DSP BlackRock FMP S153-12M-Dir-G	4,110,414.88		411.04		-
Quoted	DSP BlackRock FMP S149-12M-Dir-G	4,015,030.87		401.50		-
Quoted	DSP BlackRock FMP S161-12M-Dir-G Mat Dt:20.04.15	-	6,549,900.00	-	654.99	-
Quoted	DSP BlackRock FMP S109-12M-Dir-Growth	5,720,279.01	-	572.03		-
Quoted	DHFL Pramerica Fixed Maturity Plan Series 63 - Direct Plan - Growth	-	6,500,000.00	-	650.00	-
Quoted	DHFL Pramerica Fixed Maturity Plan Series 70 (2 Years)- Direct Plan - Growth	138,027.00	-	13.80		-
Quoted	HDFC FMP 370D Apr 2014 (2) - Direct Plan- GR	-	4,079,690.00	-	407.97	-
Quoted	HDFC Annual Interval Fund Sr1-Plan A - Direct Plan- GR	5,756,368.55	5,756,368.55	630.00	630.00	630.00
Quoted	HDFC FMP 377Days March2014 (1) - Direct Plan- GR	-	14,468,207.00	-	1,446.83	-
Quoted	ICICI Prudential Fixed Maturity Plan-Series 73-369 days Plan S - Direct Plan-Cum	-	4,793,668.00	-	479.37	-
Quoted	ICICI Prudential Fixed Maturity Plan-Series 74-370 days Plan V - Direct Plan-Cum	-	4,000,000.00	-	400.00	-
Quoted	ICICI Prudential Fixed Maturity Plan-Series 74-369 days Plan I - Direct Plan- Cum	-	5,565,133.00	-	556.51	-
Quoted	ICICI Prudential Interval Fund Sr-VI-Annual Interval Plan C- Direct Plan-Cum	5,887,877.00	5,887,877.00	644.20	644.20	644.20
Quoted	ICICI Prudential Fixed Maturity Plan-Series 72-366 days Plan K - Direct Plan-Cum	3,483,042.00	-	348.30		-
Quoted	IDFC Fixed Term Plan Series 83 - Direct Plan - Growth	3,422,758.56	-	342.28		-
Quoted	IDFC Fixed Term Plan Series 24 - Direct Plan - Growth	6,000,000.00	-	600.00		-
Quoted	IDFC Fixed Term Plan Series 27 - Direct Plan - Growth	3,000,000.00	-	300.00		-
Quoted	Reliance Yearly Interval Fund - Series 5 - Direct Plan Growth Plan	4,496,856.79	4,496,856.79	490.00	490.00	490.00
Quoted	Reliance Fixed Horizon Fund - XXV - Series 18 - Direct Plan Growth Plan	4,000,000.00	-	400.00		-
Quoted	Sundaram Fixed Term Plan DO 366 Days Direct Growth	5,360,560.00	-	536.07		-
Quoted	Birla Fixed Term Plan Series HL - Direct - Gr	2,562,575	-	256.26		-
Quoted	Birla Fixed Term Plan Series JY - Direct - Gr	3,544,730	-	354.47		-

Quoted	Birla Fixed Term Plan Series KI - Direct - Gr	5,630,000	-	563.00	-
Quoted	Birla Fixed Term Plan Series KQ - Direct - Gr	5,036,298	-	503.63	-
Quoted	Reliance Fixed Horizon Fund Sr 15-Direct Plan - Growth	3,000,000	-	300.00	-
Quoted	Reliance Yearly Interval Fund Sr 2 367 days	3,995,528	3,995,528	436.00	436.00
Quoted	Reliance Yearly Interval Fund-Sr-5-Direct Plan - Growth	3,257,927	3,257,927	355.00	355.00
Quoted	Reliance Yearly Interval Fund Sr 4 - Direct Plan - Growth	4,567,712	4,567,712	500.00	500.00
Quoted	Reliance Fixed Horizon Fund XXVI Sr 31 - Direct Plan - Growth	-	4,000,000	-	400.00
Quoted	Reliance Fixed Horizon Fund - XXIV 11 Direct Plan	3,948,606.39	-	394.86	-
				13,560.67	8,950.86
Total of Current portion of Long term investments (d+e+f)				13,560.67	9,450.97

Details of Current Investments						
g)	Investment in Units of Mutual funds					
Unquoted	Axis Liquid Fund - Direct Plan - Daily Dividend Reinvestment	94,399.36	177,210.13	797.24	1,772.65	
Unquoted	Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend-Direct Plan	-	2,893,085.08	-	304.68	
Unquoted	DSP Ultra Short Fund- Direct-DDR	6,955,046.28	11,881,190.96	1,093.90	1,193.04	
Unquoted	DWS Insta Cash Plus Fund -Direct -DDR	-	287,319.20	-	288.19	
Unquoted	DWS Ultra Short Term Fund-Direct-DDR	-	816,170.89	-	81.76	
Unquoted	Reliance Money Manager Direct -DDR	61,062.53	-	1,001.09	-	
Unquoted	Reliance Short Term Fund - Direct - Monthly Dividend Plan DDR	7,474,815.86	7,231,190.93	826.28	787.92	
Unquoted	Religare Invesco Liquid Fund - Direct-DDR	-	-	592.60	-	
Unquoted	Sundaram Select Debt Asset Plan -Direct-MDR	12,501,497.70	12,090,422.58	1,544.98	1,476.26	
Unquoted	Birla Sunlife Cash Plus Direct Plan DD	-	514,089	-	515.09	
Unquoted	Birla Sunlife Saving Fund Direct Plan DD	-	496,872	-	498.35	
Unquoted	Kotak Floater Short Term- Direct Plan - Daily Dividend Reinvest	72,122	-	729.60	-	
Unquoted	DSP BlackRock Liquidity Fund Direct - DDR*	41,352	-	413.80	-	
Unquoted	ICICI Prudential Flexible Income Plan -Direct -DDR*	-	80,499	-	85.11	
Unquoted	ICICI Prudential Banking and PSU Debt Fund- Direct -Growth	4,209,448	4,209,448	649.51	649.51	
Unquoted	Reliance Liquid Fund-Treasury Plan Direct Plan-DDR*	-	15,964	-	244.10	
			4,628.23	7,649.00	7,896.67	
h)	Investment in Units of Mutual funds- Exchange Traded Fund					
Quoted	Sensex Prudential ICICI ETF (SPICE)	120,000.00	100,000.00	335.00	279.68	
Quoted	Reliance R*Share SENSEX ETF	30,000.00	-	78.29	-	
Quoted	Reliance R*Share NIFTY ETF	100,000.00	150,000.00	83.91	126.62	
				497.20	406.30	
				8,146.20	8,302.97	
				(28.65)	-	
i)	less: Diminution in value of investments			8,117.55	8,302.97	
	Total of Current Investments (g+h-i)			41,039.54	38,926.12	
	Total Investment					

Note 11 - Deferred tax assets

Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
Deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	-	2.06
Total	-	2.06
Deferred tax assets		
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	292.80	234.36
Provision for incentive scheme for DPs	97.43	-
Provision for doubtful debts / advances	179.31	141.25
On difference between book balance and tax balance of fixed assets	199.58	163.52
Total	769.12	539.13

Note 12 - Long term Loans and Advances - Unsecured, considered good

Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Capital Advances	22.13	3.80
(b) Security Deposits (Deposit with Holding Company)	72.77	73.42
(c) Advance Income tax (net of provisions ₹ 6,860.76 lakh, previous year ₹ 7,905.64 lakh)	1,318.93	1,111.67
(d) Other Loans and Advances - MAT Credit Entitlement	5.90	5.90
(e) Prepaid Expenses	8.66	7.75
Total	1,428.39	1,202.54

Note 13 - Trade Receivables

Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
Outstanding for a period exceeding six months (from the date due for payment)		
Secured, considered good	-	2.29
Unsecured, considered good	-	0.39
Unsecured, considered doubtful	81.51	410.35
Less: Provision for doubtful debts	(81.51)	(410.35)
Total (A)	-	2.68
Others		
Secured, considered good	-	265.83
Unsecured, considered good	1,733.28	422.34
Less: Provision for doubtful debts	(440.24)	-
Total (B)	1,293.04	688.17
Total (A) + (B)	1,293.04	690.85

Note 14- Cash and Bank Balances

Particulars	As at March 31, 2016		As at March 31, 2015	
	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh
(a) Cash on hand		0.62		0.19
(b) Cheques, drafts on hand		30.73		0.16
(c) Balances with banks		5,550.30		6,560.07
i) in current accounts	165.30		94.93	
ii) in deposit accounts	5,385.00		6,465.14	
Total		5,581.65		6,560.42

Notes :

- (i) Of the above, balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is - ₹196.65 lakh (As at March 31, 2015 ₹95.28 lakh)
- (ii) Balances in Deposit Account with Banks includes ₹1,545 lakh (As at March 31, 2015 ₹2,250 lakh), which have an remaining maturity of more than 12 months
- (iii) Balances with banks includes amount in earmarked accounts ₹1.23 lakh (As at March 31, 2015, ₹1.23 lakh)

Note 15 - Short term loans and advances - Unsecured considered good

Particulars	As at March 31, 2016		As at March 31, 2015	
	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh	(₹) In Lakh
(a) Loans and advances to employees		11.78		20.65
(b) Prepaid Expenses		112.05		73.87
(c) Balances with Government authorities (CENVAT Credit receivable)		99.13		86.04
(d) Others				
Advances given	10.41		16.08	
Sundry deposits	15.08	25.49	15.08	31.16
Total		248.45		211.72

Note 16 - Other current assets

Particulars	As at March 31, 2016	As at March 31, 2015
	(₹) In Lakh	(₹) In Lakh
Interest accrued but not due on -		
Bonds	286.45	242.47
Fixed Deposits	306.39	76.36
Others	46.12	-
Total	638.96	318.83

Note 17 - Revenue from operations		
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Sale of services (Refer Note (i) below)	12,253.42	10,457.02
(b) Other operating revenues (Refer Note (ii) below)	31.88	84.49
Total	12,285.30	10,541.51
Notes		
(i) Sale of services comprise :		
Annual Issuer charges	4,813.51	3,545.77
Transaction charges	2,584.23	2,832.68
Users Facility charges	420.69	414.45
Settlement charges	171.72	182.46
Account Maintenance charges	257.43	239.75
E-Voting charges	449.36	496.27
ECAS charges	230.54	-
IPO/Corporate Action charges	1,070.07	619.26
Others	149.87	162.09
On Line Data charges	1,536.53	1,466.27
Documents Storage charges	536.77	483.23
Inter KRA charges	23.31	-
New Policy (EIA) charges - Created by CDSL Insurance Repository Ltd.	0.77	8.00
New Policy (EIA) charges - Created by Insurer	0.85	2.03
Existing Policy charges	1.71	4.68
Annual Maintenance charges-Insurance Company	6.06	0.08
Total - Sale of services	12,253.42	10,457.02
(ii) Other operating revenues comprise :		
Interest from debtors	15.03	29.30
Reversal of provision for Doubtful debts	-	13.45
Bad debts recovered	16.85	41.74
Total - Other operating revenues	31.88	84.49

Note 18 - Other Income		
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Interest on fixed deposits	607.09	436.92
(b) Interest income from long term investments (Bonds)	657.01	225.20
(c) Interest income from current investments (Bonds)	-	192.38
(d) Dividend income (Current Investments)	272.25	265.75
(e) Net gain on sale of investments (Current Investments)	13.55	985.37
(f) Other non - operating income (Refer note below)	106.82	70.51
Total	1,656.72	2,176.13

Note		
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	(₹) In Lakh	(₹) In Lakh
Other non-operating income comprises:		
Rental income from operating leases	60.00	60.00
Profit on sale of fixed assets	1.29	2.55
Miscellaneous income	45.53	7.96
Total	106.82	70.51

Note 19 - Employee Benefits Expense		
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Salaries, wages and bonus	1,958.10	1,736.59
(b) Contribution to provident and other funds	96.83	87.08
(c) Staff welfare expenses	101.32	92.11
Total	2,156.25	1,915.78

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	(₹) In Lakh	(₹) In Lakh
(a) Annual SEBI fees	133.25	117.09
(b) Bad Debts Written Off	149.27	183.29
(c) Contribution to investor protection fund (Refer Note no.28)	231.25	1,234.64
(d) Business promotion expenses	118.08	30.80
(e) Incentive Scheme for DPs (Refer Note no.27)	281.52	-
(f) Directors' sitting fees	45.85	41.50
(g) Auditors' remuneration		
Audit Fees	13.00	8.20
Tax Audit Fees	1.50	1.10
Reimbursement of expenses	0.87	0.52
(h) Insurance	105.59	111.76
(i) Legal, professional and consultancy fees	149.91	121.16
(j) Postage, telephone and communication charges (net of recoveries)	497.13	313.04
(k) Power and fuel	66.56	57.92
(l) Printing and stationery	23.79	19.85
(m) Provision for diminution in the value of investments (net of reversals)	28.65	(19.79)
(n) Rates and taxes	25.27	16.00
(o) Rent	314.61	306.02
(p) Repairs to buildings	138.08	137.57
(q) Repairs to machinery	786.73	788.35
(r) Travelling and conveyance	139.16	108.42
(s) Water charges	2.87	2.76
(t) Point of Service (POS) charges	260.44	280.73
(u) Miscellaneous expenses	74.24	70.98
(v) Provision for doubtful debts	111.41	127.36
(w) Corporate social responsibility (Refer Note no.29)	74.22	25.00
Total	3,773.25	4,084.27

Note 21 - Additional information to the financial statements

Note	Particulars	As at 31st March, 2016	As at 31st March, 2015
		(₹) In Lakh	(₹) In Lakh
21.1	Contingent liabilities (to the extent not provided for)		
(i)	Contingent liabilities		
	Claims against the Group not acknowledged as debt	2,266.83	2,266.83

(a) The Holding 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.

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

The Commissioner of Service Tax, Mumbai has issued Show cause cum Demand Notice (SCN) on 21st October 2009 to CDSL demanding service tax amount of ₹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 Show cause cum Demand Notice (SCN) on 4th October 2010 to CDSL demanding service tax amount of ₹465 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 Show cause cum Demand Notice (SCN) on 23rd April 2012 to CDSL demanding service tax amount of ₹5.91 lakh on the charges recovered by CDSL for wrong availment of Cenvat Credit on Group Mediclaim policy in respect of staff for FY 2007-08 to FY 2011-12.

Company has obtained two legal opinions which states that CDSL is not liable for the service tax as demanded in the aforesaid notice. Company has filed a comprehensive reply based on jurisdiction and merits, vide its letter dated 25th November 2009, 2nd November 2010 and 8th July 2013 to the SCNs respectively and requested for personal hearing in the matter. Till date no reply from Service Tax Department has been received.

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

Appeal pending with Commissioner of Income Tax (Appeals) for the AY 2011-12 amounting to ₹4.92 lakh

21.2	Commitments :	As at 31st March, 2016	As at 31st March, 2015
		(₹) In Lakh	(₹) In Lakh
	(a) Estimated amount of contracts remaining to be executed on capital account		
	Tangible assets	251.30	19.00
	Intangible assets	9.40	23.59
	(b) Other commitments	126.45	274.99

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

21.4	Expenditure in foreign currency :	As at 31st March, 2016	As at 31st March, 2015
		(₹) In Lakh	(₹) In Lakh
	Travelling Expenses	40.23	22.66
	Others	3.38	1.59

Note 22 Disclosures under Accounting Standards

Particulars

Description of relationship	Names of related parties
Holding Company	BSE Limited
Fellow Subsidiaries & Joint Venture (with whom there are transactions)	Marketplace Technologies Private Limited Indian Clearing Corporation Limited BOI Shareholding Limited (up to 08.01.2016)
Key Management Personnel (KMP)	Shri P S Reddy - MD and CEO

Details of related party transactions for the year ended 31 March, 2016:				(₹) In Lakh
Particulars	Holding Company	Fellow Subsidiaries	KMP	Total
Remuneration paid	-	-	106.79	106.79
	-	-	(100.00)	(100.00)
Rendering of services	11.32	36.21	-	47.52
	(6.24)	(44.39)	-	(50.63)
Receiving of services	258.38	36.52	-	294.90
	(87.71)	(88.85)	-	(176.56)
License agreements-Rent and Maintenance	301.09	-	-	301.09
	(306.48)	-	-	(306.48)
Dividend Paid	1,245.96	-	-	1,245.96
	(1,132.69)	-	-	(1,132.69)
<u>Balances outstanding at the end of the year</u>				
Trade receivables	7.59	2.48	-	10.06
	-	(2.58)	-	(2.58)
Loans and advances-Deposit given	72.77	-	-	72.77
	(73.42)	-	-	(73.42)
Trade payables	-	5.44	-	5.44
	(7.12)	(18.02)	-	(25.14)

Note: Figures in brackets relate to the previous year

Note 23 - Disclosures under Accounting Standards		
Particulars	For the Year ended	For the Year ended
	31 March 2016	31 March 2015
	(₹) In Lakh	(₹) In Lakh
Earnings per share		
<u>Basic and Diluted</u>		
<u>Total operations</u>		
Net profit for the year from continuing operations	7,413.92	4,365.92
Less: Preference dividend and tax thereon	-	-
Net profit for the year from continuing operations attributable to the equity shareholders	7,413.92	4,365.92
Weighted average number of equity shares	104,500,000	104,500,000
Par value per share (₹)	10.00	10.00
Earnings per share from continuing operations - Basic & Diluted (₹)	7.09	4.18

24. The Group has determined the liability for Employee Benefits as at March 31, 2016 in accordance with the revised Accounting Standard 15 on “Employee Benefits” prescribed in Companies (Accounting Standards) Rules, 2006.

a) Defined benefit plans-Gratuity-As per Actuarial Valuation on March 31, 2016

(₹in Lakhs)

A	Expenses Recognized in the Statement of Profit and Loss for the year ended	31/03/2016	31/03/2015
1	Current Service Cost	15.30	17.79
2	Past Service Cost	-	-
3	Interest Cost	10.57	10.15
4	Expected Return on Plan Assets	(0.50)	(9.35)
5	Net Actuarial (Gain)/ Loss recognized for the Period	(3.53)	(5.61)
6	Expenses recognized in statement of Profit and Loss	21.84	12.98
B	Net Asset / (Liability) recognized in the Balance Sheet		
1	Present Value of Obligation	167.67	138.32
2	Fair Value of Plan Assets	152.40	131.07
3	Funded Status	(15.27)	(7.25)
4	Unrecognised Actuarial Gain/ (Loss)	-	-
5	Net Assets / (Liability) recognized in the Balance Sheet	(15.27)	(7.25)
C	Changes in present value of obligations		
1	Present Value of Obligation as at April 01, 2015	138.32	109.95
2	Interest Cost	10.57	10.15
3	Current Service Cost	15.30	17.79
4	Past Service Cost		-
5	Benefits Paid	(4.38)	(0.93)
6	Actuarial (Gain)/Loss on Obligation	7.85	1.36
7	Present Value of Obligation as at March 31, 2016	167.66	138.32
D	Changes in Fair Value of Plan Assets		
1	Fair Value of Plan Assets as at April 01, 2015	131.07	112.39
2	Adjustment in opening balance	0.47	-
3	Expected Return on Plan Assets	0.50	9.35
4	Contributions	13.35	8.83
5	Benefits Paid	(4.38)	(0.93)
6	Actuarial Gain / (Loss) on plan assets	11.38	1.43
7	Fair Value of Plan Assets as at March 31, 2016	152.39	131.07
E	Fair Value of Plan Assets		
1	Fair Value of plan assets as at April 01, 2015	131.07	112.39
2	Adjustment in opening balance	0.47	-
3	Actual Return on plan assets	11.88	10.78
4	Contributions	13.35	8.83
5	Benefits Paid	(4.38)	(0.93)
6	Fair Value of plan assets as at March 31, 2016	152.39	131.07
7	Funded Status	(15.27)	(7.25)
8	Excess of Actual over estimated return on plan	11.38	1.43

F Actuarial Gain / (Loss) Recognized			
1	Actuarial Gain/(Loss) for the period (Obligation)	(7.85)	4.18
2	Actuarial Gain / (Loss) for the period (Plan Assets)	11.38	1.43
3	Total Gain / (Loss) for the period	3.53	5.61
4	Actuarial Gain / (Loss) recognized for the period	3.53	5.61
5	Unrecognized Actuarial Gain / (Loss) at March 31,2015	-	-
G Movements in the Liability recognized in Balance Sheet			
1	Opening Net Liability	7.25	3.09
2	Adjustment in opening balance	0.47	-
3	Expenses recognized in in the Statement of Profit and Loss	21.84	12.98
4	Contribution Paid	(13.35)	(8.82)
5	Closing Net Liability	15.27	7.25
H Actuarial Assumptions			
1	Mortality	IALM(2006-08)Ult	IALM(2006-08)Ult
2	Discount Rate as at March 31, 2016	7.51%	7.77%
3	Rate of Increase in Compensation	4.00%	4.00%
4	Expected average remaining service (years)	12.30	16.05
5.	Withdrawal Rate		
	- 0 to 42 years	4.51%	2.28%
6.	Expected Rate of Return on plan assets	8.00%	8.00%
I Membership Data			
	Number of Employees	200	202
	Total Monthly Salary (Rs. In lakh)	48.17	45.86
	Average Age (in Years)	38.56	37.95
	Average Past Service (in Years)	5.45	7.58

J Experience Adjustments					
Particulars	Gratuity – Funded Plan				
	2015-16	2014-15	2013-14	2012-13	2011-12
Defined Benefit Obligation at the end of the year	16,766,740	13,831,888	11,548,359	10,500,892	9,022,567
Plan Assets at the end of the year	15,239,755	13,106,694	11,238,883	9,381,291	7,711,649
Net obligation as at the year end	1,526,985	725,194	309,476	1,119,601	1,310,918
Experience adjustment on plan liabilities – Gain / (Loss)	566,247	498,117	378,832	(653,536)	45,616
Experience adjustment on plan assets – Gain / (Loss)	(1,226,118)	130,748	33,658	155,592	257,984
Actuarial Gain / (Loss) due to change in assumptions	(1,364,705)	(83,208)	630,371	537,155	56,063

- b) Gratuity is administered through Group Gratuity Scheme with Life Insurance Corporation of India. The LIC raises demand for annual contribution for gratuity amount based on its own computation without providing entire details as required by the Accounting Standard 15. Hence the Group obtains separate actuarial valuation report as required under Accounting Standard 15 from an independent Actuary. The maximum amount as per these two valuation reports is recognized as liability in the books of accounts. The expected return on plan assets is based on market expectation at the beginning of the year, for the returns over the entire life of the related obligations.
- c) Amount Recognized as an expenses in respect of Compensated Leave Absences is ₹61.21 Lakh (₹50.39 lakh for the year ended March 31, 2015)
- 25.** As per the definitions of 'business segment' and 'geographical segment', contained in Accounting Standard-17 "Segment Reporting", the Management is of the opinion that the group's operations comprise of two segments viz. a) Depository activity i.e. providing depository related services and b) Data Processing Services i.e. providing online data. And accordingly following disclosure is made

	For the Year Ended	
	March 31, 2016	March 31, 2015
I Segment Revenue		
(a) Depository Activity	14,838.80	10,609.00
(b) Data Processing Services	2,237.47	2,003.99
(c) Others	176.16	273.46
Total	17,252.43	12886.45
Less : Inter Segment Revenue	-	-
Total Income	17,252.43	12886.45
II Segment Results		
(a) Depository Activity	9,289.03	4,860.12
(b) Data Processing Services	1,643.38	1,434.44
(c) Others	(28.54)	(32.35)
Total	10,903.87	6262.21
Add : Unallocated Corporate Income	-	-
Less : Unallocated Corporate Expenses	-	-
Profit before taxation	10,903.87	6,262.21
Less : Provision for taxation	3,512.23	1,920.27
Profit after taxation	7,391.64	4,341.94

	As at March 31, 2016	As at March 31, 2015
III Segment Assets		
(a) Depository Activity	39,638.47	38,769.65
(b) Data Processing Services	6,553.07	5,493.78
(c) Others	3,080.97	3,198.73
(d) Unallocated	2093.94	1,656.71
Total	51,366.45	49,118.87
IV Segment Liabilities		
(a) Depository Activity	8,289.86	10,561.89
(b) Data Processing Services	98.85	81.98
(c) Others	18.59	50.44
(d) Unallocated	341.11	53.81
Total	8,748.41	10,748.12
V Capital Employed		
(a) Depository Activity	31,348.61	28,207.76
(b) Data Processing Services	6,454.22	5,411.80
(c) Others	3,062.38	3,204.39
(d) Unallocated	1,752.83	1,602.90
Total	42,618.04	38,370.75

- 26. A.** SEBI had issued Depositories and Participants (Amendment) Regulations, 2012 on September 11, 2012 (the “2012 Regulations”). According to the 2012 Regulations, depositories are required to establish and maintain an Investor Protection Fund (the “IPF”) for the protection of interest of beneficial owners and every depository is required to credit 25% of its profits every year to the Investor Protection Fund. Accordingly, the Company had credited a total sum of ₹ 3,852.26 lakh from FY 2012-13 to FY 2014-15 to the IPF as at March 31, 2015.

On January 21, 2016, SEBI has issued the Securities and Exchange Board of India (Depositories and Participants) (Amendment) Regulations, 2016 (the “Amended Regulations”). According to these Amended Regulations, every depository shall credit 5% or such percentage as may be specified by the Board, of its profits from depository operations every year to the IPF. These Amended Regulations shall be deemed to have come into force from September 11, 2012. Pursuant to the aforesaid Amended Regulations, the amount to be credited to the IPF as at March 31, 2015 should have been ₹ 541.86 lakh. Consequently, the excess amounts of ₹3,310.40 lakh credited earlier to the IPF has been written back and the same has been disclosed as exceptional item in the Statement of Profit and Loss for the current year.

B. During the previous year, the Holding Company had received a sum of ₹ 168.81 lakh on account of the refund of Municipal taxes for FYs 2010-11, 2011-12, 2012-13 from BSE Limited. Considering the nature and quantum of the said transaction, the same was disclosed as an exceptional item.

- 27.** 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 ₹281.52 lakh being 20% of incremental revenue on issuer income for the year ended March 31, 2016 for DP incentive scheme.

- 28.** For the year ended March 31, 2016, the Holding Company has determined the IPF contribution at ₹ 231.25 lakh being 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. During the FY 2014-15 however, as per the 2012 Regulations, the Holding Company calculated IPF contribution of ₹1,234.64 lakh, being 25% of the profits of the Holding Company before tax, available after making such contribution

29. Corporate Social Responsibility

The gross amount required to be spent by the Group during the year is ₹126 lakh.

Amount spent during the year of ₹74.22 lakh was for the purpose other than construction / acquisition of any asset. The entire amount was paid in cash during FY 2015-16 (₹ 25 lakh for previous year)

30. Previous year's figures have been re grouped/ classified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes 1 to 30

For and on behalf of the Board of Directors

T. S. Krishna Murthy
Chairman

P. S. Reddy
Managing Director & CEO

Bharat Sheth
Sr.Vice President
& Chief Financial Officer

Mumbai
Date : April 28, 2016

Statement pursuant to section 129 of the Companies Act,2013, relating to subsidiary companies

(₹ in Lakh except as stated)

1 Name of the subsidiary	: CDSL VENTURES LIMITED	CDSL INSURANCE REPOSITORY LIMITED
2 Financial Year of the Subsidiary Company ended on	: 31 st March 2016	31 st March 2016
3 Holding Company's interest as on above date (Inclusive of holding through its subsidiary)		
Number of shares	: 45,00,000 equity shares of Rs.10 each fully paid	1,62,75,000 equity shares of Rs.10 each fully paid
Extent of Holding	: 100%	54.25%
4 The Net Aggregate amount of the Subsidiary's Profit/(Losses) so far as it concerns members of the holding company and is not dealt with in Holding Company's accounts		
(i) for the financial year of the company	: ₹ 1100.72	(₹ 26.43)
(ii) for the previous financial years of the subsidiary since it became the holding company's subsidiary	: ₹ 3425.97	₹ 88.69
5 Net aggregate amounts of the Profit/(Losses) of the subsidiary dealt with in company's account		
(i) for the financial year of the company.	: NIL	NIL
(ii) for the previous financial year of the subsidiary since it became the holding company's subsidiary	: NIL	NIL

For and on behalf of the Board of Directors

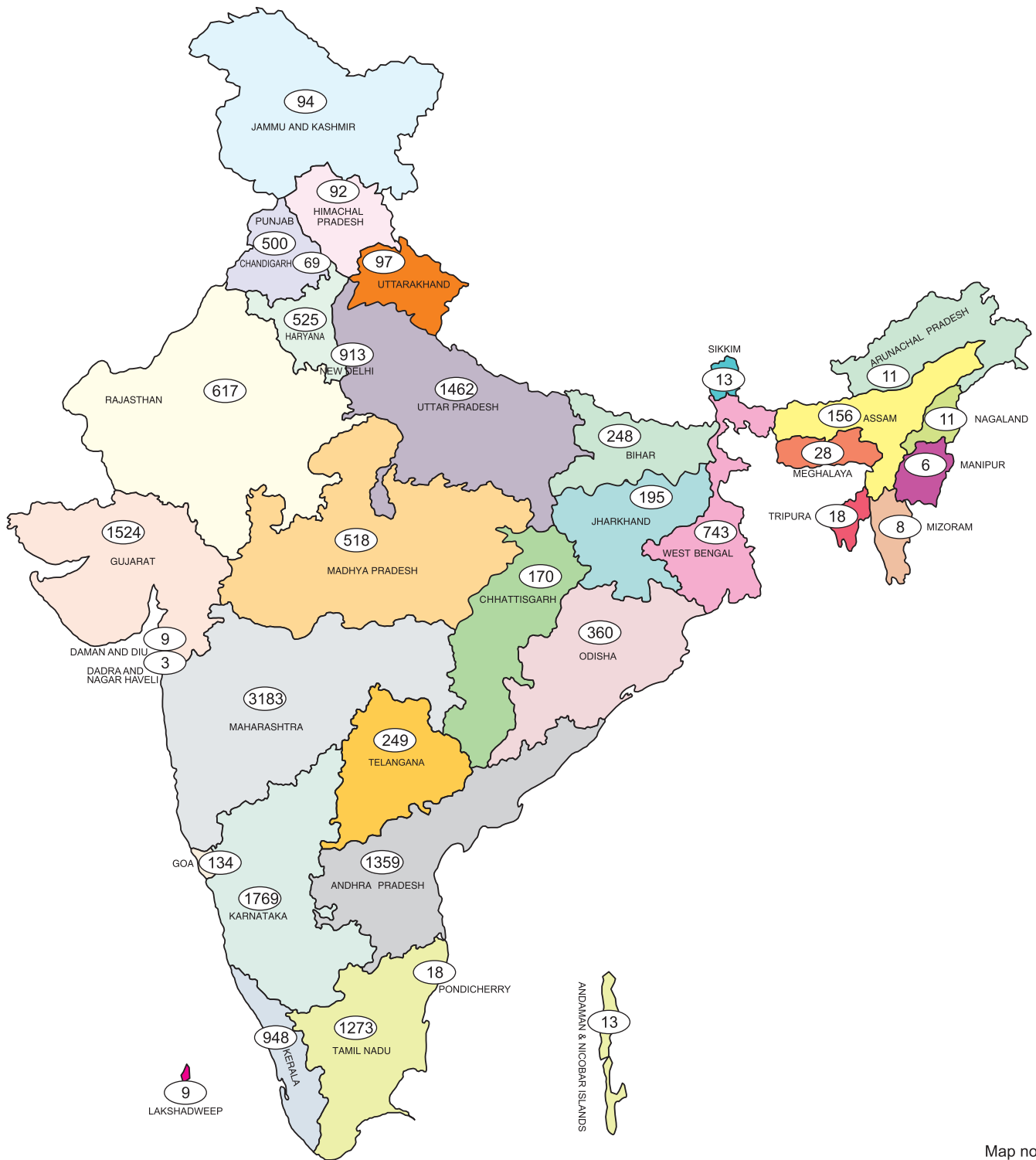
T. S. Krishna Murthy
Chairman

P. S. Reddy
Managing Director & CEO

Bharat Sheth
Sr.Vice President
& Chief Financial Officer

Mumbai
Date : April 28, 2016

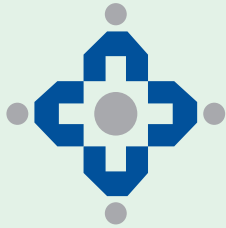
NETWORK OF CDSL DPs & SERVICE CENTRES



Map not to Scale

ANDAMAN & NICOBAR Service Centres : 13	CHHATTISGARH Service Centres : 170	HIMACHAL PRADESH Service Centres : 92	MADHYA PRADESH Service Centres : 518	NEW DELHI Service Centres : 913	TAMIL NADU Service Centres : 1273
ANDHRA PRADESH Service Centres : 1359	DADRA & NAGAR HAVELI Service Centres : 3	JAMMU & KASHMIR Service Centres : 94	MAHARASHTRA Service Centres : 3183	ODISHA Service Centres : 360	TELANGANA Service Centres : 249
ARUNACHAL PRADESH Service Centres : 11	DAMAN & DIU Service Centres : 9	JHARKHAND Service Centres : 195	MANIPUR Service Centres : 6	PONDICHERRY Service Centres : 18	TRIPURA Service Centres : 18
ASSAM Service Centres : 156	GOA Service Centres : 134	KARNATAKA Service Centres : 1769	MEGHALAYA Service Centres : 28	PUNJAB Service Centres : 500	UTTAR PRADESH Service Centres : 1462
BIHAR Service Centres : 248	GUJARAT Service Centres : 1524	KERALA Service Centres : 948	MIZORAM Service Centres : 8	RAJASTHAN Service Centres : 617	UTTARAKHAND Service Centres : 97
CHANDIGARH Service Centres : 69	HARYANA Service Centres : 525	LAKSHADWEEP Service Centres : 9	NAGALAND Service Centres : 11	SIKKIM Service Centres : 13	WEST BENGAL Service Centres : 743

TOTAL DPs : 583 • TOTAL SERVICE CENTRES : 16764



Central Depository Services (India) Limited

Convenient ✦ Dependable ✦ Secure

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