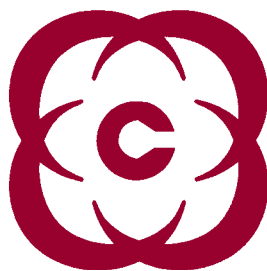


NATIONAL SECURITIES CLEARING CORPORATION LIMITED

(A Wholly owned Subsidiary of National Stock Exchange of India Limited)



TWENTY-FIRST ANNUAL REPORT 2015-16



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CORPORATE INFORMATION

BOARD OF DIRECTORS*

Mr. C. M. Vasudev	:	Chairman
Mr. Anjan Barua		
Mr. Salim Gangadharan		
Mr. Sudhir M. Joshi		
Mr. Navin Kurnar Maini		
Mr. Ravi Narain		
Mr. C VR Rajendran		
Mr. K. R. Ramamoorthy		
Ms. Chitra Ramkrishna		
Mr. L. Ravi Sahkar		
Mr. T. Venkata Rao	:	Managing Director

MANAGEMENT TEAM

Mr. Natarajan Ramasamy	:	Head – Clearing & Settlement
Mr. Huzefa Mahuvawala	:	Head - NSCCL-Risk Analysis & OPS
Mr. Ravindra Bathula	:	Head – Legal
Ms. Hima Bindu Vakkalanka	:	Compliance Officer

CHIEF FINANCIAL OFFICER	:	Mr. Amit Amlani
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COMPANY SECRETARY	:	Mr. R. Jayakumar
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AUDITORS	:	M/s. Haribhakti & Co. Chartered Accountants 701, Leela Business Park Andheri-Kurla Road Andheri (East) Mumbai - 400 059
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REGISTERED OFFICE	:	"Exchange Plaza" Plot No. C-1, Block 'G' Bandra-Kurla Complex Bandra (East) Mumbai - 400 051
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REGISTRAR & TRANSFER AGENTS	:	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound L.B.S Marg, Bhandup (West) Mumbai – 400 078
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*As on July 8, 2016



BOARD'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the Twenty-first Annual Report and Audited Financial Statements of the Company for the year ended March 31, 2016.

1. OPERATIONS

1.1 Settlement – Capital Market segment

NSCCL successfully continued its track record of completing all settlements in a timely manner.

During the period under review, 247 rolling settlements were handled in dematerialised mode. Per settlement figures in value terms in the current year are as follows:

The average value of securities handled per settlement was ₹ 5,071.49 crores in 2015-16 compared to ₹ 5,233.03 crores in 2014-15. The average funds pay-in per settlement during the above periods were ₹ 1,572.49 crores and ₹ 1,500.30 crores respectively. The average number of shares processed per settlement was about 2,507.53 lakhs in 2015-16 compared to 2,617.55 lakhs in 2014-15. Short deliveries per settlement averaged around 0.18% in 2015-16 as compared to 0.14% in 2014-15.

The highest trading volume of ₹ 43,596.57 crores was observed on May 29, 2015 and the highest deliverable value of ₹ 25,142.75 crores was observed on April 23, 2015. Percentage of number of shares deliverable to number of shares traded increased to 28.44% in 2015-16 from 27.46% in 2014-15. Percentage of value of shares deliverable to value of shares traded increased to 29.80% in 2015-16 from 29.52% in 2014-15.

The Core Settlement Guarantee Fund stood at ₹ 164 crores as on 31st March 2016. The details of settlements carried out by NSCCL are presented in Table No.01 below:-



Table No. 01–Settlement Statistics for 2015-2016 – Capital Market segment

Month	Quantity of Shares Traded (lakh)	Quantity of Shares Deliverable (lakhs)	% of Shares Deliverable to Total Shares Traded	Value of Shares Traded (₹ Crores)	Value of Shares Deliverable (₹ Crores)	% of Delivery to Value of Shares Traded	% of Short Delivery to Delivery	Funds-Pay In (₹ Crores)	Settlement Guarantee Fund (₹ Crores)	No. of settlements
Apr-15	1,60,312.21	49,683.39	30.99	3,67,381.99	1,23,382.95	33.58	0.22	47,298.48	125	19
May-15	1,47,969.10	45,493.99	30.75	3,33,998.68	1,02,358.78	30.65	0.50	35,190.23	129	20
Jun-15	1,81,626.73	52,800.42	29.07	3,67,299.30	1,15,500.52	31.45	0.16	35,510.00	149	22
Jul-15	1,89,232.37	55,199.61	29.17	3,67,726.69	1,08,896.06	29.61	0.16	32,063.68	149	23
Aug-15	2,19,787.56	63,304.44	28.80	4,21,684.57	1,24,856.52	29.61	0.13	36,937.76	153	21
Sep-15	1,58,419.56	43,795.38	27.65	3,27,141.38	96,541.84	29.51	0.21	31,316.76	153	20
Oct-15	1,76,934.50	46,569.36	26.32	3,32,080.27	94,445.33	28.44	0.14	25,525.81	154	20
Nov-15	1,56,629.41	44,239.19	28.24	3,00,308.29	89,423.52	29.78	0.19	24,536.48	159	19
Dec-15	2,02,899.94	57,365.72	28.27	3,46,192.71	1,03,415.63	29.87	0.16	26,681.41	159	22
Jan-16	2,05,600.15	57,882.72	28.15	3,42,713.68	95,213.90	27.78	0.13	29,544.16	160	20
Feb-16	1,95,769.18	53,083.58	27.12	3,47,809.30	95,846.93	27.56	0.16	29,922.29	161	21
Mar-16	1,82,680.09	49,941.72	27.34	3,48,590.65	1,02,776.50	29.48	0.09	33,877.91	164	20

Note - During the year under review, there was no physical settlement.

1.2 Securities Lending and Borrowing segment

NSCCL is an Approved Intermediary (AI) for SLBS with SEBI. In 2015-16, the volumes in SLBS increased by 87.57% from ₹ 5,131.24 crores in 2014-15 to ₹ 9,624.88 crores. As compared to previous year, during 2014-15, securities traded in SLBS increased from 117 to 173 and number of participants traded increased from 57 to 67. As on March 31, 2016, there are 129 participants, 4 custodian-cum-participants and 5 custodians registered in SLBS.

1.3 Settlement - F&O segment

The period April 2015 - March 2016 witnessed an increase in the total amount settled. The total value of settlement increased from ₹ 95,653.57 crores in 2014-15 to ₹ 1,05,729.05 crores in 2015-16. The highest monthly settlement was ₹ 12,246.75 crores in the month of August 2015. February 2016 witnessed the highest monthly trading volumes of ₹ 65,72,744.55 crores while the highest daily trading volumes on NSE during this period was ₹ 6,48,505.58 crores, witnessed on March 31, 2016 with total of 1,18,37,779 contracts being traded.

The details of turnover and month-wise settlement values during the year April 01, 2015 to March 31, 2016 are tabulated in Table No. 2 below:



Table No.02

Month	No. of Contracts Traded (in lakhs)	Turnover (in ₹ crores)	MTM Settlement (in ₹ crores)	Final Settlement (in ₹ crores)	Premium Settlement (in ₹ crores)	Exercise Settlement (in ₹ crores)	Total Settlement (in ₹ crores)
Apr-15	2,368.22	56,99,762.55	6,451.43	145.61	1,088.97	161.23	7,847.24
May-15	2,251.30	52,00,724.97	7,852.88	92.99	1,071.14	98.73	9,115.74
Jun-15	2,392.95	54,98,520.62	6,935.47	68.08	1,423.83	517.87	8,945.25
Jul-15	2,384.87	57,05,572.83	7,208.28	146.27	992.72	126.17	8,473.44
Aug-15	2,526.94	58,98,673.83	10,286.81	348.93	1,394.71	216.30	12,246.75
Sep-15	2,235.80	50,32,217.73	8,074.80	71.03	1,402.22	132.40	9,680.45
Oct-15	1,755.10	44,29,629.45	4,199.46	111.36	1,102.77	80.00	5,493.59
Nov-15	765.71	43,47,054.25	4,472.88	115.13	1,132.69	96.76	5,817.46
Dec-15	820.57	46,31,171.61	5,845.04	65.13	1,185.22	288.32	7,383.71
Jan-16	1,078.33	58,29,028.96	9,689.99	64.66	1,719.76	258.22	11,732.63
Feb-16	1,290.43	65,72,744.55	8,853.91	122.66	1,807.99	401.37	11,185.93
Mar-16	1,115.89	59,80,732.95	5,712.85	68.88	1,600.28	424.85	7,806.86

As on March 31, 2016, the Core Settlement Guarantee Fund in F&O segment stood at ₹ 798.00 Crores.

1.4 Settlement - Currency Derivatives segment

The year 2015-16 witnessed an increase in the total settlement values from ₹ 6,569.67 crores in 2014-15 to ₹ 9,214.10 crores. The highest monthly settlement value was ₹ 1,112.18 crores in the month of August 2015. The highest trading value in Currency Futures on NSE during this period was ₹ 27,170.74 crores witnessed on August 25, 2015 with total of 40,22,183 contracts being traded and in Currency Options it was ₹ 22,182.44 crores, witnessed on March 17, 2016 with total of 32,81,695 contracts being traded. The highest trading volume in Interest Rate Futures on NSE during this period was ₹ 6,422.00 crores witnessed on April 30, 2015 with total of 3,09,819 contracts being traded

The details of turnover and month-wise settlement values during the year April 01, 2015 to March 31, 2016 are tabulated in Table No.03 below:

Table No.03

Month	Currency Futures				Currency Options				Total Settlement (in ₹ crores)
	No. of Contracts Traded (in lakhs)	Turnover (in ₹ crores)	MTM Settlement (in ₹ crores)	Final Settlement (in ₹ crores)	No. of Contracts Traded (in lakhs)	Turnover (in ₹ crores)	Premium Settlement (in ₹ crores)	Exercise Settlement (in ₹ crores)	
Apr-15	310.56	2,00,186.60	476.60	15.65	155.22	98,431.48	55.06	18.00	565.31
May-15	333.33	2,18,201.06	479.19	3.02	157.91	1,01,578.81	58.50	15.24	555.95
Jun-15	324.25	2,12,345.35	483.53	0.80	154.75	99,916.17	51.83	15.99	552.15
Jul-15	288.24	1,89,030.79	628.51	1.13	145.62	93,732.99	48.99	11.09	689.72
Aug-15	428.16	2,85,653.14	810.12	14.47	246.05	1,61,374.61	117.71	75.80	1,018.10
Sep-15	351.67	2,38,260.11	393.40	10.52	200.55	1,33,899.11	86.89	19.35	510.16
Oct-15	310.88	2,07,048.97	516.76	5.38	229.43	1,50,928.96	71.10	38.58	631.82
Nov-15	298.24	2,00,809.77	412.29	49.29	202.83	1,34,901.65	76.70	41.88	580.16
Dec-15	296.84	2,02,382.85	384.22	28.42	227.49	1,52,682.00	77.47	17.99	508.10
Jan-16	392.78	2,68,949.91	757.77	49.15	318.76	2,15,892.99	109.25	49.18	965.35
Feb-16	384.53	2,67,791.55	402.87	2.43	278.13	1,91,217.47	99.29	25.08	529.67
Mar-16	378.14	2,58,672.87	795.31	4.10	321.51	2,17,996.39	95.95	65.42	960.78



Interest Rate Futures*				
Month	No. of Contracts Traded (in lakhs)	Turnover (in ₹ crores)	MTM Settlement (in ₹ crores)	Final Settlement (in ₹ crores)
Apr-15	21.10	43,899.24	107.94	3.84
May-15	25.05	51,663.41	86.19	1.47
Jun-15	30.59	62,055.46	151.17	1.41
Jul-15	25.41	51,303.66	60.37	0.33
Aug-15	23.02	46,129.09	92.40	1.68
Sep-15	21.31	42,902.87	88.00	0.22
Oct-15	21.62	43,874.25	62.30	1.70
Nov-15	19.48	39,214.68	100.23	1.13
Dec-15	23.64	47,291.42	94.88	0.00
Jan-16	16.53	32,991.66	75.13	0.74
Feb-16	16.69	32,930.01	132.66	5.79
Mar-16	16.12	32,168.82	73.04	3.78

*Includes NSE Bond Futures II & Futures on 91-Day GOI T-Bill

As on March 31, 2016, the Core Settlement Guarantee Fund in Currency Derivatives segment stood at ₹ 99.00 Crores.

1.5 Risk Management

(i) Capital Market & Securities Lending & Borrowing segments

NSCCL has laid requisite focus towards risk management by putting in place an On-line Position monitoring system which has successfully and efficaciously addressed the market risks. Margins are computed on an on-line real time basis at client level. The Value at Risk (VaR) Margins are applied which is statistically arrived at covering 99% value at risk.

With effect from April 21, 2008, margins in capital market are being levied on institutional trades also. These margins are levied on T+1 day in the capital market segment.

(ii) Futures & Options and Currency Derivatives segments

NSCCL has in place many risk management measures including monitoring of exposure on a real time basis through the system called PRISM (Parallel Risk Management System) and also end of day monitoring of client level exposures.

The most critical component of PRISM is the online real time client level portfolio based margining and monitoring system. The robustness of the system is time tested and has proved its efficient handling of volatile situations effectively, on numerous occasions in the past and especially on highly volatile days in the year. The actual margining and position monitoring is done on-line, on an intra-day basis. NSCCL uses the SPAN (Standard Portfolio Analysis of Risk) system for the purpose of margining, which is a portfolio based system.

SPAN is a registered trademark of the Chicago Mercantile Exchange, used herein under License.



The objective of SPAN is to identify overall risk in a portfolio of futures and options contracts for each member. The system treats futures and options contracts uniformly, while at the same time recognising the unique exposures associated with options portfolios like extremely deep out-of-money short positions and inter-month risk. As SPAN is used to determine the largest loss that a portfolio might reasonably be expected to suffer from one day to the next day. The parameters used in the computation of margins are revised six times a day.

1.6 Corporate Debt Instruments Settlement

The average daily settlement value at NSCCL for OTC trades in Corporate Bonds, Commercial Papers (CP) and Certificate of Deposits (CD) during the financial year 2015-16 stands at ₹ 2,736.66 crores, ₹ 2,770.16 crores and ₹ 4,248.31 crores respectively. The highest settlement value, during this period, of ₹ 30,832.08 crores (across all corporate debt instruments) was recorded on March 31, 2016.

The month-wise settlement statistics for corporate debt instruments are as under in Table No.04:

Table No.04

Month	No. of Settlement Days	Total No. of Trades Settled	Settled Value (in ₹ crores)	Average Daily Settlement Value (in ₹ crores)
Apr-15	18	7,533	2,59,984.19	14,443.57
May-15	19	6,420	1,83,922.54	9,680.13
Jun-15	22	6,769	2,12,873.20	9,676.05
Jul-15	23	6,309	1,75,260.81	7,620.04
Aug-15	20	5,815	1,83,037.05	9,151.85
Sep-15	20	5,901	1,82,158.58	9,107.93
Oct-15	20	5,820	1,59,762.05	7,988.10
Nov-15	18	4,375	1,45,044.58	8,058.03
Dec-15	21	5,978	2,18,042.91	10,383.00
Jan-16	20	5,151	1,56,255.48	7,812.77
Feb-16	20	5,504	1,81,344.49	9,067.22
Mar-16	20	9,261	3,01,875.01	15,093.75

During the financial year 2015-16, NSCCL settled 177 repo trades valuing ₹ 8,378.30 crores as compared to 63 repo trades valuing ₹ 1,998.60 crores settled in the previous year.

1.7 Mutual Fund Service System (MFSS)

As on March 31, 2016, 33 mutual fund houses with 4,757 schemes were enabled under the revised MFSS scheme.

(i) Subscription

The average daily value of funds settled for subscription of mutual fund units for the period April 1, 2015 to March 31, 2016 was ₹ 12.91 crores. The highest settlement value was ₹ 105.38 crores and was observed on August 27, 2015.

**(ii) Redemption**

The average daily value of funds settled for redemption of mutual fund units for the period April 1, 2015 to March 31, 2016 was ₹ 10.47 crores. The highest settlement value was ₹ 128.63 crores and was observed on August 27, 2015.

1.8 New Initiatives and Developments**i) Rollover facility in Securities Lending and Borrowing Scheme**

NSCCL introduced rollover facility in SLBS wherein any lender or borrower who wishes to extend an existing lent or borrow position shall be permitted to roll-over such positions for a period of 3 months i.e. the original contract plus 2 rollover contracts. Earlier members were required to close existing position and create new positions in future contracts. This facility has enabled seamless rollover of existing positions and has considerably reduced operational risk and cost for the members. The rollover involves settlement of funds wherein lending fee is collected from Borrower and paid to Lender on T+1 basis.

ii) Tender offer window

SEBI issued guidelines on mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting in April 2015. Stock exchanges shall provide an acquisition window for the offer. The facility was made available to all the offers for which Public Announcement was made on or after July 01, 2015.

NSCCL put in place clearing and settlement mechanism for such tender offers. NSCCL validates orders placed by sellers in the tender offers against availability of shares in the depositories. After conclusion of the tender offer, funds and securities are settled.

iii) Revamping of bank interface

NSCCL has empanelled Scheduled Commercial Banks as Clearing Banks for the purpose of carrying out funds settlements with its clearing members. The clearing members maintain a designated settlement account with any of the clearing banks and NSCCL maintains accounts with all the clearing banks. The clearing banks carry out funds transfer between member accounts and NSCCL accounts; or between various NSCCL accounts as instructed by NSCCL to facilitate funds settlement.

The current process of settlement involves transfers of various files between banks and NSCCL. This is a legacy system which has various limitations such as lack of flexibility due to batch-mode processing, lack of scalability in involving more Banks for funds settlement, higher cycle time, significant manual interventions, and operational issues with one bank/product segment affecting other banks and segments, etc.

To overcome above limitations, NSCCL proposes to move to online settlements of Funds using SFMS (Structured Financial Messaging System) Platform developed by Institute for Development and Research in Banking Technology (IDRBT). The SFMS platform is used for various financial messages including payments using RTGS and NEFT. The messages are



exchanged over a secured network called INFINET (Indian Financial Network). The messaging structures used by SFMS are same as the international ISO standards.

In the proposed mechanism, transactions shall be sent to the banks as and when due, through payment messages over SFMS. Banks shall carry out transfer of funds as requested in the payment message and provide confirmation to NSCCL. The online settlement of funds using SFMS shall help in overcoming the limitations of existing batch settlement system and make system quick, efficient and responsive.

NSCCL has initiated the process of migration to the new platform, which shall be completed in the next year.

iv) PFMI Disclosures

To promote and sustain an efficient and robust global financial infrastructure, the Committee on Payments and Settlement Systems (CPSS) and the International Organization of Securities Commissions (IOSCO) published the Principles for financial market infrastructures (PFMIs) on April 2012. These standards apply to various market infrastructure institutions, including clearing corporations. The PFMIs comprise of 24 principles for Financial Market Infrastructure to provide for effective regulation, supervision and oversight of FMIs.

NSCCL has adopted these principals. A disclosure document comprising of NSCCL's policies and procedures and their compliance with the PFMI was published in the public domain through NSCCL's website.

v) Overnight liquid fund transactions in Mutual Fund Service System

NSCCL facilitated introduction of Overnight Liquid Mutual Fund transactions in MFSS through a single order entry functionality. This functionality allows the participants to place purchase and redemption orders simultaneously in liquid schemes on Web based platform. The mutual fund subscription is processed on the date of order entry (in the afternoon) and the redemption is processed on the next working day, before the normal market pay-in deadline. This facility helps members with efficient utilization of their capital and overnight deployment of funds.

vi) Introduction of interest rate futures on 6 year and 13 year Government of India Securities

In addition to the interest rate futures contracts on 10-year Government of India security, new contracts on 6-year and 13-year securities were introduced by NSE in July 2015. NSCCL provides clearing and settlement services for these contracts.

1.9 Other achievements

CRISIL has continued its highest corporate credit rating of 'AAA' to the National Securities Clearing Corporation Limited (NSCCL). 'AAA' rating indicates highest degree of strength with regard to honouring debt obligations. NSCCL is the first Indian Clearing Corporation to get this rating. The rating reflects NSCCL's rigorous risk management controls and adequate settlement guarantee cover.

NSCCL has been accorded this rating for the Eighth consecutive year



1.10 Opportunities and increased coverage

(i) Clearing Members

New Clearing Members have been added on both Capital Market and F&O segments thereby providing a wider choice to clients. Clearing membership was granted to 4 new members in the F&O segment and 22 new members in Capital Market segment. In Currency Derivatives segment, 6 Clearing Members have been enabled.

(ii) Custodian Clearing Members & Professional Clearing Members (PCM)

16 Custodians and 3 Professional Clearing Members (PCM) in Capital Market segment, 10 Professional Clearing Members in F&O segment and 4 Professional Clearing Members in Currency Derivatives segment are enabled through whom clients can settle their transactions.

(iii) Participants & custodians in SLBM

The total number of 129 participants, 4 custodian-cum-participants and 5 custodians are registered in SLBM as on March 31, 2016.

1.11 Multiple Depositories /Banks

NSCCL is electronically connected to both the depositories National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for securities settlement and 13 clearing banks for funds settlement.

2. INFORMATION TECHNOLOGY

Technology is key differentiator and a strategic driver for NSCCL. As Strategic Technology partner NSE Infotech Services Limited (NSETECH) continues to deliver and maintain technology products and services for NSE. Last year's initiatives are broadly classified in following categories:-

2.1 Transformation through New Technology

New Clearing & Settlement Platform: New C&S system would be accessible anywhere through web interface using Single Sign-On through LDAP authentication. Collateral screens are reduced from existing 40 to just 2. Use of single code based architecture across segments will result in high reusability and less time to market. New Clearing & Settlement for F&O and CD segments were rolled out in production in November 2015 and January 2016 respectively.

2.2 Growth through New Products and Services

Buyback of Securities: Stock buyback is a facility provided by the exchange to allow acquirer/ companies to capture the sell orders on online basis from the shareholders. During the period for which the buyback is open, offers are collected from the shareholders at various prices, which are above or equal to the floor price. The buyback price is determined after the offer closing date. Clearing corporation facilitates execution and settlement of trades by transferring the required number of shares from the exchange account to the acquirer/ company's account. As per the SEBI circular, dated April 13, 2015, guidelines were provided on mechanism for acquisition of shares through



Stock Exchange pursuant to Tender-Offer under Takeovers, Buy Back and Delisting. The project was focused towards addressing the same.

Acceptance of Spread order when member is in SSD in CD: The purpose of the project is to reject the 2L, 3L spread and stop loss orders put in the security in which the member is suspended and accept orders for other securities.

Acceptance of Spread order when member is in SSD in FO: Previously the spread and stop loss (SL) orders were rejected at trading end if member has either been disabled for Margins or Risk Reduction mode for margins or security or Security specific disabled. The project was delivered to accept spread and SL orders at trading and made available to the risk for further validation when member is in risk reduction mode for security or security specific disablement only. The orders received from trading are now rejected by the risk if it pertains to the same security for which member is disabled or is in risk reduction mode; otherwise they are forwarded to the trading. In case member is in risk reduction mode for margin or disabled for margins, all the spread and SL orders are rejected at the trading end itself. Even if it comes to risk, risk rejects the same.

Change in haircut for broad based ETF: ETFs, accepted as collateral, are identified as NMF. ETFs are being valued on previous day's closing price after applying the haircut. The haircut applicable to the ETFs was Root 4 times VAR margin rate, subject to a minimum of 40%. Now the haircut applied to broad based ETFs are in line with the current category of Nifty Securities.

Change in method of valuation of corporate bonds: Earlier closing prices for valuation of corporate bonds used to be taken from debt segment. Now, collateral user provides the closing prices for corporate bonds and valuation of corporate bonds is done basis this closing prices.

NSCCL Dashboard: Earlier members used to call NSCCL contact centre in case of any delay in NSCCL reports. In order to better guide the members, Dashboard is developed under member portal to provide information containing NSCCL reports status at segment level on real time basis. This Dashboard would keep members updated about availability of the report and inform in case of any potential delay.

Closure of Margin Transactions: NSE generates the margin transactions (1501,1502 & 1505) in CM, F&O and CD segments. In this previously except 1501 transaction of Custodians, all transactions were not sent for banking. The suggested system change was done so that the Transactions were generated with close status to F&O (1502), CDS (1505) and Cash (1501 for Members). Moreover, these closed transactions will not be reflected in EPMG reports being sent to the bank.

Exchange-wide position limit monitoring for IRF: Previously, the exchange-wide position limit monitoring was done by business users. It was proposed to automate manual activities involved in the monitoring of EWPL for each underlying bond and develop a penalty module in-line with F&O segment.

MFSS Funds pay out: MFSS Fund pay out process is simplified as proposed by the business users.

CIM-Transfer Disablement window & Problematic Member Request: Previously members were allowed to enter the collateral transfer request within the segments through CIM. Transfers were



allowed throughout the day within a specified time. There was no provision available in the system to stop members from raising the transfer requests for a time period which can be a subset of allowed time for transfers. It was proposed to disable members from raising the transfer requests in CIM during pre-open session. A separate disablement window is now provided where user can specify disablement time.

3. HUMAN RESOURCES

Following developments have taken place in Human Resources / Employee Relations front in the Financial Year 2015-16.

- 3.1 Talent Management and Development:** During the Financial Year 2015-16, NSCCL has focused on the implementation of the Talent Management Study undertaken in the previous financial years. The training needs for each employee was based on the competency framework. In line with the Business Strategy, company has continued to focus on the functional and behavioral training based on the individual and the organizational need. Various cross functional learning initiatives such as up the learning curve, lecture series were conducted on a regular basis. Manning Study based on time and motion method was conducted to ascertain the level of manpower planning in NSCCL. Development center workshops were conducted to identify High Potential talent. Based on the development center report, Individual development plans (IDP's) are created for the employees. Employee communication was facilitated based on the communication matrix. The emphasis was on the performance management system to drive desired performance and behavior. NSCCL has also implemented Job rotations as per the career path framework. NSCCL as an organization believes in Training for all and development of High Potentials.
- 3.2 Employee Engagement Study / Perception Study:** Based on the previous Employee Engagement study and action plan, HR team has implemented the initiatives to enhance the perception levels of the employees. HR team has also conducted various perception studies at regular intervals to gauge the employee perception levels and has taken various steps to maintain or improve the perception levels as per the market benchmark. NSCCL has also conducted an employee engagement study in the current financial year and the employee satisfaction levels have improved vis-à-vis the previous years. Some of the employee engagement activities conducted by NSCCL are Management approachability meetings (meetings of junior executives with the HODs of other departments), women mentoring program, Town hall & open house, Books to high performers, cake cutting to celebrate department achievement, Pat on the Back badges, Participation in Standard chartered Mumbai marathon 2016, Zumba, Kick boxing, Indoor sports –“Kurukshetra”, Yoga classes, Guitar classes, employee appreciation corner, women's day celebration, employee assistance program, Talk to me initiative with the HR Head and various Staff welfare initiatives so as to build synergy among the various teams.
- 3.3 People soft:** NSCCL is focusing on the People soft –ERP implementation in the entire gamut of Human resources management.
- 3.4 Employee Relations:** The employee relations scenario has been harmonious throughout the period under consideration.



3.5 **Employee Strength** as on March 31st 2016 is 64

3.6 **Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

All the persons except the Managing Director working with NSCCL are on deputation from NSE.

The disclosures required to be under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are given in the following Table No.05:-

Table No.05

1	Number of complaints of sexual harassment received in the year	Nil
2	Number of complaints disposed off during the year	Not applicable
3	Number of cases pending for more than 90 days	Not applicable
4	Number of workshops or awareness programs against sexual harassment carried out	Awareness program for all employees through open house
5	Nature of action taken by the employer	Not applicable

4.1 FINANCIAL RESULTS

The working of NSCCL during the year has resulted in a net profit after tax of ₹ 318.84 crores as per particulars given in Table No.06 below: -

Table No.06

Particulars	2015-16 (₹ In crores)	2014-15 (₹ In crores)
Income	331.42	402.10
Expenditure	79.72	72.09
Profit before prior period adjustments	251.70	330.01
Add/(Less): Prior Period adjustments	–	(0.26)
Profit before tax	251.70	329.75
Provision for tax (including deferred tax)	85.81	110.95
Profit after tax	165.89	218.80
Surplus brought forward from previous year	152.95	110.21
Amount available for appropriation	318.84	329.01
Appropriations		
General Reserve	–	–
Proposed Dividend	157.50	146.25
Corporate Dividend Tax	32.07	29.77
Adjustment for depreciation due to change in estimated life as per Companies Act, 2013	–	0.01
Contribution to core SGF (net of tax impact)	110.00	–
Corporate Social Responsibility	–	0.03
Balance carried to Balance Sheet	19.27	152.95
Total	318.84	329.01



4.2 DIVIDEND

In view of the above results, the Directors recommend payment of dividend of ₹ 35/- per share for the year 2015-16.

4.3 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

No loan or guarantee is given to any person during the year. The investments made by Company during the year are in accordance with the provisions of the Companies Act, 2013.

4.4 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties are given in Form AOC-2 and is attached herewith as **Annexure -1** to this Report.

4.5 DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Currently there is a high degree of automation in most of the key areas of operations and processes. Also, all the processes are well documented with comprehensive and well defined Standard Operating Procedures (SOPs) which inter alia includes the financial controls in the form of maker checker, strict adherence to financial delegation given by the Board at various levels, systemic controls, information security controls as well as role based access controls, etc. Further, these controls are periodically reviewed for change management in the situations of introduction of new processes/change in processes, change in the systems, change in personnel handling the activities, etc. These controls are independently reviewed by the internal auditors / operations reviewers of the Company including conducting the routine internal audit/ operations review by them where by the audit activity embeds validation/review of the controls to establish their adequacy and effectiveness. Besides the above, the Internal Auditors, Operational review and Practicing Company Secretary review the compliances by the Company with respect to various laws, rules, regulations, etc. as applicable to it on a quarterly basis.

The observations, if any, of the internal audit, operations review and the compliance report issued by independent practicing company secretary are also presented by them to the Audit Committee in every quarter.

The Statutory Auditors have conducted a review of Internal Financial Controls including Entity Level Controls, IT General Controls, risk control matrix and process walk through on a sample basis as per the guidelines issued by the ICAI.

4.6 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiary, joint venture or associate companies.

4.7 DEPOSITS

The Company has not invited, accepted or renewed any deposits within the meaning of Section 73 of the Companies Act, 2013. Accordingly, the requirement to furnish details relating to deposits covered under Chapter V of the Companies Act, 2013 does not arise.



4.8 RISK MANAGEMENT POLICY

The Company has an enterprise-wide risk assessment and review mechanism which inter alia consists of risk identification, assessment and categorisation of risks taking into account the impact and likelihood of risks and putting in place adequate controls and mitigation plans which has helped in reducing the overall risk exposure for the Company and also the impact thereof.

In this direction, the Company has a Risk Assessment & Review Committee (non settlement risks), a subcommittee of the Board, which meets periodically to review the efficacy and adequacy of the Company's risk management exercise and the controls and mitigation plans put in place to reduce the overall impact of the various inherent risks.

The Company has also appointed a management consultancy firm to assist in identifying, assessing and minimising the risk exposure of the Company. For each of the identified risk areas, the Company maintains detailed Risk Registers mainly containing details such as risk description, risk indicators, categorisation of the risk, current controls and mitigation plans, etc.

In terms of SEBI requirements, the Clearing Corporation is required to constitute a Risk Management Committee inter alia to formulate a detailed risk management policy. The Board has constituted another Risk Management Committee to formulate risk (settlement related risks) management policy and to monitor its implementation.

4.9 MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY AND THE DATE OF THE REPORT

None

4.10 DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

None

4.11 EXPLANATIONS OR COMMENTS ON THE QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITOR IN HIS REPORT

There is no qualification, reservation or adverse remark or disclaimer made by the Auditors, appointed under Section 139 and 204 of the Companies Act, 2013, in their reports. Hence the need for explanations or comments by the Board does not arise. The report of the Secretarial Auditors is attached herewith as **Annexure-2**. The report of the Statutory Auditors forms part of the financial statements

4.12. SHARE CAPITAL

During the FY 2015-16, there is no change in the capital structure.

4.13 EXTRACTS OF THE ANNUAL RETURN

The extracts of the annual return as on March 31, 2016 in Form MGT-9 is attached herewith as **Annexure-3** and shall form part of Board's Report.



5.1 DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per the provisions of Securities Contracts Regulation (Stock Exchanges and Clearing Corporations) Regulations, 2012, the governing board of every recognised Clearing Corporation shall include (a) public interest directors; (b) shareholder directors; and (c) Managing Director. Mr. C.M. Vasudev (Chairman of the Board), Mr. Anjan Barua, Mr. Sudhir Joshi, Mr. K.R. Ramamoorthy, Mr. L. Ravi Sankar, Mr. Salim Gangadaran and Mr. C VR Rajendran fall under 'Public Interest Directors' category. Mr. Ravi Narain, and Ms. Chitra Ramkrishna fall under Shareholder Directors category. Mr. T. Venkata Rao is the Managing Director of the Company. Mr. Ravi Narain retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

During the Financial Year 2015-16, there was no change in the directors or key managerial personnel of the Company. Mr. Salim Gangadaran and Mr. C VR Rajendran were nominated as Public Interest Directors by SEBI effective from May 3, 2016.

5.2 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board met five times during the year i.e. on May 12, 2015, June 19, 2015, August 07, 2015, October 28, 2015 and January 28, 2016.

5.3 DECLARATION BY INDEPENDENT DIRECTORS

As per the requirements of the Companies Act, 2013, the Company has appointed Mr. C. M. Vasudev, Mr. Anjan Barua, Mr. K. R. Ramamoorthy and Mr. L. Ravi Sankar as Independent Directors on its Board based on the declaration that they meet criteria of independence. Further, every Independent Director shall at the first meeting of the Board in every financial year or whenever there is a change in the circumstances which may affect his status as an independent director give a declaration that he meets the criteria of Independence. Accordingly, the above Independent Directors have given declarations of independence in the first meeting of the Board of NSCCL held on May 3, 2016.

5.4 COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF DIRECTORS

Pursuant to requirements of the Companies Act, 2013, the Company has framed a policy on appointment of Directors and Senior Management personnel and a policy on remuneration of Directors and Key Management Persons identified under SCR (SECC) Regulations and under the Companies Act, 2013 and other employees and the same are in force. The relevant extracts from the above policies are given in **Annexure-4**

5.5 MANNER IN WHICH FORMAL ANNUAL EVALUATION OF PERFORMANCE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board has put in place an Evaluation Policy vide which the Board evaluates its own performance, that of its Committees and of the individual directors.

I. The criteria for evaluation for each of the above are as follows:

(a) Performance evaluation of the Board



The performance of the Board of Directors is evaluated on the basis of various governance and business related parameters which include, inter-alia, Corporate Governance standards adopted by the Board and its implementation, understanding roles and responsibilities of Directors, commitment to highest ethical standards of integrity and probity, understanding of the objectives, values, vision and business of the Company, provision of entrepreneurial leadership, guidance to drive financial and business performance of the Company and periodic review of the same, ensuring necessary financial and human resource support to achieve Company's objectives, etc.

(b) Performance evaluation of the Committees

In addition to the principles stated above for evaluation of Board, to the extent applicable to the respective committees, constructive recommendations made by the Committee(s) to the Board are also kept in mind while evaluating their performance.

(c) Performance evaluation of the Directors

The individual director's performance has been largely evaluated based on his/her level of participation and contribution to the performance of Board/Committee(s) in respect of the above areas. Besides the same, the skills, knowledge, experience, attendance record, devotion of sufficient time and efficient discharge of responsibilities towards the Company, Board and Committees of which he/she is a member and timely disclosure of personal interest, compliance of Code of Conduct and Ethics, Code for Independent Directors etc., is also taken into account.

II. The following process has been adopted by the Company for performance evaluation:

- (a) Independent Directors review the performance of the Chairperson, the Non-Independent Directors and the Board;
- (b) The Nomination and Remuneration Committee ("NRC") carries out the evaluation of every Director's performance. The NRC, while doing so, also takes into account the inputs of review by Independent Directors;
- (c) The Board evaluates the performance of the Board, its Committees and each Director and while doing so, takes into account the inputs received from the NRC and the review by Independent Directors.

The performance evaluation by Independent Directors, the NRC and the Board respectively, is carried out on the basis of criteria laid down in the Board Evaluation Policy, which, inter-alia, includes the abovementioned parameters.

6 DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that -

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the



state of affairs of NSCCL at the end of the financial year i.e., 31st March, 2016 and of the profits of NSCCL for that year;

- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of NSCCL and for preventing and detecting fraud and other irregularities ;
- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and were operating effectively

7 CORPORATE SOCIAL RESPONSIBILITY

NSE, the holding company of NSCCL, is covered under the purview of Section 135 of the Companies Act 2013. Similarly many of its subsidiaries (including NSCCL) are also covered. However, contribution to CSR by some of these Companies as required under the Section 135 will be negligible. Moreover, there could be duplication of efforts if each individual Company undertakes CSR activities on its own and there would be difficulties in scaling up these activities. Therefore, it has been decided by the Boards of the respective Companies in NSE Group that CSR efforts for the Group be undertaken commonly and the actual amount spent be allocated to the respective Companies in proportion to their legal obligations. Therefore, a common CSR function for NSE and its subsidiaries has been created under NSE as a group resource and the actual CSR amount spent is proportionately allocated to the respective Companies. However the CSR Committees for these Companies are separate. A common CSR policy has been prepared and approved by respective CSR Committees and Boards. The disclosures required to be made in the Board's Report as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached herewith as **Annexure-5**

8.1 CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements.

National Securities Clearing Corporation Limited (NSCCL) is a public limited company, whose securities are not listed on any of the stock exchanges. As per Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies are mutatis mutandis applicable to a recognised clearing corporation. NSCCL has always been involved in good governance practices and endeavors continuously to improve upon the same. A report on corporate governance for the financial year 2015-16 is furnished as part of the Annual Report for the information of all its stakeholders as **Annexure-6**. The certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance norms specified for listed companies is also attached with the above report.



8.2 AUDIT COMMITTEE

The Audit Committee comprises five Directors viz., Mr. C.M. Vasudev, Mr. K.R. Ramamoorthy, Mr. Ravi Narain, Ms. Chitra Ramkrishna and Mr. L. Ravisankar as its members. Mr. C.M. Vasudev is the Chairman of the Audit Committee. The Committee met four times during the year i.e., on May 12, 2015, August 07, 2015, October 28, 2015 and January 28, 2016 respectively. The details of the attendance of members of the Audit Committee at their meetings held on the above dates are given in Table No.7 hereunder:-

Table No.7:

Name	Number of meetings held during the tenure of the member	Number of meetings attended
Mr. C.M. Vasudev	4	4
Mr. K.R. Ramamoorthy	4	4
Mr. Ravi Narain	4	4
Ms. Chitra Ramkrishna*	3	3
Mr. L Ravisankar*	3	3

* Members effective from May 12, 2015

8.3 STAKEHOLDERS RELATIONSHIP COMMITTEE

As per the provisions of the Companies Act, 2013, the Company is not required to constitute a Stakeholders Relations Committee.

8.4 NOMINATION & REMUNERATION COMMITTEE

As per the provisions of the Companies Act, 2013, the Company constituted a Nomination & Remuneration Committee comprising Mr. Anjan Barua, Mr. C.M.Vasudev, Mr. L. Ravi Sankar, Mr. Ravi Narain and Ms. Chitra Ramkrishna as its members with Mr. Anjan Barua as its Chairman for the purpose of discharging its functions under both Companies Act, 2013 and under SEBI requirements. The Committee met three times during the year i.e., on May 12, 2015, November 6, 2015 and January 28, 2016 respectively. The details of the attendance of members of the Nomination & Remuneration Committee at their meetings held on the above dates are given in Table 8 hereunder:-

Table No.8:

Name	Number of meetings held during the year	Number of meetings attended
Mr. Anjan Barua	3	3
Mr. C.M.Vasudev	3	3
Mr. L. Ravi Sankar	3	3
Mr. Ravi Narain	3	3
Ms. Chitra Ramkrishna	3	3



8.5 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

8.6 VIGIL MECHANISM

The Company has, in continuation of Company's pursuit to establish good corporate governance practice, formulated 'Whistle Blower Policy' and the policy is in force since January, 2015. The Policy, as on date, provides mechanism to the Directors and employees of the Company for reporting instances of unethical conduct, actual or suspected fraud or violation of the Company's Code of conduct or Ethics policy or law to the Chairman of Audit Committee (cases of financial nature) / Ethics Committee (other cases) or the Ethics Counselor, as the case may be. Protected Disclosures should preferably be reported in writing as soon as possible after the whistle blower becomes aware of the same.

All Protected Disclosures reported under the Policy will be thoroughly investigated by the Ethics Counselor or Chairman of the Audit Committee/Ethics Committee or a suitable competent person of their choice, as the case may be, of the Company. No unfair treatment will be meted out to a Whistle-Blower by virtue of his/her having reported a Protected Disclosure. Complete protection will be given to whistleblowers against any unfair practice.

If the findings of investigator(s) conclude commission of an unethical and improper act, disciplinary action or any other action, as deemed appropriate, will be initiated against the person concerned.

A report is being submitted to the Chairman of the Ethics Committee/Audit committee as and when any Protected Disclosures are received along with the results of investigations and the action initiated with regard to the same. As per the requirement of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, details of vigil mechanism, etc., are provided in the Company's web-site for the information of the shareholders at the following location: http://www.nscclindia.com/NSCCL/disclosures/resources/NSCCL_dtls_VM.pdf

9. AUDITORS

Currently, M/s. Haribhakti & Co., Chartered Accountants, are Auditors of the Company and their term shall expire at the forthcoming Annual General Meeting of the Company. As per the provisions of the Companies Act, 2013, no audit firm which has completed two terms of five consecutive years as Auditors shall be eligible for re-appointment as Auditors and every company is required to comply with this requirement within a period of three years from April 1, 2014. The Audit committee, after considering the above requirement, recommended the re-appointment of M/s. Haribhakti & Co., Chartered Accountants as Auditors for a period of one year. The Company has received a certificate from the Auditors stating that they are fulfilling the conditions prescribed in the Companies Act, 2013 and the Rules laid down thereunder and they are eligible to be appointed as Auditors under the Companies Act, 2013.

The Board recommends the re-appointment of M/s. Haribhakti & Co., Chartered Accountants, Mumbai as Auditors of the Company by the members at the forthcoming Annual General Meeting for a period of 1 year i.e from the conclusion of forthcoming annual general meeting till the conclusion of the next annual general meeting.



10 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO

10.1 Conservation of Energy and Technology Absorption

The disclosure of particulars with respect to conservation of energy and technology absorption in terms of Section 134(1)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 are given hereunder:-

NSCCL, a wholly owned subsidiary of NSEIL, is carrying on its operations from the premises of NSE. NSCCL together with NSE has undertaken to use the following major technological initiatives towards "Effective Energy Conservation" as well as "Load Management System" namely:

- i. Constructed a 'Tier-IV compatible Co-location-IV Data Centre to ensure that the 'Power Utilisation Effectiveness' (PUE) of new Data Centre does not exceed the benchmarked PUE

PUE is the ratio of total power supplied to Data Centre to total IT Power. Average PUE of any healthy Data Centre is ≤ 1.7 and the same has been targeted while designing and commissioning of infrastructure for aforesaid new Data Center.

- ii. Reduction of carbon emission

The Carbon footprint refers to a whole set of greenhouse gas emissions on account of an organization, event, product or individual. These footprints are measured in Tons (or Kilograms) of carbon dioxide equivalent. It is a measure of impact of our activities on environment, or in particular, climate change. NSE's carbon footprint of Exchange Plaza building was around 22,712 Tonnage of CO₂ (i.e. 0.068 tonnage CO₂/Sqft/year (including Data Centre). However, with effective energy saving / green power measures, NSEIL has reduced it to 9,982 tonnes of CO₂ emission.

- iii. Under the 'Renewable Power Scheme', NSEIL has started getting set- off facility towards its Green Power generation through 6.25 MW of Wind Power Project at Satara in Maharashtra

NSEIL has commissioned the 6.25 MW (i.e. 5 nos. of 1.25 MW) Wind Power Project Plant at Satara. In Wind Power Project, the Wind Electric Generator (WEG) converts the Kinetic Energy available in the Wind to Electrical Energy by using a Rotor, Gearbox and Generator. With regard to the operation of Wind Power Plant, it mainly goes hand-in-hand with the Local Electricity Board. The Plant is generally connected to the Main Power Grid of the Local Electricity Board. As per renewed policy of Govt. of Maharashtra, the quantum of electricity generated through the Wind Farm is fed to the grid, which gets set off against the power consumption towards High Tension (HT) installation of the 'Wind farmer' (which in this case is NSEIL) anywhere in that grid.

Accordingly, the aforesaid NSEIL's Wind Power Plant has generated around 1.0 Crores electricity units in the last year.



- iv. Active participation in 'Thermal Energy Storage Programme' being conducted by M/s. Tata Power Co. (TPC)

Effective load management is being conducted by State Power Utilities (i.e. TPC) (i.e. for reduction in demand load at grid level during peak hours and effective utilization of surplus power at lean/night hours). In this mission, NSEIL had actively participated in 'Thermal Energy Storage Incentive Programme'.

- v. As an alternative to the conventional Heating Ventilation and Air Conditioning System (HVAC), NSEIL has the 'Thermal Energy Storage' for air-conditioning system during the peak hours

Thermal Energy Storage System' has been introduced in the HVAC System at Exchange Plaza. It was observed that most of the Services (i.e. HVAC -Chillers, AHU's, Lifts, Lighting, PC, Plumbing System etc.) were operated mainly during office / day hours. Amongst them, the Chillers and its associated equipments used to consume more than 30% of total peak demand load. In view of this, NSEIL had decided to reduce its demand load during peak hours and to achieve this, NSEIL installed the 'Thermal Energy Storage System' with the existing HVAC system. In this system, the Chillers are being operated at night hours to form the "Chill" (i.e. Glycol Water at temperature below zero degree centigrade) which gets stored in a Thermal Storage Tank. Following next day the stored Chill is being utilized through Heat Exchangers for air-conditioning the entire Office area. On account of this, the total load (i.e. HVAC-Chillers, AHU's Lifts, Lighting, PC, Plumbing System etc.) which were operating mainly during office hours have been distributed and NSEIL has surrendered the extra power. This way, NSEIL has saved around 13,746 Demand KVA in the last year.

- vi. Revamped the 'Building Management System' for effective and efficient operations of the Services especially the Air Handling Units (AHUs)

The Building Management System (BMS) had been installed at the inception stage itself to enable the Company to operate the Building's Services more effectively. For example, with the above BMS, the Air Handling Units (AHU) of air-conditioning system are being operated (i.e. switching ON /OFF) as per the exact time table scheduled for respective floors. It also helps the Company to regulate / control the temperature of the work stations area well within prescribed tolerance. With this, effective operation and regulation of AHU's, electricity is being conserved on day-to-day basis.

- vii. NSEIL has Motion/Occupancy Sensors installed in the lighting systems in the General Staff areas

NSEIL has installed Motion/Occupancy Sensors at Workstation area as well as in Meeting Rooms. By implementing this, the lights are operated based on the Motion /Occupancy in the area.

- viii. NSEIL has 'Lighting Transformers' for regulated voltage of Lighting System

Lighting Transformers have been installed in the lighting feeders. There are various light fittings installed at Exchange Plaza. It may be noted that luminaries of any light fitting work



more effectively and efficiently on receiving the power supply in the range of 210 to 220 Volts. Whereas in India the single phase supply voltage is 230 Volts for residential zone and 240 Volts in commercial zone. The light fittings installed at Exchange Plaza are working on single phase power supply and the voltage between phases and neutral is recorded in the range of 236 to 240 Volts. It was observed that due to excess voltage, the luminaries of light fittings are consuming more power than its rating and also excessive voltage is reducing the life of the luminaries. To prevent such excess power consumption and to enhance the life of the luminaries, the Company has introduced aforesaid Lighting Transformers in the Electrical Distribution System to regulate the incoming single phase supply which restricts the power supply to only 210 to 220 Volts. This way NSEIL has saved around 38015 units in the last year.

ix. 'Electronic Ballast and Compact Fluorescent Lamps' are used in Lighting System

Most of the Lighting Fixtures have been installed with Electronic Ballast instead of conventional Chokes. This helps the Company to reduce the inductive load of the building in turn saving of electricity. Additionally, CFLs have been used in passages and lobbies in place of Incandescent Lamps to reduce the power consumption.

x. NSEIL has 'Automatic Power Factor Control Units'(APFC) to step up power factor of the building

The said APFC Units are hooked up with Main LT Panel of the building to improve the power factor (i.e. by counter balancing the inductive load of the building with capacitive load) of the entire electrical load of the Building. Power Supplier gives incentives i.e. by passing certain discount in the electricity bill on account of this regularly.

xi. NSEIL has 'Solar Power Plant' to cater to the part of lighting load at Exchange Plaza

The Solar Power Plant of the capacity of 10 KW has been installed in the building which harnesses the Solar Power to cater the part of lighting load at Exchange Plaza. This way NSEIL has saved around 4473 units in the last year.

xii. NSEIL has 'Rain Water Harvesting System' to harvest the rain water in the periphery of Exchange Plaza

Envisaging water scarcity in future as well as present water shortages, a proper Hydro - Geological survey was conducted at Exchange Plaza to explore the possibility of harvesting the rain water in the periphery of Exchange Plaza. Accordingly, post survey and feasibility, Rain Water Harvesting System has been installed. By using this System, water gets percolated into the soil in the Exchange Plaza campus.

xiii. NSEIL has the 'Vermiculture Plant' installed wherein compostable material like food waste collected from canteen, paper & cardboard are collected and post processing in the Vermiculture Unit, the manure is generated which is used for Gardening purposes.

In this Vermiculture system, the compostable material like food waste collected from Canteen, Garden Organics and Paper & Cardboard gets collected at one place. Post shredding, the



organic material gets loaded into Vermiculture Unit for decomposing process. Post 7 days of on-going process, Vermicompost / manure get generated and is used for Gardening purposes. This way NSEIL has generated around 2000 Kg of manure in last year by recycling food waste collected from Canteen, Garden Organics and Paper & Cardboard.

- xiv. NSEIL has the 'Sewerage Treatment Plant' to reuse building's domestic and flushing water (i.e. after treatment) for its Cooling Towers associated with HVAC System and for Gardening purposes every day

This plant has been installed at the inception stage itself to enable the Company to reuse building's domestic and flushing water (i.e. after treatment) for its Cooling Towers associated with HVAC System and for Gardening purposes every day. This way NSEIL has saved around 20137 Kltr. of Water in the last year.

10.2 Foreign Exchange earnings/outgo during the year under review

There was no foreign exchange earning during the year. However, the foreign exchange outgo during the year was ₹ 0.06 crores.

11 PARTICULARS OF EMPLOYEES

All the persons except the Managing Director who are working with NSCCL are on deputation from National Stock Exchange of India Limited and accordingly the remuneration paid in respect of them has been reimbursed to NSEIL by NSCCL. A Statement of Particulars of Employees covered under the provisions of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as **Annexure-7**.

12 ACKNOWLEDGMENT

Your Directors wish to place on record their gratitude for the co-operation and support extended by the Government of India, Securities and Exchange Board of India and Reserve Bank of India. The Board also wishes to place on record their sincere appreciation for the unstinted efforts of the employees at all levels towards the continued growth of NSCCL.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 3, 2016

C.M. Vasudev
Chairman



ANNEXURE 1 TO BOARD'S REPORT

Form No. AOC-2

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

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

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

Nil

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

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

- (a) Name(s) of the related party and nature of relationship
Please see Annexure to AOC -2
- (b) Nature of contracts/arrangements/transactions
Please see Annexure to AOC -2
- (c) Duration of the contracts / arrangements/transactions
Please see Annexure to AOC -2
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
Please see Annexure to AOC -2
- (e) Date(s) of approval by the Board, if any:
Approved by the Audit Committee on May 12, 2015 as all transactions are in the ordinary course of business and at arm's length basis.
- (f) Amount paid as advances, if any: Nil

For National Securities Clearing Corporation Limited

Place: Mumbai
Date: May 3, 2016

C.M. Vasudev
Chairman



ANNEXURE TO AOC-2

Related Party Transactions

(a) Names of the related parties and related party relationship

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited (NSE)	Holding Company
2	NSE Strategic Investment Corporation Limited	Fellow Subsidiary
3	NSEIT Limited	Fellow Subsidiary's Subsidiary
4	DotEx International Limited	Fellow Subsidiary's Subsidiary
5	India Index Services & Products Limited	Fellow Subsidiary's Subsidiary
6	NSE Infotech Services Limited	Fellow Subsidiary's Subsidiary
7	NSEIT (US) Inc.	Fellow Subsidiary's Subsidiary's Subsidiary
8	Mr. T Venkat Rao (Managing Director) w.e.f 07-Aug-2014	Key Managerial Personnel
9	Mr. Jayakumar R (Company Secretary) w.e.f 28-Apr-2014	
10	Mr. Amit Amlani (Chief Financial Officer) w.e.f 28-Apr-2014	

(b) Details of transaction (including service tax wherever levied) with parties are as follows :

₹ In crores			
Name of the Related Party	Nature of Transactions	Year ended 31.03.2016	Year ended 31.03.2015
National Stock Exchange of India Ltd.	• Clearing and Settlement charges received	112.04	102.45
	• Usage charges paid	16.25	13.97
	• Contribution received towards Core SGF	71.00	170.00
	• Reimbursement paid for expenses on staff on deputation	12.13	12.19
	• Reimbursement paid for other expenses incurred	41.47	33.56
	• Space & Infrastructure Usage Charges paid	4.23	3.97
	• Dividend paid	146.25	112.50
	• Sale of Preference Shares	0.41	-
	• Sale of Equity Shares	0.52	-
	• Outstanding balance – (Credit) / Debit	(33.32)	(24.08)
NSEIT Ltd.	• Repairs & Maintenance – Clearing & Computer systems	0.93	1.24
	• Outstanding balance – (Credit) / Debit	(0.19)	(0.28)
NSE Infotech Services Limited	• Repairs & Maintenance – Clearing & Computer systems	6.13	6.24
	• Outstanding balance – (Credit) / Debit	(1.13)	(1.43)
NSE Strategic Investment Corporation Limited	• Investment in Preference Share Capital	-	-
	• Investment in Equity Share Capital	-	-
	• Outstanding balance – (Credit) / Debit	-	-
	• Investment in Preference Share Capital	-	0.41
	• Investment in Equity Share Capital	-	0.41
Key Management Personnel	Gross remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund, etc.	2.55	1.48



National Securities Clearing Corporation Limited

S. N. ANANTHASUBRAMANIAN & CO.

COMPANY SECRETARIES

10/26, Brindaban, Thane 400 601 | Tel 2534 5648 / 2543 2704 | Fax 2539 0292 | Email sna@snaco.net | Website www.snaco.net

ANNEXURE 2 TO BOARD'S REPORT

To,
The Members,
National Securities Clearing Corporation Limited
CIN: U67120MH1995PLC092283
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400051.

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S N ANANTHASUBRAMANIAN a CO
Company Secretaries
Firm Registration No. P1991MH040400

S. N. ANANTHASUBRAMANIAN
Partner
COP No. 1774

Date: 20th April 2016
Place: Thane



S.N.ANANTHASUBRAMANIAN & CO.

COMPANY SECRETARIES

10/26, Brindaban, Thane 400 601 | Tel 2534 5648 / 2543 2704 | Fax 2539 0292 | Email sna@snaco.net | Website www.snaco.net

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,

National Securities Clearing Corporation Limited

CIN: U67120MH1995PLC092283

Exchange Plaza, C-1, Block G,

Bandra Kurla Complex,

Bandra (E),

Mumbai - 400051.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder, applicable provisions of the Companies Act, 1956;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - Not applicable as there is no Foreign Direct investment;



- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - Not applicable as the securities of the Company are not listed on any of the Stock Exchanges;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May 2015) / Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015);
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable as the Company has not issued any shares to the public during the financial year under review;
 - d. Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable as the Company has not issued any employee benefits during the financial year under review;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which are listed during the financial year under review;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the securities of the Company are not listed on any of the Stock Exchange ; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back any of its securities during the financial year under review;
- (vi) The laws as applicable specifically to the company are:
1. Securities Contracts (Regulation) Act, 1956
 2. Securities and Exchange Board of India Act, 1992
 3. Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.
 4. Rules, Regulations, Circulars, Orders, Notification, and Directives issued under the above statutes to the extent applicable.

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

- i. Secretarial Standards with respect to the Meetings of the Board of Directors (SS-1) and General Meeting(SS-2) issued by The Institute of Company Secretaries of India with effect from 1st July,2015;



- ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable - up to 30th November, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f 1st December, 2015 - ; To the extent applicable as a recognised Clearing Corporation pursuant to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

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

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the applicable laws.
- Adequate notice is given to all directors to schedule the Board Meetings (including Committees), agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no specific events / actions having a major bearing on the Company's affairs, in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above, have taken place.

For S N ANANTHASUBRAMANIAN a CO
Company Secretaries
Firm Registration No. P1991MH040400

S. N. ANANTHASUBRAMANIAN
Partner
COP No. 1774

Date : 20th April 2016
Place : Thane

**ANNEXURE 3 TO BOARD'S REPORT**

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i	CIN	U67120MH1995PLC092283
ii	Registration Date	31 st August 1995
iii	Name of the Company	National Securities Clearing Corporation Limited
iv	Category / Sub-Category of the Company	Limited by shares / Indian Non-Govt. Co.
v	Address of the Registered office and contact details	Exchange Plaza, Plot C-1, Block G Bandra-Kurla Complex, Bandra (East) Mumbai-400 051 Tel: 022- 2659 8222, Fax : 022- 2659 8198
vi	Whether listed company (Yes / No)	No
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West), Mumbai-400 078 Tel: 022 – 2596 3838, Fax:022- 2594 6969

II. Principal business activities of the company

All the Business activities contributing 10 % or more of the total turnover of the company are:-

Sl. No	Name and Description of main products / services	NIC Code of the product / services	% to total turnover of the company
1	Processing & Clearing services of Securities transactions	6619	30%

III. Particulars of holding, subsidiary and associate companies

Sr. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	National Stock Exchange of India Limited Exchange Plaza, Plot C-1, Block G, Bandra-Kurla Complex, Bandra (East) Mumbai-400 051	U67120MH 1992PLC069769	Holding company	100 %	2(46) read with 2(87) (ii) 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 Shareholders	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	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter (s)	–	–	–	–	–	–	–	–	–
(1) Indian	–	–	–	–	–	–	–	–	–
a) Individual/ HUF	–	–	–	–	–	–	–	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt.(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	4,49,99,952	48	4,50,00,000	100%	4,49,99,952	48	4,50,00,000	100%	0
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Subtotal A (1)	4,49,99,952	48	4,50,00,000	100%	4,49,99,952	48	4,50,00,000	100%	0
(2) Foreign	–	–	–	–	–	–	–	–	–
a) NRIs- Individuals	–	–	–	–	–	–	–	–	–
b) Other-Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/ FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
Subtotal A (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)= A (1)+ A(2)	4,49,99,952	48	4,50,00,000	100%	4,49,99,952	48	4,50,00,000	100%	0
B. Public Shareholding	–	–	–	–	–	–	–	–	–
1. Institutions	–	–	–	–	–	–	–	–	–
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt. (s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–



National Securities Clearing Corporation Limited

Category of Shareholders	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	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions	–	–	–	–	–	–	–	–	–
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1)+ (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	4,49,99,952	48	4,50,00,000	100%	4,49,99,952	48	4,50,00,000	100%	0

ii) Shareholding of Promoters-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	National Stock Exchange of India Limited	4,50,00,000	100%	0	4,50,00,000	100%	0	0
	Total	4,50,00,000	100%	0	4,50,00,000	100%	0	0

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

There is no change in Promoter's shareholding during FY 2015-2016

Sr. No.	Particulars	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	N.A.	N.A.	N.A.	N.A.
2	Date-wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	N.A.	N.A.	N.A.	N.A.
3	At the end of the year	N.A.	N.A.	N.A.	N.A.

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

NSE is the sole shareholder holding 100% of equity shares in NSCCL

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	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
2	Date-wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	N.A.	N.A.	N.A.	N.A.
3	At the end of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	N.A.	N.A.

v) **Shareholding of the Directors and Key Managerial Personnel: Nil**

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
1	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
2	Date-wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	N.A.	N.A.	N.A.	N.A.
3	At the end of the year	N.A.	N.A.	N.A.	N.A.



V. INDEBTEDNESS –

Indebtedness of the Company including interest outstanding/accrued but not due for payments- Nil

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL- NIL

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

Sr. No.	Particulars of Remuneration	Mr. T. Venkat Rao, Managing Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1.19	1.19
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.06	0.06
	(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 (contribution to PF and other fund. Exempted allowances, tax paid by employer, withheld variable pay)	–	–
	Total (A)	1.46	1.46
	Ceiling as per the Act-5%	11.40	11.40
	Ceiling as per the Act-11%	–	25.08



B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. C.M. Vasudev	Mr. Anjan Barua	Mr. K.R. Ramamoorthy	Mr. L. Ravi Sankar	
1	Independent Directors					
	Fee for attending board committee meetings	20,75,000	16,25,000	19,25,000	14,75,000	71,00,000
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	Total (1)	20,75,000	16,25,000	19,25,000	14,75,000	71,00,000
2	Other Non-Executive Directors	Mr. Ravi Narain	Mr. Sudhir Joshi	Ms. Chitra Ramkrishna	–	–
	Fee for attending board committee meetings	17,00,000	16,25,000	–	–	33,25,000
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	Total (2)	17,00,000	16,25,000	–	–	33,25,000
	Total (B)=(1+2)					1,04,25,000
	Total Managerial Remuneration	–	–	–	–	1,04,25,000
	Overall Ceiling as per the Act					1,00,000 (per director per meeting)

C. Remuneration To Key Managerial Personnel (Other than MD/MANAGER/WT D)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	–			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	0.72	0.31	1.03
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	0.02	–	0.02
	(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 (Non-taxable Medical, PF/Pension contribution, allowable superannuation contribution (where applicable))	–	0.03	0.01	0.04
	Total	–	0.77	0.32	1.09



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Nil

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	–	–	–	–	–
B. DIRECTORS					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
C. OTHER OFFICERS IN DEFAULT					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 3, 2016

C.M. Vasudev
Chairman



ANNEXURE 4 TO BOARD'S REPORT

Relevant extracts from Nomination and Remuneration policies of NSCCL

- (a) Criteria for determining qualifications, positive attributes and independence of a director:
- Satisfaction of the 'fit & proper person criteria' stipulated under SCR (SECC) Regulations 2012 and other requirements as prescribed by SEBI from time to time.
 - Assessment of the appointee against a range of criteria which includes, but not be limited to, qualifications, skills, diverse industry experience, background and other qualities relevant to the business of the Company and required to operate successfully in the position. Additionally the Board may consider appointment of experts from various specialised fields such as finance, law, information technology, corporate strategy, marketing and business development, international business, operations management so as to bring diversified skill sets on board or succeed any outgoing director with the same expertise
 - The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company
 - The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment
 - Ability of the appointee to represent the company
 - Ability to work individually as well as a member of the Board and with the senior management
 - Influential communicator with power to convince other in a positive way
 - Ability to participate actively in deliberation and group processes
 - Strategic thinking and facilitation skills
 - Act impartially keeping in mind the interest of the company on priority basis
 - Criteria for determining independence
- (b) Policy on directors' remuneration:
- The remuneration / compensation / commission, etc. to be paid to Directors is determined by the Nomination & Remuneration Committee and recommended to the Board for approval.
 - The remuneration / compensation / commission, etc. shall be subject to the approval of the shareholders of the Company, the Central Government and SEBI, wherever required. It shall be as per the statutory provisions of the Companies Act, 2013 read with the rules made thereunder for the time being in force. The requirements prescribed by SEBI from time to time in this regard shall be followed while determining the compensation payable to Directors



ANNEXURE 5 TO BOARD'S REPORT

Annual Report of CSR Activities

NSE is covered under the purview of Section 135 of the Companies Act 2013. Similarly many of its subsidiaries (including NSCCL) are also covered. However, contribution to CSR by some of these Companies as required under the Section 135 will be negligible. Moreover, there could be efforts at duplication if each individual Company undertakes CSR activities on its own and there would be difficulties in scaling up these activities. Therefore it has been decided by the Boards of the respective Companies in NSE Group that CSR efforts for the Group be undertaken commonly and the actual amount spent be allocated to the respective Companies in proportion to their legal obligations. Therefore a common CSR function for NSE and its subsidiaries has been created under NSE as a group resource and the actual CSR spend is proportionately allocated to the respective Companies. However, the CSR Committees for these Companies are separate. A common CSR policy has been prepared and approved by respective CSR Committees and Boards.

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

CSR Vision: NSE Group has been constantly working to improve the financial wellbeing of people at large through a committed approach to offer investment products that suits varied needs of people. It has improved access of the financial market to people across the country, improved safety measures for investors, empowered investors through improved awareness and education on financial planning, investor protection and investment related issues. Besides this, NSE Group also has been continuously improvising on the conduct of business in a responsible manner through conservation of energy, use of renewable sources of energy, eco-friendly infrastructure etc., In order to strengthen its CSR initiatives, in 2012, a CSR Focus Group was formed consisting of employees volunteering to contribute part of their time to undertake CSR activities internally. The group has since organised various activities such as organising environment awareness building programmes, exposure visits on environmental issues etc. with the help of NGO partners like Bombay Natural History Society (BNHS), organising blood donation camps, promoting social entrepreneurship by facilitating sale of articles produced by different NGOs etc. Besides, different eco-friendly activities like wind power generation, rain water harvesting, use of solar energy, solid waste management through promoting vermicomposting out of the waste from NSE Group Companies premises, etc., have also been undertaken. Employees have been encouraged to take part in environment initiatives such as Earth Hour, Waterless Holi and sustainable environment initiatives in day to day life. The Chennai branch office extended timely emergency relief assistance to flood affected citizens.

NSE Group, in order to further its CSR aspiration of helping the underprivileged sections of the population in improving their quality of life is now embarking upon a mission to reach out to them. MOUs have been entered into with Tata Institute of Social Sciences (TISS) and Samhita Social Ventures to guide NSE with designing the CSR policy, gap analysis, CSR plan, community engagement strategy, project and project partner evaluation, screening, implementation, monitoring, measurement of programme impact etc.

CSR Objectives and Goals: To begin with, NSE Group has taken up, i) Primary Education and ii) Elder Care, iii) Sanitation and Safe Drinking Water as the focus areas. The CSR objectives have been identified basis the larger mandate outlined in the Section 135 of the Companies Act 2013 and CSR Rules 2014 as well as to meet



NSE's community engagement aspirations. Projects undertaken under these verticals will not be one-time activities but will be on a project or programme mode with a long term timeline to achieve pre-determined goals. In the initial phase, efforts are concentrated on Primary Education and Elder Care. On the basis of the experience and learnings gained, other areas will be included in the future. In addition to the three focal areas of intervention outlined, a number of small CSR activities to engage and motivate employees to be socially responsible have been undertaken by the CSR Focus Group of NSE. These activities such as Blood Donation Camps, NGO-Melas related to social entrepreneurship, awareness building programmes in education, health and environment, screening of documentaries on environmental & social issues, organising guest lectures on social issues, nature awareness activities, observing of national / international days such as Children's Day, Women's Day etc. are undertaken by the CSR Focus Group of NSE Group in collaboration with the company employees.

The core CSR focus verticals, the objectives and goals are more fully elaborated in the following sections:-

Primary Education: While selecting projects under primary education, NSE Group has emphasized intervention in capacity building & training of highly motivated, equipped and qualified teachers that will augment teacher-student ratio and directly impact the quality and quantity of attention that is currently provided per student. Besides this, to enhance foundational skills at the primary education level in the areas of reading, writing, critical thinking, arithmetic and problem-solving, application and behavioral skills. The projects which have commenced implementation will contribute to the holistic development of children which includes addressing their physical, mental and aspirational needs through supplementary and in-school programmes. A unique characteristic of the projects selected by NSE in the field of Primary Education is that they impact the most disadvantaged communities and the weakest sections of the society.

The programme modules are intensive, customized and highly individualistic in nature. Many of these programmes are model path breaking projects that are recognized as social and educational change agents.

Elder Care: Projects considered under elder care focus on enhancing the physical and mental well-being of the underprivileged ageing population by awareness of mental and physical health indicators, addressing elder abuse and loneliness as also provision of monthly food rations to very poor senior citizens living alone without any support systems. During the Chennai floods, emergency relief measures were taken to provide medical aid, psychological counselling and food to flood affected senior citizens.

Sanitation and Safe Drinking Water: NSE Group has taken sanitation and safe drinking water as one of the focus areas under the CSR policy of NSE group. Proposals from NGOs specializing in this area have been invited and the proposals reviews are being executed. Under this, NSE Group will support sanitation projects in the schools, communities, awareness building on sanitation and safe drinking water, solid waste management, WASH (Water, Sanitation and hygiene) etc. A pilot project is planned for the renovation, maintenance and behavioral change programs in rural, semi urban and urban schools to understand the on ground realities and complexities, post which the programme would be scaled up and implemented.

Prime Minister's National Relief Fund: India is a vast country susceptible to the vagaries of nature. From time to time various geographical areas are affected by natural calamities such as floods, storms, earthquakes, etc. unfortunate disasters such as cyclone in Andhra Pradesh, floods in Kashmir and last year's calamities



such as a storm in Orissa, flash flood in Uttaranchal are some of the disasters witnessed by India. Relief is granted, by the State Govt. & Central Govt., NGOs etc. and also through Prime Minister's National Relief Fund. NSE Group has taken contribution to the 'Prime Minister's National Relief Fund' as one of the focus areas in such circumstances if and when the need arises.

CSR Activities under NSE CSR Focus Group: CSR focus group consisting of employee volunteers conducts/coordinates various social activities such as Blood Donation Camps, NGO-Melas related to social entrepreneurship, education, health awareness, environmental awareness, organising awareness building programmes such as solar power, support of Earth Hour, recycling of waste paper, screening of documentaries on environmental & social issues, organising guest lectures on social issues, nature awareness walk, observing of National / International Days such as Children's Day, Women's Day, etc. The CSR Focus Group will continue to engage in such activities.

Monitoring and evaluation of CSR initiatives: Appropriate monitoring mechanisms are being evolved for tracking the progress and impact of the various CSR programmes in consultation with TISS and Samhita.

Web-link for NSE Group CSR Policy: http://www.nscclindia.com/NSCCL/disclosures/resources/NSE_CSR_Policy.pdf

2. The Composition of the CSR Committee of NSCCL: The CSR Committee consisted of Mr. Ravi Narain, Mr.C.M.Vasudev and Mr.T.Venkata Rao. Mr.C.M.Vasudev is the Chairperson of the NSCCL CSR Committee.
3. Average net profit of NSCCL for last three financial years: The average net profit of NSCCL calculated pursuant to Section 135 read with Section 198 for last three Financial Years is ₹ 282,81,71,209.43
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): The prescribed CSR expenditure budget at 2% of the amount as in item no. 3 above is ₹ 5,65,63,424.19
5. Details of CSR spent during the financial year:
 1. (a) Total amount to be spent for the financial year: ₹ 5,65,63,424.19
 2. (b) (i) Total amount committed: ₹ 2,42,59,863.67 (includes ₹ 85,32,578.75 committed during current Financial Year)
 - (ii) Total amount disbursed/spent (includes ongoing projects): ₹ 72,80,974.82 which includes ₹ 55,48,415.18 expended /spent during current Financial Year.
 - (iii) Amount unspent for current year, if any: ₹ 5,10,15,009.01
 - (c) Manner in which the amount spent during the financial year is detailed below.



CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the state and district where projects or programmes was undertaken	Cumulative Amount outlay (Committed Budget)		Amount spent during FY 15 -16 on projects or programs sub heads (1) Direct expenditure on projects or programs (2) overheads		Cumulative expenditure up to the reporting period		Amount spent Direct or through implementing agency	
			Outlay for the Group	Outlay for the Company	Spent by the Group	Spent by the Company	Spent by the Group	Spent by the company	Spent by the Group	Spent by the Company
Door Step School	Primary Education	Pune City,District- Pune, State- Maharashtra	11,44,100.00	2,34,138.21	5,99,911.00	1,17,583.37	10,28,950.00	2,05,385.50	10,28,950.00	2,05,385.50
Door Step School	Primary Education	Haveli- MulashiTehasil,District- PuneState- Maharashtra	42,07,000.00	8,60,955.71	16,41,260.00	3,21,689.18	30,41,260.00	6,08,196.90	30,41,260.00	6,08,196.90
Vikas Sahayog Pratishtan	Primary Education	District- Buldhana State- Maharashtra	36,26,700.00	7,42,198.26	22,66,201.00	4,44,178.46	34,32,826.00	6,82,926.37	34,32,826.00	6,82,926.37
Magic Bus India Foundation	Primary Education	Ulhasnagar City District- Thane State- Maharashtra	54,82,400.00	11,21,964.25	30,49,274.00	5,97,661.82	39,43,024.00	7,80,566.31	39,43,024.00	7,80,566.31
Tata Institute of Social Sciences	Primary Education	Mankhurd, Mumbai State- Maharashtra	37,35,690.00	7,64,502.89	20,47,617.00	4,01,335.70	30,67,902.00	6,10,135.37	30,67,902.00	6,10,135.37
All India Inst. Of Local Self Government	Primary Education	Thane and Pune State- Maharashtra	2,10,32,480.00	43,04,262.85	49,81,110.00	9,76,304.29	49,81,110.00	9,76,304.29	49,81,110.00	9,76,304.29
All India Inst. Of Local Self Government	Primary Education	Medha Dist- Satara State- Maharashtra	2,10,32,480.00	43,04,262.85	49,10,290.00	9,62,423.47	49,10,290.00	9,62,423.47	49,10,290.00	9,62,423.47
Dignity Foundation	Elder Care	Mumbai and Chennai State- Maharashtra and Tamilnadu	1,65,89,430.00	33,94,999.89	48,74,085.00	9,55,327.24	68,89,185.00	13,67,714.19	68,89,185.00	13,67,714.19
Door Step School	Primary Education	Pune City,District- Pune, State- Maharashtra	25,37,207.00	4,97,296.00	0.00	0.00	0.00	0.00	0.00	0.00
Door Step School	Primary Education	Haveli- MulashiTehasil,District- PuneState- Maharashtra	44,21,076.00	8,66,536.87	0.00	0.00	0.00	0.00	0.00	0.00
Vikas Sahayog Pratishtan	Primary Education	District- Buldhana State- Maharashtra	59,26,950.00	11,61,690.21	0.00	0.00	0.00	0.00	0.00	0.00
Tata Institute of Social Sciences	Primary Education	Mankhurd, Mumbai State- Maharashtra	47,35,230.00	9,28,111.48	0.00	0.00	0.00	0.00	0.00	0.00
Teach For India	Primary Education	Mumbai and Chennai	1,76,71,602.00	34,63,657.87	0.00	0.00	0.00	0.00	0.00	0.00
Family Welfare Agency	Elder Care	Lower Parel,	82,41,200.00	16,15,286.33	0.00	0.00	0.00	0.00	0.00	0.00
CSR Focus Group	Various Activities*	Mumbai, Maharashtra	NA	NA	11,31,107.00	2,21,698.50	11,91,615.75	2,34,081.52	11,91,615.75	2,34,081.52
Capacity Building	Capacity Building	Mumbai, Maharashtra	NA	NA	17,01,304.59	3,33,458.00	26,71,053.59	5,31,915.56	26,71,053.59	5,31,915.56
PME*	CSR Projects	Project Sites	NA	NA	11,05,886.00	2,16,755.15	16,16,861.00	3,21,325.35	16,16,861.00	3,21,325.35
Total			12,03,83,545.00	2,42,59,863.67	2,83,08,045.59	55,48,415.18	3,67,74,077.34	72,80,974.82	3,67,74,077.34	72,80,974.82

* Activities undertaken by NSE Group CSR Focus Group Covers Blood Donation Camp, NGO Melas , Being with children, Rural Experiential Program, Suryakumbha etc.

* PME- Project Monitoring Expenditures



6. Details of the implementing agencies.

The Society for Door Step Schools Urban Project: The school provides education and support to those children who do not have access to mainstream educational facilities and are children of pavement dwellers, construction site families and migrant labourers. The organization aims to bring education to the Doorstep of these children and helps them to enroll in formal schools. Doorstep has addressed the needs of 300000 children since inception. The NSE project has addressed the educational needs of a cumulative number of 831 out of school children in Pune urban area and 2639 primary children in the Pune rural district. Project Foundation is a part of the Educational Urban Activity Centres or EAC of Door step schools which addresses the needs of the children of 6 -14 years who do not have access to formal schooling. The project is intended to impart quality education to the children of the construction labourers. The Project centres are in the vicinity of construction sites with a high population of migrant labourers literally bringing education to the Doorstep of the out of school children. The project is currently being implemented near 10 construction sites in Pune where pre - primary, literacy and study classes for children are conducted. The children are then helped to get into the formal education system and admitted to schools. The highlight of the project is to track the children who are forced to drop out of school due to migration of parents in search of livelihood and to provide assistance to enroll in a school nearby.

The Society for Door Step Schools Rural Project: This is a part of the rural literacy school intervention programme of Door Step Schools. The Project titled 'Grow with Books' is being implemented in the Mulashi-Mawal area since April'15. The project aims to enhance the reading ability of 2639 children in the age group of 6 – 14 years, enrolled in 22 government schools as the children belong to either the migrant community or are from socio economically weaker sections. The project uses specially trained staff named 'book fairies' who conduct the sessions as a supplementary feature of the formal state school curriculum. The program consists of three main modules. First Steps Forward for class 1, Reading classes for class 1-4 and Home lending library for class 1- 7. A 10 day 'train the trainer programme' was conducted for newly recruited Book Fairies who would work in the schools bridge classes in 22 identified schools.

Vikas Sahayog Pratishtan: Vikas Sahayog Pratishtan has been working with marginalized communities such as Vimukta Jati Nomadic Tribes (VJNT), poor farmers, women, etc., addressing various issues like human rights, livelihood, education, etc. Under the NSE project minimum learning levels in language and mathematics were established in 1200 primary school children in Mehkar block of Buldhana district. Since the students hailed from nomadic backgrounds, efforts were made to lower the dropout rate of the children in school. The NSE project aims to provide supplementary education in rural Government Schools for 1200 children hailing from the VJNT Tribes of Mehkar Block in the drought hit Buldhana District. A large number of the population in these areas are tribal and nomadic communities that frequently migrate to other regions in search of employment and livelihood. VSP conducts awareness programs in the community to decrease the dropout rates of students by encouraging the village community and relatives to care for children when parents migrate in search of work. The objectives of the NSE project also include the setting up of School Management Committees as well as establishment of Learning Centres (LEP) in schools and in shared resource areas of the villages. The fundamentals of the program looks to change both learning and teaching methodologies by working with teachers, supervisors and primary level children. The project methodology includes village level assessment and grouping of children, creating of learning centers both within the community and the schools. Distribution of teaching aids and learning material in language and



math, awareness workshops for teachers, resource staff, parents and working with school management committees.

Magic Bus India Foundation: Magic Bus is a mentoring organisation, working to take a million children living in poverty on a journey from childhood to livelihood. It trains and guides local community mentors to deliver a programme that focuses on education, health and gender equality. The youth mentors do this by using a curriculum that uses sports as a tool for engagement and as a metaphor for learning. Magic Bus India Foundation is implementing project on Quality Education in 10 Municipal Schools Ulhasnagar benefitting 1700 children. The project carries a blend of two broad concepts i.e. Sport for Development (S4D) and Quality Education. Sport for Development is intended to build children's conviction for education which is very important in the long run to retain children's interest in education and therefore continuation of studies. Quality supplementary education with the help of Youth Mentors helps to improve academic performance. The Young Mentors undergo a rigorous 7 days training in Sports for Development. The increased interest and importance of physical education in education is reflected in the 95% children's attendance at these sessions. The total number of children enrolled in the Sport for Development program is 1772, with 882 boys and 930 girls. As per the TISS review in the previous quarter, 298 S4D sessions and 296 Library sessions were held. The positive efforts of the NSE Magic Bus programme and its impact on the children has been recognized by the government authorities and Magic Bus has been selected as one of the NGO partners in the Child Protection Committee of Ulhasnagar Municipal Corporation.

Tata Institute of Social Sciences - Field Action Project Chunauti Tata Institute of Social Sciences is the pioneer & premier institute of social work. It is an autonomous university. A model program Chunauti managed by TISS was supported. This is a model project to rehabilitate and educate a small group of 103 rescued children through intensive psychological and educational interventions. Chunauti is a field action project of Tata Institute of Social Sciences undertaken pursuant to the orders of Bombay High Court. The project is currently being implemented in the Mankhurd Children's Home to impart quality education to 103 mentally challenged children rescued from different orphanages. Project interventions are at 2 levels: First level interventions are determined for the children at Mankhurd Center. Whereas the second level of intervention is on training functionaries of govt. officials and replicating this model with the support of the State govt. and High Court. This project benefits 103 mentally challenged children. In the review of the project by TISS, it is seen that 15 children were provided schooling through SSA and 7 children through NIOS, which is big step to bring them to mainstream education. This is a model rehabilitation and social re-integration project. It is a unique project in terms of the impact created, media scrutiny, learning outcomes advocacy with various stakeholders and policy reforms. The pedagogy, training and counselling offered is customized. The project has significant learnings and has brought about several policy level changes at the ground level. The aim is to replicate the model in 19 MIDC homes across Maharashtra and elsewhere.

Dignity Foundation: Dignity Foundation is working on the issue of elder care. Dignity Foundation has a physical presence in 6 cities through offices and activity centres - Mumbai, Pune, Bangalore, Kolkata, Chennai and Ahmedabad. Dignity Foundation is implementing the Senior Citizens project in Mumbai- Dharavi, Jogeshwari, Worli, Sion and in Chennai- Kannaginagar, Saidapet, etc. to cater different needs of the elderly population. As reported by TISS, monthly workshops have been conducted according to the schedule.



Since March 2015, 5 awareness workshops have been conducted in 5 distinct sections in each of the 6 project areas. 4320 Elders have registered and taken the Dignity Savings Card. This card enables them to avail discounts at around 1500 partnered outlets across Mumbai that includes pathology laboratories, orthopedics, lenses, hospitals, etc. A one of its kind help line for Senior citizens was launched to address physiological, psychological, emotional and social issues. Many senior citizens suffer from verbal and emotional abuse and require psychological counselling. More than 20 calls have been received on the Helpline for various assistances. This can be looked upon as a positive outcome of the awareness activity. As an emergency measure to provide relief and assistance during the devastating floods in Chennai, timely medicines and ration were distributed. Emergency medical camps were conducted and psychological counselling was provided to overcome the trauma of the disaster.

All India Institute of Local Self Government (AIILSG): AIILSG works on various issues like Primary Education, Disaster Management, Health, Livelihood, Women Empowerment, Research and Documentation etc. across India. Project on Quality Education is being implemented in Ramnagar from Thane and Gandhinagar from Pune City impacting 718 children. As reported by TISS, the project team has established Children's Resource Center at the local level with committed, trained and enthusiastic Shikshan-Mitras (SM) which has resulted in creating a conducive environment for holistic learning to supplement education provide and ensure minimum age appropriate learning and age appropriate literacy levels. The feedback on the popularity of the project is that the children who are often reluctant to attend the formal schools, however reach the CRC even before its scheduled time. Reading of books has given them a completely different experience and added value to their knowledge level as well. The sessions of supplementary and complementary learning at the CRC are conducted for 2 hours each in the mornings and evenings, with some SMs taking sessions in the afternoon as well depending upon the availability of the children. The interaction with the various stake holders such as school principals, teachers, and parents reflected that they feel this intervention has made a positive impact on the children.

All India Institute of Local Self Government- Rural Project Project on Quality Education is being implemented in Medha Tehasil of Satara Block impacting 817 children. As reported by TISS, a seven day training session was conducted in Pune. The programme managers have conducted multiple meetings with the school teachers, headmasters and the district education authorities. The CRC sessions are planned for 2 hours in the morning between 8-10 before class begins and 2 Hours in the evening between 5-7pm. Some Shikshan mitras also take sessions in the afternoon between 3-5 pm depending upon the availability of students and teachers. Schools have reported increased use of their facilities including teaching aids, music instruments, sports infrastructure due to the keen interest and mentoring guidance of the Shikshan Mitras and demand from the children. The Shikshan mitras have been using activities, games, music and art with the children during CRC sessions. These sessions are conducted twice a day in the school and in the vastis/ temples/community hall or open spaces as may be available or provided by the community.

Teach for India (TFI) a project of Teach to Lead is a nationwide movement to infuse management perspective to school education by committing outstanding graduates and young professionals to work in government schools for a term of two years with the aim of addressing educational inequity. Teach For India recruits outstanding college graduates and young professionals who commit two-years to teach full-time in under resourced schools and who become lifelong leaders working from within various sectors towards the pursuit of equity in education. In June 2009, The Teach for India fellowship program placed



the first cohort of Fellows in low-income municipal and private schools in Pune and Mumbai. Today, TFI is in 7 cities - Mumbai, Pune, Delhi, Hyderabad, Chennai, Ahmedabad and Bengaluru. They have a total of 1200 Fellows and 1100 Alumni working towards eliminating educational inequity. In their current proposed project with NSE, TFI wishes to support 25 fellows in Chennai and Mumbai each.

Family Welfare Agency :Family Welfare Agency (FWA) has been, working with senior citizens in the community with the objective to provide specialized services in the field of ageing and mental health. FWA has been providing specialized day care services to the elderly since 1979, using a community based approach. FWA has worked at three levels, namely, preventive, palliative and curative health care. FWA on a daily basis caters to 45 senior citizens per center. FWA has trained paramedic professionals and volunteers to work with senior citizens who have contributed to the field at different levels. FWA has been involved in providing direct services to the senior citizens such as health check-ups, community outreach activities, and care for home bound senior citizens, advocacy to senior citizens on state policies and many more. In the current proposed project, FWA aims to build two Elder Enrichment Care Center (EECC) which will provide need based services, such as, health, social, recreational, educational, and counselling to the senior citizens. Through the program, FWA will also provide outreach services to the homebound senior citizens in selected communities.

7. **The reasons for shortfall in disbursal:** In the initial phase of project implementation the NSE Group CSR has already addressed the minimum literacy levels of more than 5000 extremely marginalized and disadvantaged children who require intensive pedagogic and social interventions. Through the programmes conducted by Dignity Foundation, NSE has touched the lives of more than 3500 senior citizens. This being the initial phase of implementation of CSR projects after introduction of Section 135 of Companies Act 2013, the NSE Group continues to identify projects, build capacity for partner agencies and implement current projects. Capacity augmentation is a key for project identification and monitoring the implementation and the Company is in the process of building the same besides implementing the existing projects through NGOs. Moreover, identifying new projects alongside the implementation of selected projects is a time consuming and knowledge oriented activity. Selecting projects which will have a measurable and meaningful social impact requires time, knowledge, skill and availability. Accordingly, the actual spend is expected to gather steam only over a period of 2-3 years after which the Company will be in position to achieve the required CSR spend. The Company remains committed to meet its CSR obligations on an annual basis to the extent feasible.
8. The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

T. Venkata Rao
Managing Director

C.M. Vasudev
Chairman



ANNEXURE 6 TO BOARD'S REPORT

Report on Corporate Governance

I. Brief Statement on Company's Philosophy on Code of Governance

Corporate Governance is the application of best management practices, compliance of law and commitment to values and ethical business conduct to achieve the Company's objective of enhancing shareholder value and effective discharge of its social responsibility. National Securities Clearing Corporation Limited ("NSCCL" or "the Company" or "Clearing Corporation") is a company incorporated under the Companies Act, 1956. NSCCL is also a recognised Clearing Corporation under Securities Contracts (Regulation) Act, 1956 read with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012. NSCCL is required to comply with Securities Contracts (Regulation) Act, 1956, the Rules and Regulations laid down thereunder and the directives and circulars issued by Securities and Exchange Board of India (SEBI) from time to time for the purpose of its governance. As per Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 [SCR(SECC) Regulations, 2012], the disclosure requirements and corporate governance norms as specified for listed companies are mutatis mutandis applicable to a recognised clearing corporation. In continuation of its pursuit to establish good corporate governance practice and for the information of its stakeholders, NSCCL is furnishing this Report for the financial year ended on 31st March, 2016.

II. Board of Directors

A. Composition of the Board and Category of Directors

As on March 31, 2016, the Board consists of 8 Directors of which 2 Directors represent Shareholders, 5 are Public Interest Directors and 1 Managing Director. The Directors are chosen from among eminent persons or experts in the field of Law, Finance, Accounting, Taxation, Information Technology, Economics, Commerce, Management, etc. None of the Directors of the Company are inter-se related with each other. The Chairman of the Board of Directors is a non-executive Director. With the approval of SEBI, the Company has appointed Mr. C.M. Vasudev, a Non-Executive director as well as a Public Interest Director as Chairman of the Board of Directors.

The composition of the Board is in conformity with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

B. Number of Board Meetings

The Board of Directors met five times during the year on May 12, 2015, June 19, 2015, August 07, 2015, October 28, 2015 and January 28, 2016. The maximum gap between any two meetings was less than one hundred and twenty days.

C. Directors' Attendance Record and Directorships Held

As mandated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Directors are neither members of more than ten Board level Committees or act as Chairperson of



more than five such committees across all entities in which he or she is a Director. Table No.1 gives the details of the composition of the Board, attendance and details of Committee Membership and Committee Chairmanships.

(1) Details of Directors along with the Directorship(s) and Chairmanship(s)/Membership(s) of Committees in other companies for the year 2015-16:

Name of the Director	Category	Attendance Particulars			No. of Directorships / Chairmanships and Committee Chairmanships / Memberships		
		Number of Board Meetings		Last AGM	Other Directorship(s)/ Chairmanship(s)*	Other Committee Membership(s)**	Other Committee Chairmanship (s) **
		Held	Attended				
Mr. C. M. Vasudev, Chairman	Public Interest Director	5	5	Y	11	7	–
Mr. Ravi Narain	Shareholder Director	5	5	Y	9	9	1
Ms. Chitra Ramkrishna	Shareholder Director	5	5	Y	7	3	1
Mr. Anjan Barua	Public Interest Director	5	5	Y	–	–	–
Mr. Sudhir Joshi	Public Interest Director	5	5	Y	3	1	2
Mr. K. R. Ramamoorthy	Public Interest Director	5	5	Y	5	3	4
Mr. L. Ravi Sankar	Public Interest Director	5	5	Y	2	–	–
Mr. T. Venkat Rao, Managing Director (w.e.f Aug. 7, 2014)	Executive Director	5	5	Y	–	–	–

Y= Yes; N=No

* The Directorships/ Committee memberships held by Directors as mentioned above, do not include Directorships/Committee memberships of Section 8 Companies.

** Memberships/Chairmanships of only the Audit Committee and Shareholders/Investors' Grievances Committee of all Public Companies have been considered.

(2) Separation of Offices of Chairman & Chief Executive Officer

The Company has been following the principle of separation of the role of Chairman and the Chief Executive Officer. Mr. C.M. Vasudev is the Non-Executive Chairman of the Board. Mr. T. Venkata Rao is the Managing Director of the Company and is entrusted with the day to day management of the affairs of the Company. The Managing Director carries out his functions subject to superintendence, control and management of the Board of Directors of the Company.



D. Responsibilities of the Board

The Company conducts orientation programs for new Directors covering various operations of the Company so as to familiarise themselves with the various functions being carried out by the Company. The details of familiarization programmes imparted to independent directors are given in the Company's website at the following location: http://www.nscclindia.com/NSCCL/disclosures/resources/NSCCL_fp_directors.pdf. The Company also provides training in various fields such as operation, risk management, compliance, etc. to every Public Interest Director each year. Every director inducted on the Board is well known in the financial services industry and has the ability to understand basic financial statements and information and related documents/papers.

The regular updates inter-alia provided by the Company to the Board include the following:

- Annual capital and revenue budgets and updates
- Quarterly financial results
- Status report on the operations of different segments
- Minutes of the meetings of Audit Committee and other committees of the Board
- Details of joint ventures, etc.
- Details of foreign exchange exposures and the steps taken to limit the risk of adverse exchange rate movements.
- Other information, which is required to be placed before the Board as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is taken to the Board as and when the event occurs.

A quarterly report on compliance of various laws, rules and regulations, to which the Company is subjected, is placed before the Audit Committee for its review. The Audit Committee from time to time reviews the report and gives suggestions for improvement of compliance level/process. On its review, a consolidated report on a quarterly basis is placed before the Board at its subsequent meetings.

E. Code of Conduct

A code of conduct for Public Interest Directors and Key Management Personnel of the Company is framed. They have affirmed compliance with the Code of Conduct. As per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Code of Conduct, has been hosted on the website of the Company. The Managing Director of the Company has affirmed to the Board of Directors that the Code of Conduct has been complied by the Directors and senior management personnel.

F. Independent Directors

- (1) Independent Directors on the Board of NSCCL are not less than 21 years in age and do not hold any shares in NSCCL.



(2) Attributes

The Company as a policy inducts only those persons as Independent Directors who have integrity, experience and expertise, foresight, managerial qualities and ability to read and understand financial statements.

(3) Tenure

The tenure of Independent Directors is in line with the directives issued by SEBI from time to time.

(4) Freedom to Independent Directors

The Company takes all possible efforts to enable the Independent Directors to perform their functions effectively. However, as per SEBI requirement, the elected directors shall not interfere in the day- to- day management of the Company particularly relating to the surveillance and risk management functions of the Company. The Company always strives to strike a balance between both the above requirements without compromising on compliance of such requirements.

G. Remuneration of Directors

In order to align compensation levels with market levels and at the same time attract, retain and motivate Directors of the quality required to run the company successfully, the compensation being paid to Managing Director is periodically reviewed and revised. The remuneration includes both fixed and variable components. The Company pays only sitting fee to its non-executive Directors. The terms and conditions of appointment of independent directors, Public Interest Directors and Shareholder Directors are governed by the provisions of the Companies Act, 2013 & Rules laid down thereunder, Securities Contracts (Regulation)(Stock Exchanges and Clearing Corporations) Regulations, 2012, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the circulars issued thereunder by SEBI. The terms and conditions of service in respect of the Managing Director of the Company are governed by the resolution passed by the shareholders, provisions of the Companies Act, 2013 & Rules laid down thereunder, Securities Contracts (Regulation)(Stock Exchanges and Clearing Corporations) Regulations, 2012 and the circulars issued thereunder by SEBI.

As per the terms of appointment, the non-executive directors are not eligible for severance pay or notice period. The Managing Director is not eligible for severance pay. The notice period for the Managing Director is three (03) months.

SEBI had laid down certain norms in terms of the compensation policy for the Key Management Personnel which are as under:-

- A. The variable pay component will not exceed one third of the total pay.
- B. 50 % of the variable pay will be paid on a deferred basis after 3 years.
- C. ESOPs and other equity linked instruments will not form part of the Compensation.
- D. The terms of compensation shall have malus and claw back arrangements



Accordingly, the Company has framed Remuneration policy in conformity with norms specified by SEBI for its employees which include Key Management Personnel and the Managing Director.

None of the Directors of the Company hold any shares or any convertible instruments in the Company.

The details of remuneration paid to Managing Director & CEO during FY 2015-16 are given in the following table:-

(₹ in crores)

Name & Designation	Salary & Allowances	Variable Pay	Perquisites in cash or in kind	Contribution to PF and other Funds	Total
Mr. T. Venkata Rao, Managing Director	1.03	0.16*	0.06	0.05	1.30

* Excludes 50% of the Variable Pay to be paid on deferred basis after 3 years

The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and its Committees during the year is as follows:

Name	Board meetings		Board Committees' meetings		Total
	No. of meetings attended	Amount (₹)	No. of meetings attended	Amount (₹)	
Mr. C. M. Vasudev, Chairman	5	5,00,000	21	15,75,000	20,75,000
Mr. Ravi Narain	5	5,00,000	16	12,00,000	17,00,000
Ms. Chitra Ramkrishna	5	–	7	–	–
Mr. Anjan Barua	5	5,00,000	15	11,25,000	16,25,000
Mr. Sudhir Joshi	5	5,00,000	15	11,25,000	16,25,000
Mr. K. R. Ramamoorthy	5	5,00,000	19	14,25,000	19,25,000
Mr. L. Ravi Sankar	5	5,00,000	13	9,75,000	14,75,000

III. Committees of the Board

(A) Audit Committee

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls, which the management and the Board of Directors have established, financial reporting and the compliance process. The Committee maintains open communication with statutory auditors, internal auditors and operational auditors.

The Audit Committee reviews the reports of the internal auditors, operational auditors and statutory auditors. The terms of reference of Audit Committee shall be as per the provisions contained in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.



The Audit Committee comprises five Directors viz., C.M. Vasudev, Mr. K.R. Ramamoorthy, Mr. Ravi Narain, Ms. Chitra Ramkrishna and Mr. L Ravi Sankar as its members. Mr. C.M. Vasudev is the Chairman of the Audit Committee. The Committee met four times during the year i.e., on May 12, 2015, August 07, 2015, October 28, 2015 and January 28, 2016 respectively. The details of the attendance of members of the Audit Committee at their meetings held on the above dates are given hereunder:-

Name	Number of meetings held during the tenure of the member	Number of meetings attended
Mr. C.M. Vasudev	4	4
Mr. K.R. Ramamoorthy	4	4
Mr. Ravi Narain	4	4
Ms. Chitra Ramkrishna*	3	3
Mr. L Ravi Sankar*	3	3

* Members effective from May 12, 2015

The Officer responsible for the finance function and the representatives of the statutory auditors, internal auditors and operational auditors are regularly invited to the Audit Committee meetings. The Company Secretary is the Secretary to the Committee.

All members of the Audit Committee have requisite accounting and financial management expertise. Mr. C. M. Vasudev, Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on June 19, 2015 to answer shareholders queries.

(B) **Nomination & Remuneration Committee (NRC)**

The NRC laid down the policy for compensation of employees including key Management Personnel in terms of the compensation norms prescribed by the SEBI. The NRC also laid down performance evaluation criteria for the Board of Directors, individual directors (including independent directors) and Committees of the Board of Directors. As per SEBI Regulations, the Compensation Committee shall consist of majority of Public Interest Directors and shall be chaired by a Public Interest Director. Further, as per requirements of the Companies Act, 2013, the Company is required to constitute a Nomination and Remuneration Committee (NRC) consisting of three or more non-executive directors out of which not less than one-half shall be independent directors. The Chairman of NRC shall be different from Chairman of the Board. Accordingly, the Board constituted Nomination & Remuneration Committee comprising Mr. Anjan Barua, Mr. C.M Vasudev, Mr. L Ravisankar Mr. Ravi Narain and Ms. Chitra Ramkrishna as its members with Mr. Anjan Barua as its Chairman for the purpose of discharging its functions required under both Companies Act, 2013 and under SEBI requirements. The details of criteria for determining qualifications, positive attributes and independence of a director are elaborately given in Annexure 4 to Board's Report.

The Committee met three times during the year, i.e. on May 12, 2015, November 06, 2015 and January 28, 2016 respectively. The details of the attendance of members of the NRC at their meetings held on above dates are given hereunder:-



Name	Number of meetings held during the year	Number of meetings attended
Mr. Anjan Barua, Chairman of the Committee	3	3
Mr. C.M. Vasudev	3	3
Mr. L. Ravisankar	3	3
Mr. Ravi Narain	3	3
Ms. Chitra Ramkrishna	3	3

Mr. Anjan Barua, Chairman of the Nomination & Remuneration Committee, attended the Annual General Meeting (AGM) held on June 19, 2015 to answer shareholders queries.

(C) Risk Management Committee

In terms of SEBI requirements, the Clearing Corporation is required to constitute a Risk Management Committee inter alia to formulate a detailed risk management policy. The Board has constituted Risk Management Committee to formulate risk (settlement related risks) management policy and to monitor its implementation. The Committee comprises three Directors viz., Mr. K.R. Ramamoorthy, Mr. Anjan Barua and Mr. Sudhir Joshi as its members. Mr. K.R. Ramamoorthy is the Chairman of the Committee. During the year, the Committee met four times i.e., on May 11, 2015, August 7, 2015, December 4, 2015 and January 27, 2016. Besides the above, the Board has also constituted Risk Assessment and Review Committee to, inter-alia, review the strategic and business risk (non settlement risks) and advise the Board with respect to the same. During the year, the Committee met 1 time i.e., on January 28, 2016.

(D) Corporate Social Responsibility (CSR) Committee

The Committee was constituted, inter alia, to formulate and recommend to the Board a Corporate Social Responsibility Policy, to recommend the amount of expenditure to be incurred on the activities, and to monitor the Corporate Social Responsibility Policy of the company from time to time. The CSR Committee consisted of Mr. C.M. Vasudev, Mr. Ravi Narain and Ms. Chitra Ramkrishna as its members with Mr. C.M. Vasudev as the Chairman. The CSR Committee was reconstituted on May 12, 2015 comprising Mr. C. M. Vasudev, Mr. Ravi Narain and Mr. T. Venkata Rao as its members with Mr. C. M. Vasudev as its Chairman. The CSR Committee met 1 time i.e., on May 12, 2015 and all the members attended the meeting.

Besides the above, the Company also has constituted the following SEBI mandated Committees namely:

(i) SEBI Mandated Committees

1. Membership Selection Committee
2. Defaulters Committee/SGF Utilisation Committee
3. Sub-committee for monitoring compliance of suggestions given in SEBI Inspection Reports
4. Public Interest Directors Committee



5. Ethics Committee
6. Advisory Committee
7. Disciplinary Action Committee
8. Grievance Redressal Committee
9. Standing Committee on Technology
10. Investor Service Committee
11. Independent Oversight Committee of the governing board for Member Regulation (IOC-MR)

(ii) **Other Functional Committee(s):**

1. Committee for Declaration of Defaults

IV. Auditors

The Audit Committee considers the profile of the audit firms, qualifications and experience of partners auditing books and accounts of the Company, strengths and weaknesses, if any, of the audit firm and other related aspects and then recommends appointment of Auditor and the remuneration payable to them to the Board/shareholders. The Audit Committee also periodically discusses with the Auditors the annual audit programme and the depth and detailing of the audit plan to be undertaken by them.

The Board has appointed an external firm of Chartered Accountants as its internal auditor in order to ensure the independence and credibility of the internal audit process.

V. Secretarial Audit

The Company has engaged the services of M/s. S.N. Ananthasubramanian & Co., Practicing Company Secretaries, to conduct Secretarial Audit pursuant to the requirements of the Companies Act, 2013 and the rules laid down thereunder for the financial year ended 31st March, 2016. The report of the Secretarial Auditors is being placed before the Audit Committee and the Board. The Annual Report containing the Secretarial Audit Report is also circulated to the Shareholders of NSCCL.

VI. Management Discussion and Analysis

The Annual Report has a detailed report on Management Discussion and Analysis.

VII. CEO/ CFO certification

The Managing Director and CFO certification of the financial statements for the financial year 2015-16 is enclosed at the end of the report.

VIII. General Shareholder Information

- (A) **Annual General Meeting:** The 20th Annual General Meeting of the Company was held on Friday, June 19, 2015 at 12.30 p.m. at the Board Room, Fifth Floor, B-1 wing, Exchange Plaza, Plot C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051



- (B) **Financial year:** 2014-15
- (C) **Dividend Payment date:** June 23, 2015
- (D) **Registrar and Transfer Agent:**

The address for communication and contact details of the Registrar and Transfer Agent are as under:

M/s. Link Intime India Pvt Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West) Mumbai 400 078. Tel. No. + 91 22 2596 3838 and Fax No. +91 22 2594 6969.

- (E) **Share Transfer system:** The equity shares of NSCCL are in dematerialised form. Further, the ISIN of equity shares is suspended by NSCCL to prevent transfers not approved by NSCCL pursuant to Article 63 of its Articles of Association and to ensure compliance of the provisions of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012. Therefore, if and when application for approval of transfer is received adherence to compliance of SECC Regulations will be ensured.
- (F) **Distribution of shareholding:** NSCCL is a wholly owned subsidiary of NSE. Accordingly, NSE holds 100% of the paid up equity share capital of NSCCL.
- (G) **Dematerialisation of shares.** The Company's shares are dematerialised.
- (H) **Address for correspondence:** The Secretarial Department, National Securities Clearing Corporation Limited, Exchange Plaza, Plot No. C-1, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. Shareholders are requested to intimate all changes pertaining to their Bank details, email addresses, Power of Attorney, change of name, change of address, contact details, etc., to their Depository Participants (DP).

IX. Other Disclosures

(1) Basis of related party transactions

The transactions with related parties are entered in the ordinary course of business and at arm's length price. The details of the related party transactions are disclosed in the Annual Report. The 'Policy on dealing with related party transactions' of the Company is available on the website of the Company at the following location: http://www.nscclindia.com/NSCCL/disclosures/resources/NSCCL_Policy_on_Materiality_and_Dealing_with_Related_Party_Transactions.pdf

(2) Details of non-compliance by the Company, penalties, strictures imposed on the Company by SEBI or any other statutory authority on any matter related to capital markets

None.

(3) Whistle Blower Policy

The Company has established a mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. The Company also provides for adequate safeguards against victimisation of employees who avail of the mechanism and also allows direct access to the Chairman of the Audit Committee (for financial



matters) or Chairman of the Ethics committee (for other matters) in exceptional cases. No personnel has been denied access to the audit committee. Details of the Policy have been disclosed on the website of the Company. http://www.nscclindia.com/NSCCL/disclosures/resources/NSCCL_dtls_VM.pdf

(4) Compliance with the non-mandatory requirements [Part E of Schedule II Regulation 27(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

In addition to the above, NSCCL also complies with non-mandatory requirements of Part E of Schedule II Regulation 27(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 like maintaining a Chairman's office at the company's expense, reimbursement of expenses incurred by Chairman in performance of his duties, dissemination of financial results to the shareholders on a quarterly basis, unqualified financial statements, separate posts of chairperson and chief executive officer, etc.

(5) Subsidiary Companies

As on 31st March 2016, NSCCL did not have any company as its subsidiary.

(6) Disclosure of Accounting Treatment in the preparation of Financial Statements.

NSCCL follows the guidelines of Accounting Standards laid down by the Central Government under the provisions of Section 133 of the Companies Act, 2013 in the preparation of its financial statements.

(7) Communication with Shareholders

The data related to quarterly and annual financial results, shareholding pattern, Board meetings, general meetings, the terms and conditions of appointment of independent directors, details of vigil mechanism, etc., are provided in the Company's web-site for the information of the shareholders at the following location: <http://www.nscclindia.com/#>

The Clearing Corporation disseminates all material information to its shareholders through periodical communications. The financial results are published periodically in the newspapers as per the requirements of SEBI (LODR) Regulations, 2015.

Annual Report: Annual report containing, inter alia, Audited Accounts, Directors' Report, Report on Corporate Governance, Management Discussion & Analysis other material and related matters/ information is circulated to the shareholders and others entitled thereto.

(8) Redressal of shareholders' complaints

The Company is a wholly owned subsidiary of National Stock Exchange of India Limited. The Company did not receive any grievance from its shareholder(s) in respect by transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc. during the year.



X General Body Meetings

Location, date and time of the general meetings held in the last three years till March 31, 2016:-

Type of meeting	Date	Time	Venue	Special Resolution passed
20 th Annual General Meeting	19-Jun-15	12:30 p.m.	Board Room, Fifth Floor, B-1 Wing, Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	Variation in terms and conditions of appointment of, and the remuneration payable to Mr. T. Venkata Rao, Managing Director of the Company.
19 th Annual General Meeting	11-Jul-14	11:45 a.m.	Conference Room, Ground Floor, Exchange Plaza, Plot C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	–
Extra- Ordinary General Meeting	05-Jun-14	5:15 p.m.	Conference Room, Ground Floor, Exchange Plaza, Plot C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Appointment of Managing Director
Extra- Ordinary General Meeting	28-Apr-14	12:45 p.m.	Conference Room, Ground Floor, Exchange Plaza, Plot C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Variation in the terms and conditions of appointment and remuneration payable to Managing Director
Extra- Ordinary General Meeting	4-Mar-14	12.30 p.m.	Board Room, Exchange Plaza, Plot C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	1. Appointment of Managing Director. 2. Borrowing Limits of Directors
Extra- Ordinary General Meeting	14-Aug-13	2.00 p.m.	Board Room, Exchange Plaza, Plot C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Alteration of Articles of Association of the Company.
18 th Annual General Meeting	21-June-13	2. 30 p.m.	Board Room, Exchange Plaza, Plot C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	–

The Company did not pass any resolution through postal ballot in the last year. The requirement of passing any resolution by postal ballot is not applicable to NSCCL as the number of shareholders of NSCCL is less than 200.

XI. Certificate on compliance of corporate governance norms

As required under SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015, NSCCL has obtained Corporate Governance compliance certificate from a Practicing Company Secretary. The same is given as an Annexure to the Directors' Report.



CODE OF CONDUCT

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the code of conduct for the Financial Year 2015-16.

For the purpose of this declaration, Senior Management Personnel means Key Management Personnel appointed under SCR(SECC) Regulations, 2012 and Key Managerial personnel appointed under the Companies Act, 2013 as on March 31, 2016.

Place: Mumbai
Date: May 3, 2016

T. Venkata Rao
Managing Director



MANAGEMENT DISCUSSION & ANALYSIS

Economic & Business Environment

During FY15-16, the global economy continued its struggle with recovery, as evidenced by the subdued growth witnessed across all major economies during the period under consideration. Advanced economies such as the US and UK started the financial year on an upbeat mood, but were unable to maintain the momentum despite positive signals such as robust job creation and soft monetary policy. Economic activity in most of the euro area was adversely impacted by socio-economic and political developments. Japan also struggled to meet growth expectations primarily on account of falling private consumption.

Most emerging markets economies, barring India, have also struggled to keep up the growth momentum, mainly due to factors such as deteriorating structural bottlenecks, weak external demand, and lack of external financing. China's economic performance during the last one year has been a topic of interest among economists and analysts. This is because China is transforming into a consumer driven economy from an investment driven one, due to which the market widely believes that its GDP growth rate would be lower than what it was previously. It is expected that the Chinese economy would, in the coming years, re-balance to a growth of below 7% levels, as against growth rates of 10% seen during the previous two decades. As regards other emerging market economies in Middle East, Eastern Europe and Latin America, falling prices of oil and other commodities such as copper, iron ore and steel, has deteriorated their growth prospects.

India, however, remained a bright spot in the global economy and the fastest growing major economy in the world. As per the latest advanced estimates of GDP released by the Central Statistics Office, India's GDP grew in the range of 7.6% or so. While the growth rates for industry and agricultural sectors improved in the range of 7.4% and 1.1% respectively in FY15-16 (compared to 5.9% and negative 0.3% respectively in FY14-15), the growth in the services sector declined marginally to 9.2% (compared to 10.3% in FY14-15).

Monthly inflation, as measured by the Consumer Price Index (CPI), has fluctuated around RBI's target level of 2-6% during FY15-16, with average inflation at 4.9% as compared to 5.8% during FY14-15. The primary reasons for this benign inflationary environment during FY15-16 were as follows: (1) low capacity utilization of the Indian economy, (2) plunging input prices especially oil, (3) disciplined increases in minimum support prices (MSPs) for cereals and (4) dumping of Chinese imports. This suggests that the effective stance of RBI's monetary policy could be more relaxed in the coming months of FY17, which will surely give a boost to economic activity in the country.

On the external front, India's current account deficit (CAD) to GDP ratio worsened marginally to 1.4% in FY15-16 from 1.3% in FY14-15. India's trade deficit, on the other hand, decreased substantially by 16.51% in FY15-16 to USD 118.01 billion compared to USD 137.49 billion in the previous fiscal. This was primarily on account of a large fall in imports to USD 379.07 from USD 447.60 during the period under consideration. Meanwhile, exports fell at a much lower rate than imports, declining to USD 261.05 billion from USD 310.11 bn. Lower trade deficit and modest growth in invisibles resulted in the low CAD. According to the Economic Survey 2015-16, the CAD, as a proportion of GDP, is likely to be in the low range of 1-1.5 per cent during the coming years.



India's foreign exchange reserves were also at an all-time high of USD 355.6 billion at end-March 2016 (compared to USD 341.6 billion at end-March, 2015). As a result, the import cover ratio – an important indicator of a country's external sector vulnerability – has risen to over 10 months.

Outlook

The outlook for the Indian economy is currently optimistic, especially in the backdrop of relatively strong macroeconomic fundamentals such as (1) low current account deficit and rising forex reserves, (2) low inflation, and (3) high GDP growth rate, as compared to other major emerging market economies such as Brazil, Russia and China. This will assist India in dealing with the prevailing uncertainty and emerging risks in the global economy and financial markets. In both FY16-17 and FY17-18, the IMF has recently projected that the Indian economy will grow at a rate of 7.5%, primarily supported by a boost in private consumption and recovery of industrial activity.

With strong innate economic fundamentals, India continues to be the highly attractive destination for investment, globally. The Advanced Economies are yet to fully recover from the consequences of the global financial crisis, although the medium-term outlook looks positive. On the other hand, the medium-term outlook for the EMEs appears subdued. Overall, the sluggish global recovery so far has warranted successive downward adjustments to forecasts the world over, raising concerns of 'secular stagnation'. Against this backdrop, however, the outlook for the Indian economy looks promising and in fact, the International Monetary Fund (IMF) has projected India as the only bright spot. The stronger macroeconomic fundamentals are expected to further bolster the investment climate in India. This would have a significantly positive impact on the capital markets. Additionally, various policy level steps are also expected to fetch positive effect on the growth of the Indian Capital market.

Similarly, existing products and asset classes which would continue to evince interest, it is expected that there would be attraction towards new asset classes as well new products and services, technological innovation, robust risk management system and strong regulatory framework would continue to be the key drivers for the securities market.

Risks and concerns

While the fundamentals of Indian Economy remain strong, the domestic capital market and especially the inflow of foreign funds are to a large extent susceptible to the developments in the global economy. However, with key policy changes and domestic growth expectations within the country and improvement in global economy these risks would be largely mitigated.

Internal control systems and their adequacy

The Company has well established internal control systems commensurate with the size and nature of its business and are adequate to ensure compliance with various internal processes and procedures as well as with various statutory and legal requirements. The Company has appointed reputed firms of Chartered Accountants to review the effectiveness of the internal control systems and submits its observations, if any to the Audit Committee of the Board for its review / recommendations.

Financials

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, Generally Accepted Accounting Principles (GAAP) in India and as per the applicable Accounting Standards laid



down by the Institute of Chartered Accountants of India and as notified under the Companies Act, 2013. A well-known and reputed firm of Chartered Accountants performs the audit and they have confirmed that our practices are as stringent and complete as internationally.

Financial performance (2015-16)

During the year 2015-16, the total revenue has decreased by around 18% from ₹ 402.10 crores for the year 2014-15 to ₹ 331.42 crores for the year 2015-16.

The total expenditure for the year 2015-16 was ₹ 79.72 crores as compared to ₹ 72.09 crores for the year 2014-15, an increase of around 11% over the previous year.

The total Profit Before tax for the year 2015-16 was ₹ 251.70 crores as against ₹ 329.75 crores for the year 2014-15, decrease by around 24% over the previous year.

The total Provision for tax (including deferred tax) for the year 2015-16 was ₹ 85.81 crores as against ₹ 110.95 crores for the year 2014-15.

The total Profit after tax for the year 2015-16 was ₹ 165.89 crores as against ₹ 218.80 crores for the year 2014-15, decrease by around 24% over the previous year.

Operating Revenues

Clearing & Settlement charges

National Securities and Clearing Corporation Limited (NSCCL), a wholly owned subsidiary of the National Stock Exchange of India (NSE), carries out the clearing and settlement of the trades executed in the CM, F&O and CD segments of NSE. Consequent to the increase in income from transaction charges for NSE due to overall increase in volumes, the clearing & settlement charges for the year 2015-16 increased by around 10% from ₹ 91.18 crores for the year 2014-15 to ₹ 99.85 crores for the year 2015-16.

Interest & Other Investment income

In line with the overall decrease in the interest rates in the economy, during the year 2014-15, and due to overall reduction in investible surplus the total investment income decreased from ₹ 203.86 crores for the year 2014-15 to ₹ 164.78 crores for the year 2015-16.

Other Operating Revenues

During the year 2014-15, the other operating revenues marginally decreased from ₹ 8.22 crores for the year 2014-15 to ₹ 7.65 crores for the year 2015-16.

Other Income

During the year 2015-16, due to contribution to Core SGF, the other income decreased from ₹ 98.84 crores for the year 2014-15 to ₹ 59.14 crores for the year 2015-16.



Expenditure

Other expenses

During the year 2015-16 other expenses were at ₹ 64.34 crores as against ₹ 58.65 crores for the year 2014-15.

Employee cost

Payments to and provision for employees related expenses includes the amount reimbursed by the company to The National Stock Exchange of India Limited (NSEIL) in respect of employees made available to the company. During the year 2015-16, the employee related expenses stood at ₹ 13.07 crores which was ₹ 11.49 crores for the year 2014-15. For the year 2015-16, the total employee cost as a percentage to total income was 3.95% and as a percentage of expenditure was 16.40% which is comparable to the industry standards.

Depreciation

Depreciation increased by around 18% from ₹ 1.95 crores for the year 2014-15 to ₹ 2.30 crores for the year 2015-16.

Financial Statement as on March 31, 2016

Share Capital

The total paid up capital of the Company as on March 31, 2016 is ₹ 45 crores divided in to 4,50,00,000 equity shares of ₹ 10 each.

Reserves & Surplus

The total Reserves & Surplus as on March 31, 2016 is ₹ 523.98 crores comprising General reserve of ₹ 494.71 crores, Capital Redemption Reserve of ₹ 10.00 crores and balance in P&L A/c of ₹ 19.27 crores.

Thus, the total Net worth of the Company as on March 31, 2016 is ₹ 568.98 crores (excluding contribution to Core SGF) and ₹ 1534.86 crores (including contribution to Core SGF) and the book value is ₹ 126.44 per share (excluding contribution to Core SGF) and ₹ 341.08 per share(including contribution to Core SGF)

Core Settlement Guarantee Fund (Core SGF)

Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, interlia, has issued norms related to the computation and contribution to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%). Accordingly, an amount of ₹ 504.31 Crs. has been contributed towards the Core Settlement Guarantee Fund (Core SGF) by NSCCL (including an amount of ₹ 16.42Crs. on behalf of the members as an interim arrangement) an amount of ₹ 241 Crs. has been received from NSE towards Core SGF and the members have contributed ₹ 222.32 Crs. (₹ 47.04 Crs. in cash and ₹ 175.28 Crs. in the form of collaterals) towards Core SGF. In addition to the the above Fines & penalties collected by NSCCL amounting to ₹ 132.06 Crs. and an amount of ₹ 41.47 Crs. being Income from investments Core SGF funds is credited to Core SGF as on March 31, 2016.



Deposits from members & Clearing Banks (Unsecured)

The total deposits from members & Clearing Banks as on March 31, 2016 stood at ₹ 566.58 crores as against ₹ 556.11 crores as on March 31, 2015.

Fixed Assets

Total Gross Block as on March 31, 2016 was ₹ 38.65 crores. Total Accumulated depreciation up to March 31, 2016 was ₹ 31.92 crores. Net fixed Assets (including Capital W.I.P) were ₹ 7.76 crores.

Investments

The prudential policy of the Company permits to invest both long term and short term surplus funds into deposits of highly rated banks, bonds issued by the Central / State governments, institutions and various corporates, debt oriented schemes of high performing mutual funds and select Exchange Traded Funds. As on March 31, 2016 the total non-current investments were ₹ 166.67 crores as against ₹ 172.06 crores as on March 31, 2015. Current investments were ₹ 1342.93 crores as on March 31, 2016 as against ₹ 833.60 crores as on March 31, 2015, increase of ₹ 509.33 crores.

Other Non-Current and Current Assets

Total other assets (non-current and current) as on March 31, 2016 stood at ₹ 3594.28 crores mainly comprising of cash and bank balances in current and Fixed Deposits and certificates of deposits amounting to ₹ 3454.52 crores, interest accrued on investments and Fixed Deposits amounting to ₹ 60.76 crores, amount receivable from members towards Core SGF ₹ 16.42 crores, trade receivables amounting to ₹ 20.00 crores.

Other Non-Current and Current Liabilities

Total other liabilities (non-current and current) as on March 31, 2016 stood at ₹ 3000.07 crores mainly comprising of Settlement Obligations payable ₹ 1865.18 crores, Margins from Members ₹ 863.53 crores, Dividend (including corporate dividend tax) ₹ 189.57 crores and other current liabilities amounting to ₹ 81.79 crores.

Taxation

The total Provision for tax (including deferred tax) for the year 2015-16 was ₹ 85.81 (₹ 52.81 net off tax on contribution to Core SGF) crores as against ₹ 110.95 crores for the year 2014-15.

Events occurring after the balance sheet date.

There are no transactions of material nature that have occurred after March 31, 2016 which could have any impact on the financial performance of the Company for the year 2015-16.



CEO – CFO CERTIFICATION

To,
The Board of Directors
National Securities Clearing Corporation Limited

We, T Venkata Rao, Managing Director and Amit Amlani, Chief Financial Officer of the National Securities Clearing Corporation Limited hereby certify to the Board that:

- a. We have reviewed financial statements and the cash flow statement for the year ended on 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 that we 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
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have 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.

Place : Mumbai
Date : May 3, 2016

T Venkat Rao
Managing Director

Amit Amlani
Chief Financial Officer



National Securities Clearing Corporation Limited

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
National Securities Clearing Corporation Limited,
CIN: U67120MH1995PLC092283
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East), Mumbai 400051

We have examined all relevant records of National Securities Clearing Corporation Limited (the Company) for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended 31st March 2016. In terms of Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a recognised Clearing Corporation. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with disclosure requirements and corporate governance norms as specified for Listed Companies.

S. N. ANANTHASUBRAMANIAN & CO.
Company Secretaries
Firm Registration No. P1991MH040400

S. N. Ananthasubramanian
Partner
C.P.No.: 1774

Date: 2nd May, 2016
Place: Thane



ANNEXURE 7(I) TO NSCL DIRECTORS' REPORT

STATEMENT PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
1	Mr. T Venkata Rao # B.Com., LL.B., PGDBA	58	Managing Director	13,024,788	7,908,784	34	December 21, 2000	Manager, Global Trust Bank Limited
2	Dr. V. R. Narasimhan M.Com., ACS, MBA, Ph.D	59	Chief Regulatory Officer	**4347089	2,833,680	32	May 30, 2013	Sr. Vice President, Kotak Mahindra Bank Limited
3	Mr. Ravindra Bathula # LL.B.	46	Head-Legal	**4822520	3,166,756	22	December 1, 1994	–
4	Mr. Huzefa Mahuavala # # @ ACA	37	Head - Risk Management	4,836,455	3,203,270	16	June 5, 2000	Audit Assistant, Damania, Pandey & Bajan
5	Mr. Natarajan Ramasamy # # CFA, FRM	56	Head - Clearing & Settlement	7,073,908	4,048,108	31	February 27, 2015	Vice President, The Clearing Corporation of India Limited
6	Mr. Aniket Bhanu # # B.E, PGDM	32	Head-Risk Management	4,019,303	2,403,785	7	March 2, 2009	Assistant Trainee, TATA Consultancy Services Limited
7	Mr. Amit Bhohe # # @ B.Tech.	38	Head-Clearing & Settlement	1,380,893	945,714	8	December 8, 2008	Associate Manager, Accenture Limited
8	Mr. Umesh Jain @ B.Tech	46	Chief-Technology	2,631,850	1,773,273	16	September 3, 2012	President, Yes Bank Limited
9	Mr. R Jayakumar M.A., FCS, LL.B	49	Company Secretary	6,558,650	4,032,357	25	December 5, 1995	Asst. Manager, Raymond Synthetics Limited

Notes:

- Gross Remuneration includes Salary and other benefits, Company's contribution to Provident Fund, Pension, Superannuation Fund, taxable value of perquisites, etc. Net remuneration represents gross remuneration less Company's contribution to provident, pension and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amounts also include certain allowances accrued during previous year(s) but claimed in the current year. Besides the above, leave encashment amounting to ₹ 248208 and ₹ 1199803 was paid to Mr. Umesh Jain and Mr. R. Jayakumar respectively
- Employees, whose names were marked with #, are Key Management Personnel under SCR(SECC) Regulations, 2012 of SEBI. Their remuneration excludes 50% of their variable pay to be paid on deferred basis after three years. Employees whose names have been marked with # # were Key Management Personnel of the Company for part of the year.
- Mr. T.Venkata Rao was appointed as Managing Director for a period of 3 years w.e.f. August 7, 2014.
- None of the employees mentioned above is a relative of any Director.
- The above employees except Managing Director were on deputation basis from the Company's holding company i.e. National Stock Exchange of India Limited (NSEIL) and the proportionate remuneration mentioned above in respect of them has been reimbursed to NSEIL by the Company and hence also included in the Rule 5(2) statement of the holding company.
- Employee whose name has been marked with @ was employed with the Company for part of the year.
- None of the above employees is holding any equity share in the company within the meaning of clause (iii) of sub-rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- The Company does not have any Employees Stock Option Plan (ESOP) Scheme for its employees.



ANNEXURE 7 (II) TO BOARD'S REPORT

DISCLOSURES PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The disclosures pertaining to remuneration in terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as per the details provided below.

(i) Ratio of Remuneration of each director to the median remuneration of the employees of the Company for the Financial Year

The ratio of remuneration of the Managing Director to the median remuneration of the employees of the Company for the financial year is 13.35 X

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial year

The percentage increase in remuneration of Managing Director, Company Secretary and Chief Financial Officer in the financial year is around 15.75%, 14.54% and 30.88% respectively after taking into account salary revision and promotions during the year.

(iii) The percentage increase in the median remuneration of employees in the Financial year

The percentage increase in the median remuneration of employees in the financial year is around 13.50%. The remuneration under points (i) to (ix) of these disclosures (except viii), excludes 50% of variable pay, payable to Key Managerial Personnel (defined as per the Companies Act, 2013) on a deferred basis as per SEBI norms and accumulated leave encashment, where applicable.

(iv) The number of permanent employees on the rolls of the Company

As on March 31, 2016, there are 62 employees on the rolls of the Company who worked with the Company in both the financial years.

(v) The explanation on the relationship between average increase in remuneration and company performance.

The remuneration practices are framed and followed as per guidance of the Board and the Nomination and Remuneration Committee and is subject to norms specified under the Companies Act, 2013 and by SEBI in the Securities Contracts Regulations (Stock Exchanges and Clearing Corporations) Regulations, 2012. The percentage increase of employee remuneration was 38.87% as against the percentage decrease in the Company's revenue, which was 17.58% mainly on account of decrease in treasury income due to contribution to core SGF as per SEBI requirements.

The intended objective of the remuneration policy is to promote meritocracy and retain eminent and talented resources, within the overarching framework of risk management and legislative and regulatory requirements. Additionally, remuneration, including the determination and increase thereof, is a function of several additional factors such as salary level in the BFSI sector, Company performance, business performance and performance of the individual as determined from periodic evaluations.

(vi) Comparison of the remuneration of Key Managerial Personnel against the Performance of the Company

For the financial year, the Key Managerial Personnel were paid around 0.69 % of the Company's revenue.



(vii) Variations in the Net worth of the Company as at the close of the current financial year and previous financial year

Net worth for the financial year 2015-16 decreased by 19.02 % at Rs. 569 crores as against Rs. 703 crores for the financial year 2014-15 due to contribution to core SGF as per SEBI requirements.

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average percentile increase in the salaries of employees (other than the managerial personnel) was 43.45% as opposed to a 17.32% average percentile increase in the managerial remuneration in the last financial year based on 'offer based cost to the company remuneration' in respect of employees who worked with the company for both the financial years. Besides normal increase in remuneration, a periodic revision was also made in the employees' remuneration in the financial year 2015-16. Number of employees in the middle management has also increased.

(ix) Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company

The ratio of each Key Managerial Personnel's remuneration as against Company's performance was 0.39 % for the Managing Director, 0.20% for the Company Secretary and 0.10% for Chief Financial Officer.

(x) The key parameters for any variable component of remuneration availed by the directors

As per applicable provisions of Securities Contracts Regulations (Stock Exchanges and Clearing Corporations) Regulations, 2012 and the Companies Act, 2013, the Nomination and Remuneration Policy of the Clearing Corporation is required to be in accordance with norms specified therein. The nomination and remuneration policy is accordingly drafted and recommended by the Nomination and Remuneration Committee and approved by the Board. The Company has, in place, a robust Nomination and Remuneration Policy which takes into consideration, several parameters with respect to payment of the variable component of remuneration.

These factors include, inter alia, the performance against the Key Result Areas or Performance indicators that are set as part of the goal setting exercise conducted at the beginning of the financial year, the overall performance of the Company and several variable factors specific to the operational and commercial aspects of the Company's business.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year

No employee receives remuneration in excess of highest paid director. Hence this question is not applicable.

(xii) Affirmation that the remuneration is as per the remuneration policy of the Company.

The remuneration is as per the remuneration policy of the Company.

Business Responsibility Report

As a green initiative, the Business Responsibility Report is given on Company's website at the following address:
http://www.nsclindia.com/NSCCL/disclosures/nscl_dis_other_dis.htm



INDEPENDENT AUDITOR'S REPORT

To the Members of National Securities Clearing Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of National Securities Clearing Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and 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.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 31st March, 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, 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 specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2016, and 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 2".
 - 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 - Refer Note 30 on Contingent Liabilities;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP Chartered Accountants
ICAI Firm Registration No.103523W
Sumant Sakhardande
Partner
Membership No. 034828

Date : May 3, 2016
Place : Mumbai



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of National Securities Clearing Corporation Limited on the financial statements for the year ended March 31, 2016

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any Immovable property. Accordingly, the provision stated in paragraph 3 (i)(c) of the Order is not applicable.
- (ii) As informed, the Company does not have inventories. Accordingly, the provisions stated in paragraph 3 (ii)(a), 3 (ii)(b) and 3 (ii)(c) of the Order are not applicable.
- (iii) As informed, 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. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products/services of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under. Accordingly, the provision stated in paragraph 3 (vi) of the Order is not applicable.
- (vii) (a) (i) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, cess and any other material statutory dues applicable to it. and
- (a) (ii) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues outstanding with respect to, service tax, cess and any other material statutory dues applicable to it, on account of any dispute. Dues outstanding with respect to income tax are as follows:



Name of the statute	Nature of dues	Amount ₹ (In Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest Thereon	0.06	F.Y. 1996-97	Joint Commissioner of Income Tax
		1.46	F.Y. 2010-11 & F.Y. 2011-12	Commissioner of Income Tax –Appeals

- (viii) The Company has neither obtained any loan or borrowing from financial institution/bank/government nor issued any debentures. Accordingly, the provision stated in paragraph 3 (viii) of the Order is not applicable.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) As per the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) Based on the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W

Sumant Sakhardande
Partner
Membership No. 034828

Date : May 3, 2016
Place: Mumbai



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of National Securities Clearing Corporation Limited on the financial statements for the year ended March 31, 2016

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 National Securities Clearing Corporation 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 essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the act to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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, the company has, in all material respects, an adequate internal financial control system- over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial controls over Financial Reporting issued by the ICAI.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W

Sumant Sakhardande
Partner
Membership No. 034828

Date : May 3, 2016
Place : Mumbai



BALANCE SHEET AS AT MARCH 31, 2016

	Note No.	As at 31.03.2016 (₹ in Crores)	As at 31.03.2015 (₹ in Crores)
I Equity and Liabilities			
1 Shareholder's funds			
a Share Capital	3	45.00	45.00
b Reserves and surplus	4	523.98	657.66
		568.98	702.66
2 Core Settlement Guarantee Fund (Core SGF)	24	965.88	673.11
		965.88	673.11
3 Non-current Liabilities			
a Deposits (Unsecured)	5	566.58	556.11
b Deferred tax liabilities (net)	6	0.29	0.47
c Other long-term liabilities	8	0.20	–
d Long-term provisions	7	0.72	–
		567.79	556.58
4 Current Liabilities			
a Deposits (Unsecured)	5	10.12	13.98
b Trade payables	8	36.40	26.94
c Other current liabilities	8	2,768.99	2,195.34
d Short-term provisions	7	193.47	182.32
		3,008.98	2,418.58
TOTAL		5,111.63	4,350.93
II Assets			
1 Non-current Assets			
a Fixed assets	9		
Tangible assets		4.81	2.77
Intangible assets		1.92	0.49
Capital work-in-progress		0.62	–
Intangible assets under development		0.41	–
		7.76	3.26
b Non-current investments	10	166.67	172.06
c Trade receivable	14	14.08	31.36
d Long-term loans and advances	12	5.92	7.46
e Other non-current assets	13	257.93	329.63
		452.36	543.77
2 Current Assets			
a Current investments	11	1,342.93	833.60
b Trade receivable	14	5.92	5.43
c Cash and bank balances	15	3,227.18	2,707.57
d Short-term loans and advances	12	6.36	4.86
e Other Current assets	13	76.88	255.70
		4,659.27	3,807.17
TOTAL		5,111.63	4,350.93
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached

For and on behalf of the Board of Directors

For HARIBHAKTI & CO. LLP
Chartered Accountants
Firm Regn. No. 103523W

C.M. VASUDEV
Chairman

T VENKATA RAO
Managing Director

SUMANT SAKHARDANDE
Partner
Membership No.034828

Place: Mumbai
Date : May 03, 2016

R. JAYAKUMAR
Company Secretary

AMIT AMLANI
Chief Financial Officer

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016**

PARTICULARS	Note No.	For the year ended 31.03.2016 ₹ in Crores	For the year ended 31.03.2015 ₹ in Crores
Revenue from operations	16	272.28	303.26
Other income	17	59.14	98.84
Total Revenue (I)		331.42	402.10
Expenses			
Employee benefits expenses	18	13.07	11.49
Other expenses	19	64.34	58.65
Depreciation and amortisation expenses	9	2.30	1.95
Total Expenses (II)		79.72	72.09
Profit before prior-period adjustments		251.70	330.01
Add/(Less) : Prior-period adjustments	28	–	(0.26)
Profit before tax		251.70	329.75
Less : Provision for tax			
Current tax		86.00	111.00
Deferred tax		(0.19)	(0.04)
Provision for earlier Year		–	(0.01)
Total tax expenses		85.81	110.95
Profit after tax		165.89	218.80
Earning per Equity Share (FV Rs.10) (before contributions to Core SGF)	27		
Basic (₹)		36.86	48.62
Diluted (₹)		36.86	48.62
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached

For HARIBHAKTI & CO. LLP
Chartered Accountants
Firm Regn. No. 103523W

Chairman
SUMANT SAKHARDANDE
Partner
Membership No.034828
Place : Mumbai
Date : May 03, 2016

For and on behalf of the Board of Directors

C.M. VASUDEV
Chairman

T VENKATA RAO
Managing Director

R. JAYAKUMAR
Company Secretary

AMIT AMLANI
Chief Financial Officer



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	For the year ended 31.03.2016 ₹ in Crores	For the year ended 31.03.2015 ₹ in Crores
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	251.70	329.75
Add : Adjustments for :		
Depreciation for current year	2.30	1.95
Amortisation of Premium on Govt/Debt Securities	0.41	0.09
Adjustments to the carrying amount of current investments	0.02	0.00
Less: Adjustments for :		
Interest Income on short term Investments	(16.85)	(22.16)
Interest Income on long term Investments	(8.30)	(17.35)
Interest income on Bank Deposit	(6.86)	(21.33)
Profit on sale / redemption of Investments	(25.13)	(37.77)
Dividend on Investment	(0.15)	(0.09)
Operating Profit Before Working Capital Changes	197.16	233.09
Adjustments for :		
Trade Receivables	16.79	(1.51)
Loans & Advances	(1.58)	(0.53)
Other Current Assets	42.09	-
Other Provisions	0.76	-
Interest on operating Income	34.36	7.38
Current Liabilities	583.32	(2,250.79)
Cash Generated from Operations	872.90	(2,012.36)
Direct taxes paid (Net of Refunds)	(53.82)	(110.22)
Net Cash from (used in) Operating Activities - Total (A)	819.08	(2,122.58)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets / Capital Work in progress	(6.81)	(1.06)
Sale of Fixed Assets	0.00	0.00
Interest Income received	34.31	58.17
Dividend on Investment	0.15	0.09
(Increase)/Decrease in Deposits with banks	171.58	203.31



	For the year ended 31.03.2016 ₹ in Crores	For the year ended 31.03.2015 ₹ in Crores
(Increase)/Decrease in Investment	(479.24)	(250.98)
Net cash from (used in) Investing activities - Total (B)	(280.00)	9.53
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceed of deposit from Clearing members / Applicant	129.87	98.06
Refund of deposit to Clearing members / Applicant	(123.26)	(86.10)
Dividend Paid (incl. corporate dividend tax)	(176.02)	(131.62)
Contribution to Core SGF	246.46	215.11
Net cash from (used in) financing activities - Total (C)	77.04	95.45
Net Increase/(Decrease) in Cash & Cash equivalents (A+B+C)	616.12	(2,017.60)
Cash and Cash Equivalents : Opening Balance	2,229.76	4,247.36
(includes fixed deposit with banks of ₹2148.82 Crores (Previous Year : ₹4178.43 Crores)		
Cash and Cash Equivalents : Closing Balance	2,845.88	2,229.76
(includes fixed deposit with banks of ₹2655.91 Crores (Previous Year : ₹ 2148.82 Crores)		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	616.12	(2,017.60)

Notes to Cash Flow Statement :

- Cash and Cash equivalent represent bank balances and balances in fixed deposit accounts.
- The above Cash Flow Statement has been prepared under the " Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statements notified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

As per our report of even date attached

For and on behalf of the Board of Directors

For HARIBHAKTI & CO. LLP
Chartered Accountants
Firm Regn. No. 103523W
Membership No.034828

C.M. VASUDEV
Chairman

T VENKATA RAO
Managing Director

SUMANT SAKHARDANDE
Partner

R. JAYAKUMAR
Company Secretary

AMIT AMLANI
Chief Financial Officer

Place : Mumbai
Date : May 03, 2016



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1 Basis of preparation

The financial statements of the National Securities Clearing Corporation Limited ("the Company") have been prepared in accordance with generally accepted accounting principles in India (India GAAP). The company has prepared these financial statements to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which provision for impairment is made and revaluation is carried out.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for changes explained below.

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the schedule III to the Act.

2 Summary of significant accounting policies :

a) Use of estimates

The preparation of financial statements in conformity with India GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Clearing and Settlement charges, IT & support charges are recognized on accrual basis as and when the services are rendered.

(ii) In respect of Members who have been declared as defaulters by the Company all amounts (dues) remaining to be recovered, net of available security and insurance cover available if any, till the date of being declared as defaulters are written off as bad debts. All subsequent recoveries are accounted when received.

Shortages arising after the date of declaration of default are written off as bad debts in the year in which it arises, after exhausting all remedies including forfeiture of securities and insurance cover available if any.

Other overdue amounts are provided for as doubtful debts or are written off as bad debts, if the same are considered doubtful/irrecoverable in the opinion of the management.

(iii) Penal Charges, in the year of declaration of default, in respect of shortages due from the respective member, are booked to the extent such charges are recoverable.



- (iv) Other insurance claims are accounted on accrual basis when the claims become due and payable.
 - (v) Dividend on investments is recognized when a right to receive the same is established. Income on investments is accounted for on accrual basis.
 - (vi) Interest is recognized on time proportionate basis taking into consideration the amount outstanding, rate applicable.
- c) Usage charges and Tangible Assets
- (i) For the assets commonly used by the Company and National Stock Exchange of India Ltd. (NSEIL) and which are owned by NSEIL, Usage charges are paid to NSEIL at 25 % per annum of the proportionate Capital Cost of such assets.
 - (ii) Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
 - (iii) Depreciation is provided on the "straight line method" based on the estimated useful life of assets which are either equal to or are lower than those suggested in Part C of schedule II of the Act. Depreciation on additions / deletions is provided on pro-rata basis from the date of acquisition/ up to the date of deletion.

Estimated useful life for various assets is as under, . :-

Assets	Estimated Useful Life of Asset	Useful life as per the limits prescribed in Schedule II of the Companies Act, 2013
Office Equipment	5 years	5 years
Furniture & Fixtures		
- Movable Furniture	5 years	10 years
- Non Movable Furniture	10 years	10 years
Computer Systems		
- Servers	4 years	6 years
- End use devices such as desktops, laptops, etc.	3 years	3 years
Clearing and Settlement Systems	4 years	6 years
Telecommunications Systems	4 years	6 years

In case of Movable Furniture and Fixtures, Computer System-Servers, Clearing and Settlement Systems and Telecommunication Systems, the management estimate of the useful life is lower than that prescribed in Schedule II of the Act. This is based on the consistent practices followed, past experience, internal assessment and duly supported by technical advice.

Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition.

- (iv) Intangible Assets :-

Intangible assets comprising of software are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Depreciation on additions is provided on pro-rata basis from the date of acquisition/ upto the date of deletion.



Assets	Estimated Useful Life of Asset
Computer Software	4 years

(v) Impairment of Assets :-

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

d) Investments

- (i) Long term investments are considered as held till maturity and are valued at cost. Provision is made for diminution in the value of investment, if any, other than temporary in nature.
- (ii) Short term investments are valued at cost or fair value whichever is lower.
- (iii) Premium/ Discount at the time of acquisition of Government / Debt securities is amortised / recognised over the residual period of its maturity.
- (iv) The cost of investment includes acquisition charges such as brokerage, etc. Front-end discount / incentive earned in respect of direct subscription are adjusted towards the cost of investment.

e) Income Tax

Income tax expense for the year, comprising current tax and deferred tax is included in determining the net profit for the year.

A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

f) Provisions, contingent liabilities & contingent assets :-

Provisions involving substantial degree of estimations in measurement are recognized when there is present obligation as result of past events and it is probable that there will be outflow of economic resources. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



Contingent liabilities are not recognised but are disclosed while, contingent assets are neither recognized nor disclosed in financial statements.

g) Earning Per Share:-

Basic and diluted earning per share is computed by dividing the net profit attributable to equity shareholders for the year, by weighted average number of equity shares outstanding during the year.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term investments with an original maturity of three months or less and deposits held for the purpose of meeting short term cash commitments.

i) Core Settlement Guarantee Fund

Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, interalia, has issued norms related to the computation and contribution to the Core Settlement Guarantee Fund ("Core SGF") by the Clearing Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%) for each segment. The Core SGF shall be used to fulfill the obligations of defaulting member and complete the settlement without affecting the normal settlement process. Apart from the above contributions All the penalties and fines collected are also transferred to Core SGF (net of taxes). The income earned on such investments is directly transferred to the Core SGF (net of taxes if any).

The cash portion of the Core SGF is disclosed between "Shareholders Funds" and "Non Current Liabilities". Further, the Core SGF is represented by earmarked Investments and balances in earmarked bank accounts.

j) Foreign Currency Transactions

Transactions in foreign currency are recognized in the books at the rate of exchange prevailing on the date of the transaction or nearer thereto, while the outstanding transactions as at the year end is converted at the exchange rate prevailing on the Balance Sheet date and resultant gain or loss is charged off to Statement of Profit and Loss.

k) Employee Benefit

(i) Provident Fund: During the current year the company is registered with Regional Provident Fund Office, Bandra, Mumbai, and both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively in case of Managing Director, M R T Venkata Rao.

(ii) Superannuation: Superannuation benefits for employees designated as chief managers and above are covered by group policies with the Life Insurance Corporation of India. The contribution payable for the year is charged to revenue. There are no other obligations other than the annual contribution payable.

(iii) Gratuity: The Holding Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. Provisions are made for the defined benefit with respect to gratuity liability based on the present value of defined benefit obligation as reduced by the fair value of plan assets as per the actuarial valuation calculation.

(iv) Leave Encashment : Liability on account of Leave encashment is provided based on Acturial Valuation at Balance Sheet date.

(v) Short term employee benefits are charged to revenue in the year in which the related service is rendered



3 Share Capital

	31.03.2016 (₹ in Crores)	31.03.2015 (₹ in Crores)
Authorised 4,50,00,000 (Previous Year : 4,50,00,000) Equity Shares of ₹ 10 each.	45.00	45.00
Issued, Subscribed and Paid-up 4,50,00,000 (Previous Year : 4,50,00,000) Equity Shares of ₹ 10 each fully paid up. (all the above shares are held by the Holding Company- National Stock Exchange of India Limited and its nominees)	45.00	45.00
Total	45.00	45.00

Aggregate number of shares issued for payment other than cash, bonus shares, shares bought back during the period of five years immediately preceding the reporting date :

Particulars	Aggregate No. of Shares				
	2011-12	2012-13	2013-14	2014-15	2015-16
Equity Shares					
Shares issued for payment other than cash, bonus shares, shares bought back	–	–	–	–	–

There is no movement either in the number of shares or in amount of Share Capital during the current year and the previous year.

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of directors, in their meeting on May 03, 2016, proposed a dividend of ₹ 35.00 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2016 amounted to ₹ 157.50 crores excluding Dividend Distribution Tax

During the year ended March 31, 2015, the amount of per share dividend recognized as distribution to equity shareholders was ₹ 32.50/-. The dividend appropriation for the year ended March 31, 2015 amounted to ₹ 146.25 crores excluding Dividend Distribution Tax.

Details of shareholders holding more than 5% share in the company

	31.03.2016		31.03.2015	
	No.	% holding	No.	% holding
National Stock Exchange of India Limited and its nominees	45,000,000	100.00%	45,000,000	100.00%



4 Reserves and surplus

	31.03.2016 (₹ in Crores)	31.03.2015 (₹ in Crores)
Capital Redemption Reserve		
As per last balance sheet	10.00	10.00
Add : Transferred from surplus balance in the statement of profit & loss	– 10.00	– 10.00
General reserve		
As per last balance sheet	494.71	839.60
Less :Contribution to Core Settlement Guarantee Fund (Core SGF)	– 494.71	344.89 494.71
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	152.95	110.21
Profit for the year	165.89	218.80
Less :Adjustment of Depreciation due to revised Companies Act, 2013	–	0.01
Less :Contribution to Core Settlement Guarantee Fund (Core SGF)	143.00	–
Add : Tax on contribution to Core SGF	33.00	–
Less : Appropriations		
Corporate Social Responsibility Expenses	–	0.03
Proposed dividend (refer note 3)	157.50	146.25
Tax on proposed dividend	32.07	29.77
	19.27	152.95
Total reserves and surplus	523.98	657.66

5 Deposits (Unsecured)

	Non-current		Current	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	(₹ in Crores)		(₹ in Crores)	
Security Deposit from Clearing Members	280.88	308.23	6.64	8.96
Security Deposit from Clearing Members in lieu of Bank Guarantee/securities	62.15	62.33	1.21	1.95
Deposits from applicants for membership	–	–	2.27	3.07
Deposits from Clearing Banks	223.55	185.55	–	–
Total	566.58	556.11	10.12	13.98



6 Deferred Tax liabilities (net)

	Non-current	
	31.03.2016	31.03.2015
	(Rs. in Crores)	
Deferred Tax Liabilities		
Related to depreciation and other expenditure	0.29	0.47
Related to other items	–	
Total	0.29	0.47

7 Provisions

	Long-Term		Short - Term	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	(₹ in Crores)		(₹ in Crores)	
a) Provisions for Income tax				
Income tax (Net of advance tax and TDS)	–	–	3.86	6.30
Provisions for Leave encashments	0.30	–	0.03	–
Provision for Gratuity	0.42		0.01	
b) Others				
Proposed dividend		–	157.50	146.25
Corporate dividend tax		–	32.07	29.77
Total	0.72	–	193.47	182.32

8 Other Liabilities

	Non-current		Current	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	(₹ in Crores)		(₹ in Crores)	
Trade payables (Ref note no.20)	–	–	36.40	26.94
(Including amount due to holding company ₹ 33.32 crores (previous year Rs . 24.08 crores)			36.40	26.94
Others				
Margins From Members	–	–	863.53	508.75
Settlement Obligations payable	–	–	1,865.18	1,640.59
Amount payable to Core SGF	–	–	19.39	19.68
Other liabilities	0.20	–	20.89	26.32
	0.20	–	2,768.99	2,195.34



Note No. 9 Fixed Asset as on 31-MAR-2016 (Refer Note No. 2c)

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		(₹ In Crores)
	As on 31-MAR-2015	Addi-tions	Dele-tions	As on 31-MAR-2016	Upto 31-Mar-2015	For the Year	Deduc-tions during the year	Total upto 31-Mar-2016	As on 31-MAR-2016	
Tangible Assets										
CLEARING AND SETTLEMENT SYSTEM	26.88	3.70	-	30.58	24.12	1.68	-	25.80	4.78	2.76
FURNITURE AND FIXTURES	0.06	-	-	0.06	0.05	0.00	-	0.05	0.01	0.01
OFFICE EQUIPMENTS	0.01	-	-	0.01	0.01	0.00	-	0.01	0.00	0.00
TELECOMMUNICATION SYSTEMS	0.05	-	-	0.05	0.05	-	-	0.05	-	-
COMPUTER SYSTEMS	0.34	0.02	-	0.36	0.34	0.00	-	0.34	0.02	-
Total A	27.34	3.72	-	31.06	24.57	1.69	-	26.25	4.81	2.77
Intangible Assets										
COMPUTER SOFTWARE	5.54	2.05	-	7.59	5.05	0.62	-	5.67	1.92	0.49
Total B	5.54	2.05	-	7.59	5.05	0.62	-	5.67	1.92	0.49
Grand Total (A+B)	32.88	5.77	-	38.65	29.62	2.30	-	31.92	6.73	3.26
Previous Year	31.90	1.06	0.07	32.88	27.75	1.95	0.07	29.62	3.26	4.15

Description	As on 31-MAR-2015	Additions	Capitalised during the year	As on 31-MAR-2016
Capital work-in-progress	-	0.62		0.62
Intangible assets under development	-	0.41		0.41



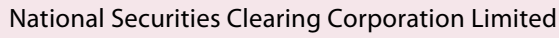
National Securities Clearing Corporation Limited

Note No. 10 NON CURRENT INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)(Refer Note No. 2d)

	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2016 (₹ in crores)	Number of Units	As at 31.3.2015 (₹ in crores)
QUOTED							
BONDS							
TAXFREE							
8.00 % INDIAN RAILWAY FINANCE CORPN LTD - TRANCHE 1 - SERIES 1	23-Feb-2022	32,626.00	1,000	32,626,000	3.26	32,626.00	3.26
8.09% - POWER FINANCE CORPORATION - SERIES 80 A	25-Nov-2021	500.00	100,000	50,000,000	5.00	500.00	5.00
7.93 % RURAL ELECTRIFICATION CORPN LTD - TRANCHE 1 - SERIES 1	27-Mar-2022	61,238.00	1,000	61,238,000	6.12	61,238.00	6.12
8.20% NATIONAL HIGHWAYS AUTHORITY OF INDIA - TRANCHE 1 - SERIES 1	25-Jan-2022	86.00	1,000	86,000	-	86.00	0.00
8.20% POWER FINANCE CORPORATION LIMITED - TRANCHE 1 - SERIES 1	1-Feb-2022	42,718.00	1,000	42,718,000	4.27	42,718.00	4.27
9.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED					-	-	0.01
7.18 % INDIAN RAILWAY FINANCE CORPN LTD - TRANCHE 1 - SERIES 1	19-Feb-2023	150,000.00	1,000	150,000,000	15.00	150,000.00	15.00
8.46% RURAL ELECTRIFICATION CORPORATION LIMITED - NON CONVERTIBLE BONDS	29-Aug-2028	50.00	1,000,000	50,000,000	5.01	50.00	5.00
8.41% NTPC LIMITED	16-Dec-2023	79,162.00	1,000	79,162,000	7.92	79,162.00	7.92
7.19% INDIAN RAILWAY FINANCE CORPORATION LTD	31-Jul-2025	50.00	1,000,000	50,000,000	5.00	-	-
7.28% NATIONAL HIGHWAYS AUTHORITY OF INDIA	18-Sep-2030	300.00	1,000,000	300,000,000	30.09	-	-
7.51% HUDCO TAXFREE BONDS	16-Feb-2028	100,000.00	1,000	100,000,000	10.31	-	-
				Sub-total(i)	91.98		46.58
TAXABLE							
8.82% RURAL ELECTRIFICATION CORPORATION LIMITED - SR 114	12-Apr-2023	53.00	1,000,000	53,000,000	5.18	53.00	5.17
8.82% RURAL ELECTRIFICATION CORPORATION LIMITED - SR 114	12-Apr-2023	47.00	1,000,000	47,000,000	4.60	47.00	4.59
8.80% POWER GRID CORPORATION OF INDIA LIMITED	13-Mar-2023	100.00	1,000,000	100,000,000	9.66	100.00	9.61
8.70% POWER GRID CORPORATION OF INDIA LIMITED	15-Jul-2018	50.00	1,000,000	50,000,000	4.92	50.00	4.89
8.70% POWER GRID CORPORATION OF INDIA LIMITED	15-Jul-2023	50.00	1,000,000	50,000,000	4.80	50.00	4.78
				Sub-total(ii)	29.16		29.04



	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2016 (₹ in crores)	Number of Units	As at 31.3.2015 (₹ in crores)
DEBENTURES							
9.15% HOUSING DEVELOPMENT FINANCE CORPORATION LTD - NCD - SR K028 - 03 APR 2016					-	50.00	4.96
10.05% HDB FINANCIAL SERVICES LIMITED - NCD 10-FEB-2017					-	100.00	10.00
10.60% LIC HOUSING FINANCE - DEB - 06-SEPT-2016					-	50.00	5.06
9.75% HDFC - DEB - 10-OCT-2016					-	50.00	5.02
10.18% LIC HOUSING FINANCE - DEB - 19-SEP-2016					-	200.00	20.15
9.68% TATA SONS LIMITED - DEB - 10-JAN-2017					-	50.00	5.01
9.65% IL&FS FINANCIAL SERVICES LIMITED - DEB	18-Sep-2017	30,000.00	1,000	30,000,000	3.00	30,000.00	3.00
9.06% HDB FINANCIAL SERVICES LIMITED - DEB					-	150.00	15.00
9.10% HDB FINANCIAL SERVICES LIMITED - NCD	29-Dec-2017	150.00	1,000,000	150,000,000	15.00	150.00	15.00
				Sub-total(iii)	18.00		83.20
Other Investments							
UNQUOTED							
INVESTMENT IN EQUITY SHARES (VALUED AT COST UNLESS STATED OTHERWISE)							
NSE STRATEGIC INVESTMENT CORPORATION LIMITED					-	413,022.00	0.41
				Sub-total(iv)	-		0.41



	As at 31.03.2016 (₹ in crores)	As at 31.03.2015 (₹ in crores)
Aggregate Book Value - Quoted Investments	166.67	171.24
(Aggregate Market Value of the quoted investments is ₹ 168.72 crores Previous Year : Rs 184.00 crores)	-	0.83
Aggregate Book Value - Unquoted Investments	166.67	172.07

Aggregate Book Value - Unquoted Investments



Note No. 11 CURRENT INVESTMENTS (valued at lower of cost or fair value)(Refer Note No. 2d)

	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2016 (₹ in crores)	Number of Units	As at 31.3.2015 (₹ in crores)
I CURRENT PORTION OF LONG TERM INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)							
A) QUOTED							
TAXFREE BONDS							
6.05% INDIAN RAILWAY FINANCE CORPORATION LIMITED - SERIES 73	20-Dec-2015	500.00	100,000.00	50,000,000.00	-	500.00	5.00
				Sub-total(i)	-		5.00
TAXABLE BONDS							
9.35% INDIAN OIL CORPORATION LIMITED	30-Apr-2015	150.00	1,000,000.00	150,000,000.00	-	150.00	14.99
				Sub-total(ii)	-		14.99
DEBENTURES							
9.85% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR J005 - 05 JUN 2015	5-Jun-2015	50.00	1,000,000.00	50,000,000.00	-	50.00	5.01
9.60% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR J 021 - 07 AUG 2015	7-Aug-2015	50.00	1,000,000.00	50,000,000.00	-	50.00	5.01
9.60% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR J 021 - 07 AUG 2015	7-Aug-2015	50.00	1,000,000.00	50,000,000.00	-	50.00	5.00
9.70% HOUSING DEVELOPMENT FINANCE CORPORATION LTD - NCD 16 APR 2015	16-Apr-2015	150.00	1,000,000.00	150,000,000.00	-	150.00	15.00
				Sub-total(iii)	-		30.02
				TOTAL (I)	-		50.01



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						As at 31.3.2016 (₹ in crores)	Number of Units	As at 31.3.2015 (₹ in crores)
II	CURRENT INVESTMENTS (VALUED AT LOWER OF COST OR FAIR VALUE)							
A) QUOTED								
DEBENTURES								
10.05% HDB FINANCIAL SERVICES LIMITED - NCD	10-Feb-2017	100.00	1,000,000.00	100,000,000.00		10.00	-	-
10.18% LIC HOUSING FINANCE - DEB	19-Sep-2016	200.00	1,000,000.00	200,000,000.00		20.04	-	-
10.40% TATA MOTORS FINANCE LIMITED - TXB	22-May-2015	50.00	1,000,000.00	50,000,000.00		-	50.00	5.00
10.40% TATA MOTORS FINANCE LIMITED - TXB	22-May-2015	100.00	1,000,000.00	100,000,000.00		-	100.00	10.00
10.40% TATA MOTORS FINANCE LIMITED - TXB	22-May-2015	100.00	1,000,000.00	100,000,000.00		-	100.00	10.01
10.40% TATA MOTORS FINANCE LIMITED - TXB	22-May-2015	150.00	1,000,000.00	150,000,000.00		-	150.00	15.01
10.60% LIC HOUSING FINANCE - DEB	6-Sep-2016	50.00	1,000,000.00	50,000,000.00		5.02	-	-
10.80 DEWAN HOUSING FINANCE CORPORATION LTD - DEB	5-Dec-2015	100.00	1,000,000.00	100,000,000.00		-	100.00	10.06
10.80 DEWAN HOUSING FINANCE CORPORATION LTD - DEB	5-Dec-2015	50.00	1,000,000.00	50,000,000.00		-	50.00	5.03
10.80 DEWAN HOUSING FINANCE CORPORATION LTD - DEB	5-Dec-2015	50.00	1,000,000.00	50,000,000.00		-	50.00	5.03
10.80 DEWAN HOUSING FINANCE CORPORATION LTD - DEB	5-Dec-2015	150.00	1,000,000.00	150,000,000.00		-	150.00	15.09
11.10% FULLERTON INDIA CREDIT COMAPNY LIMITED - DEB	4-Sep-2015	50.00	1,000,000.00	50,000,000.00		-	50.00	5.03
9% SHRIRAM TRANSPORT FINANCE COMPANY LIMITED - DEB	17-Jun-16	100.00	1,000,000.00	100,000,000.00		10.00	-	-
9.06% HDB FINANCIAL SERVICES LIMITED - DEB - 20 DEC2016	20-Jun-2016	150.00	1,000,000.00	150,000,000.00		15.00	-	-
9.15% HOUSING DEVELOPMENT FINANCE CORPORATION LTD - NCD - SR K028	3-Apr-2016	50.00	1,000,000.00	50,000,000.00		5.00	-	-



	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2016 (₹ in crores)	Number of Units	As at 31.3.2015 (₹ in crores)
9.30% TATA SONS LIMITED - DEB	24-Dec-2015	50.00	1,000,000.00	50,000,000.00	—	50.00	5.00
9.40% TATA MOTORS FINANCE LIMITED	10-Jun-16	100.00	1,000,000.00	100,000,000.00	10.00	—	—
9.50% HDB FINANCIAL SERVICES LIMITED	22-Dec-2015	50.00	1,000,000.00	50,000,000.00	—	50.00	5.00
9.68% TATA SONS LIMITED - DEB	10-Jan-2017	50.00	1,000,000.00	50,000,000.00	5.00	—	—
9.75% HDFC - DEB	10-Oct-2016	50.00	1,000,000.00	50,000,000.00	5.00	—	—
9.93% TATA CAPITAL FINANCIAL SERVICES LIMITED	31-Jul-2015	200.00	1,000,000.00	200,000,000.00	—	200.00	20.02
9.985 % TATA MOTORS FINANCE LIMITED - DEB	26-Oct-2015	100.00	1,000,000.00	100,000,000.00	—	100.00	10.02
10.23% SHRIRAM TRANSPORT FINANCE COMPANY LIMITED	3-Jul-16	100.00	1,000,000.00	100,000,000.00	10.02	—	—
Sub-total(i)					95.08		120.30
B) UNQUOTED							
MUTUAL FUNDS							
AXIS LIQUID FUND -DIRECT - GROWTH		535.56	1,675.03	897,080.17	0.09	32,254.13	5.00
AXIS TREASURY ADVANTAGE FUND - GROWTH - DIRECT PLAN		773,082.92	1,702.10	1,315,865,441.00	131.59	—	—
BARODA PIONEER TREASURY ADVANTAGE FUND - PLAN B - DIRECT - GROWTH		142,476.40	1,648.10	234,815,598.90	23.48	—	—
BARODA PIONEER TREASURY ADVANTAGE FUND PLAN B - GROWTH		186,285.20	536.81	100,000,000.00	10.00	71,306.43	10.00
BIRLA SUN LIFE CASH MANAGER - DIRECT - GROWTH		1,393,221.41	355.04	494,649,559.08	49.46	—	—



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	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2016 (₹ in crores)	Number of Units	As at 31.3.2015 (₹ in crores)
BIRLA SUN LIFE SAVINGS FUND - DIRECT - DAILY DIVIDEND REINVEST		5,925,331.92	100.30	594,294,200.67	-	5,925,331.92	59.43
BIRLA SUN LIFE SAVINGS FUND - DIRECT - GROWTH		2,400,678.23	286.12	686,884,474.14	68.69	-	-
BOI AXA LIQUID FUND- DIRECT PLAN - GROWTH		31,037.95	1,610.93	50,000,000.00	-	31,037.95	5.00
DSP BLACKROCK LIQUIDITY FUND - DIRECT - GROWTH		88.16	1,771.02	156,128.64	-	88.16	0.02
DSP BLACKROCK ULTRA SHORT TERM FUND - DIRECT - GROWTH		2,745,593.32	10.93	30,000,000.00	3.00	-	-
DWS TREASURY FUND - CASH - DIRECT - GROWTH		1,141.87	157.26	179,571.77	0.02	1,246.51	0.02
DWS ULTRA SHORT-TERM FUND - DIRECT - GROWTH		16,050,553.65	18.18	291,733,165.75	29.16	-	-
HDFC FMP 91 D FEB 2015 (I)		10,000,000.00	10.00	100,000,000.00	-	10,000,000.00	10.00
HDFC LIQUID FUND - DIRECT - GROWTH		692.64	2,982.29	2,065,639.84	0.21	-	-
ICICI PRUDENTIAL FLEXIBLE INCOME - DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		9,639,974.67	105.74	1,019,290,434.01	-	9,639,974.67	101.93
ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - GROWTH - DIRECT		3,794,967.71	279.10	1,059,189,907.75	105.92	-	-
ICICI PRUDENTIAL LIQUID - DIRECT PLAN - GROWTH		1,842.71	203.37	374,757.21	-	1,842.71	0.04
ICICI PRUDENTIAL MONEY MARKET FUND - DIRECT - DAILY DIVIDEND REINVESTMENT		208,813.97	100.14	20,911,361.50	-	208,813.97	2.09
ICICI PRUDENTIAL MONEY MARKET FUND - DIRECT- GROWTH		106,161.40	204.23	21,681,386.84	2.17	901.72	0.02
ICICI PRUDENTIAL ULTRA SHORT TERM PLAN - DIRECT - GROWTH		60,636,489.91	14.98	908,559,437.00	90.86	3,282,371.48	4.50
IDFC MONEY MANAGER - TREASURY PLAN - DIRECT - GROWTH		60,857,671.74	23.13	1,407,790,736.31	140.74	11,297,903.11	25.00
JM HIGH LIQUIDITY FUND - DIRECT GROWTH		779,099.54	33.89	26,404,052.40	2.64	763,159.00	2.58



	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2016 (₹ in crores)	Number of Units	As at 31.3.2015 (₹ in crores)
JPMORGAN INDIA LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN		8,125,474.91	10.01	81,337,356.66	-	8,125,474.91	8.13
JPMORGAN INDIA LIQUID FUND - DIRECT - GROWTH		22,832,954.42	18.14	414,133,081.55	41.41	35,782,823.30	63.63
KOTAK FLOATER - SHORT TERM - DIRECT - GROWTH		190.43	2,420.99	461,039.73	0.05	-	-
KOTAK LIQUID SCHEME - PLAN A - DIRECT - DAILY DIVIDEND		24,268.80	1,222.81	29,676,135.95	-	24,268.80	2.97
KOTAK LIQUID SCHEME - PLAN A - DIRECT - GROWTH		10,250.15	3,010.64	30,859,541.20	3.09	-	-
Kotak Treasury Advantage Fund - DIRECT - GROWTH		6,288,965.38	23.85	150,000,000.00	15.00	-	-
L&T CASH FUND - DIRECT PLAN - GROWTH		25,975.39	1,181.41	30,687,686.02	3.07	-	-
L&T LIQUID FUND - DIRECT - GROWTH		689.56	2,072.07	1,428,820.04	0.14	-	-
L&T ULTRA SHORT TERM FUND - DIRECT - GROWTH		27,574,189.27	24.59	677,932,839.00	67.79	-	-
LIC NOMURA MF LIQUID FUND - DIRECT - GROWTH		32,748.93	2,610.62	85,495,132.89	8.55	114.46	0.03
RELiance LIQUID FUND - CASH PLAN - DIRECT - GROWTH		73,598.66	2,241.89	165,000,000.00	-	73,598.66	16.50
RELiance LIQUID FUND - TP - DIRECT - GROWTH		152,232.20	3,600.67	548,138,369.60	54.81	-	-
RELiance LIQUID FUND - TP - DIRECT PLAN - DAILY DIVIDEND		503,086.01	1,528.74	769,087,703.14	0.00	503,086.01	76.91
RELiance MEDIUM TERM FUND - DIRECT - GROWTH		35,207,074.39	30.85	1,086,257,641.60	108.63	-	-
RELIGARE INVESCO LIQUID FUND - DIRECT - GROWTH		634.37	2,064.68	1,309,780.59	0.13	-	-
RELIGARE INVESCO ULTRA SHORT TERM FUND - DIR - DAILY DIVIDEND REINVESTMENT		1,359,959.57	1,017.97	1,384,396,006.32	0.00	1,359,959.57	138.44
RELIGARE INVESCO ULTRA SHORT TERM FUND - DIRECT - GROWTH		435,483.53	2,061.46	897,733,586.45	89.77	-	-
SUNDARAM MONEY FUND - DIRECT PLAN - GROWTH		214,394.60	28.84	6,183,310.46	-	214,394.60	0.62
TATA LIQUID FUND DIRECL PLAN - GROWTH		698.73	2,281.63	1,594,239.43	-	698.73	0.16
TEMPLETON INDIA - TMA - DAILY DIVIDEND - DIRECT PLAN		236,668.43	1,001.85	237,106,693.08	0.00	236,668.43	23.71



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	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2016 (₹ in crores)	Number of Units	As at 31.3.2015 (₹ in crores)
TEMPLETON INDIA TMA - DIRECT - GROWTH		80,875.16	1,863.48	150,709,563.12	-	80,875.16	15.07
TEMPLETON INDIA ULTRA SHORT BOND FUND - DIRECT PLAN - GROWTH		22,270,720.87	18.52	412,500,000.00	-	22,270,720.87	41.25
UTI FLOATING RATE FUND - STP - DIRECT - GROWTH		811,762.16	2,430.18	1,972,730,936.97	197.21	-	-
UTI FLOATING RATE FUND - STP - DIRECT - GROWTH LIEN MARKED		1.00	1,650,821.00	1,650,821.00	0.17	-	-
C) COMMERCIAL PAPER				Sub-total (ii)	1,247.85		613.04
BAJAJ FINANCE LIMITED - CP - 06 APR 2015		-	-	-	-	600.00	27.40
TATA CAPITAL LIMITED - CP - 03 AUG 2015		-	-	-	-	500.00	22.85
				Sub-total (iii)	-		50.25
				TOTAL (I)	1,342.93		783.59
				GRAND TOTAL (I + II)	1,342.93		833.60

Note :

Aggregate Book Value - Quoted Investments

(Aggregate Market Value of the quoted investments is Rs 95.30 crores (Previous Year : Rs 170.75 crores))

Aggregate Book Value - Unquoted Investments

Provision for Diminution in Value of Investments

As at 31.03.2016 (₹ in crores)	As at 31.03.2015 (₹ in crores)
95.08	170.31
1,247.85	663.29
1,342.93	833.60
0.02	-



12 Loans and advances

	Long Term		Short Term	
	1.03.2016	31.03.2015	31.03.2016	31.03.2015
	(₹ in Crores)		(₹ in Crores)	
Capital advances				
Unsecured, considered good	0.11	0.03	–	–
(A)	0.11	0.03	–	–
Advances recoverable in cash or kind				
Unsecured, considered good	–	–	6.36	4.86
(B)	–	–	6.36	4.86
Other loans and advances				
Income Tax paid including TDS (Net of Provisions)	5.69	7.31	–	–
Other deposits	0.12	0.12	–	–
(C)	5.81	7.42	–	–
Total (A+B+ C)	5.92	7.45	6.36	4.86

13 Other assets

	Non-current		Current	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	(₹ in Crores)		(₹ in Crores)	
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note no.15)	227.34	302.42	–	–
	227.34	302.42	–	–
Others				
Interest accrued on Investments	5.29	17.05	3.95	3.96
Interest accrued on Bank deposits	25.30	10.16	26.22	66.25
Receivable From members towards Core SGF (note no. 24)	–	–	16.42	113.11
Other receivables (note no. 29)	–	–	30.29	72.38
	30.59	27.22	76.88	255.70
Total	257.93	329.63	76.88	255.70



14 Trade receivables

	Non-current		Current	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	(₹ in Crores)		(₹ in Crores)	
Unsecured, considered good unless stated otherwise				
Outstanding for a period of over six months from the date they are due for payment				
Secured, considered good	–	–	–	–
Unsecured, considered good	14.08	31.36	0.13	0.03
	14.08	31.36	0.13	0.03
Other debts				
Secured, considered good	–	–	–	–
Unsecured, considered good	–	–	5.79	5.40
	–	–	5.79	5.40
Total	14.08	31.36	5.92	5.43

15 Cash and bank balances

	Non-current		Current	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	(₹ in Crores)		(₹ in Crores)	
Cash and cash equivalents				
Balances with banks :				
On current accounts	–	–	189.33	80.95
Deposits held for the purpose of meeting short term cash commitments	–	–	2,587.44	2,052.19
Earmarked Deposits with original maturity of less than three months {including ₹ 15.56 crores (previous year ₹ 51.92 crores) towards withheld payouts and ₹ 52.91 crores (previous year ₹ 44.70 crores) pertaining to Core SGF)	–	–	69.11	96.62
Cash on hand	–	–	–	–
	–	–	2,845.88	2,229.76
Other bank balances				
Deposits with original maturity for more than 12 months	208.82	222.42	96.40	377.82
Earmarked Deposits with original maturity for more than 12 months	18.52	80.00	80.00	–
Deposits with original maturity for more than 3 months but upto 12 months	–	–	43.37	9.99
Earmarked Deposits with original maturity for more than 3 months but upto 12 months	–	–	161.53	90.00
	227.34	302.42	381.30	477.81
Amount disclosed under non-current assets (note 13)	227.34	302.42	–	–
Total	–	–	3,227.18	2,707.57



16 Revenue from operations

	31.03.2016 (₹ in Crores)	31.03.2015 (₹ in Crores)
Sale of Services		
Clearing & Settlement Charges	99.85	91.18
	<u>99.85</u>	<u>91.18</u>
Other operating revenues		
Connect to NSE Services	3.50	3.59
Interest received	164.78	203.86
Processing Charges	4.15	4.63
Total	<u>272.28</u>	<u>303.26</u>

17 Other income

Interest Income		
On Investment		
- Short Term	16.85	21.35
- Long Term	8.30	17.35
On Bank Deposits	6.86	21.33
On Certificate of Deposits	-	0.80
On Income Tax Refund	1.77	-
On Others	0.01	0.02
	<u>33.79</u>	<u>60.85</u>
Dividend income		
Long Term	-	-
Short Term	0.15	0.09
Net gain / loss on sale of long term Investment	-	-
Net gain / loss on sale of current Investment	25.13	37.77
Miscellaneous Income	0.07	0.13
Total	<u>59.14</u>	<u>98.84</u>

18 Employee benefits expenses (Refer Note No. 22 and 23)

Salaries, wages and bonus	11.92	10.42
Contribution to provident and other fund	0.44	0.43
Employees welfare expenses	0.71	0.64
Total	<u>13.07</u>	<u>11.49</u>



19 Other expenses

	31.03.2016 (₹ in Crores)	31.03.2015 (₹ in Crores)
Space & Infrastructure Usage Charges	3.72	3.53
Common Usage Expenses (Refer Note No. 2 c (i))	14.29	12.44
Insurance Premium	0.06	0.05
Printing, Stationery & Consumables	0.66	0.50
Auditors' Remuneration (refer note below)	0.13	0.11
Professional fees	4.60	3.70
Repairs & Maintenance :		
- On Building	0.12	0.28
- On Computer systems	16.12	16.13
- Others	0.20	0.12
IT Management & Consultancy Charges	4.72	6.51
Software Expenses	6.49	2.92
Directors' Sitting fees	0.31	0.26
Electricity expenses	3.13	2.52
Rates and Taxes	0.01	0.02
Adjustments to the carrying amount of current investments	0.02	0.00
Amortisation of Premium on Government / Debt Securities	0.41	0.09
CSR expenses (Refer Note No. 32)	0.55	–
Other expenses	8.80	9.50
Total	64.34	58.65
Note :		
Payment to auditor		
As auditor :		
Audit fees	0.09	0.08
Other services	0.04	0.03
Total	0.13	0.11

- 20 Trade payables include outstanding amounts of ₹ NIL (Previous Year: ₹ NIL) (including interest of ₹ Nil, (Previous Year ₹ Nil) payable to Micro, Small & Medium Enterprises. Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.
- 21 Expenditure in foreign currency on accrual basis :
 Travelling Expenses: ₹ 0.01 Crores (Previous Year : ₹ 0.03 Crores)
 Other expenditure : ₹ 0.05 Crores (Previous Year: ₹ 0.06 Crores)
- 22 Payments to and provision for employees includes the amount reimbursed by the company to The National Stock Exchange of India Limited (NSEIL) in respect of employees made available to the company. Accordingly, necessary provisions as required for all retirement benefits and other long term employee benefits as per the requirements of Accounting Standard 15-“Employee Benefits” notified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 are carried out by NSEIL in respect of employees made available to the company



- 23 Disclosure under Revised Accounting Standard 15 on Employee Benefits notified under Rule 7 of the Companies (Accounts) Rules, 2014.

Defined Benefit Plan :

Gratuity: Company has charged the Gratuity expense to Profit & Loss account based on the actuarial valuation of gratuity liability at the end of the year. The projected unit credit method used to show the position as at March 31, 2016 is as under.

(i) **Assumptions:**

	Current Year	Previous Year
Discount Rate	7.38%	
Rate of Return on Plan Assets	N.A.	
Salary Escalation	5.00%	
Attrition Rate	2.00%	

(ii) **Table showing change in benefit obligation:** (₹ in Crores)

	Current Year	Previous Year
Liability at the beginning of the year	–	–
Interest cost	0.03	–
Current Service Cost	–	–
Liability transferred IN	0.33	–
Benefits Paid	–	–
Actuarial (gains) / loss on obligations	0.08	–
Liability at the end of the year	0.44	–

(iii) **Table of recognition of Actuarial Gain / Loss:** (₹ in Crores)

	Current Year	Previous Year
Actuarial (Gain)/Loss on obligation for the period	0.08	–
Actuarial (Gain)/Loss on asset for the period	–	–
Actuarial (Gain)/Loss recognized in income statement	0.08	–

(iv) **Tables of Fair value of plan assets:** (₹ in Crores)

	Current Year	Previous Year
Fair Value of plan assets at the beginning of the year	–	–
Expected return on plan assets	–	–
Contributions	–	–
Transfer from other company	–	–
Benefits paid	–	–
Actuarial gain / (loss) on Plan Assets	–	–
Fair Value of plan assets at the end of the year	–	–



(v) Actual Return on Plan Assets: (₹ in Crores)

	Current Year	Previous Year
Expected return on plan assets	–	–
Actuarial gain/(loss) on plan assets	–	–
Actual Return on plan assets	–	–

(vi) Amount recognised in the balance sheet (₹ in Crores)

	Current Year	Previous Year
Fair value of plan assets as at the end of the year	–	–
Liability as at the end of the year	(0.44)	–
Net liability / (asset) disclosed in the Balance Sheet	(0.44)	–

(vii) Expenses recognised in the profit & loss account (₹ in Crores)

	Current Year	Previous Year
Current Service cost	–	–
Interest Cost	0.03	–
Expected return on plan assets	–	–
Actuarial (Gain) or Loss	0.08	–
Expenses recognised in the profit & loss account	0.11	–

(viii) Balance Sheet Reconciliation (₹ in Crores)

	Current Year	Previous Year
Opening Net Liability	–	–
Expense as above	0.11	–
Net Liability/(Asset) Transfer in	0.33	–
Employers Contribution	–	–
Amount recognised in the Balance Sheet	0.44	–

(ix) Category of Assets (₹ in Crores)

	Current Year	Previous Year
Insurer Managed Funds	–	–
Total	–	–

(x) Experience Adjustment (₹ in Crores)

	2015-16	2014-15	2013-14	2012-13	2011-12
On Plan Liability (Gain) / Loss	0.08	–	–	–	–
On Plan asset (Loss) / Gain	–	–	–	–	–



24 Details of Core SGF as on 31-Mar-2016 are as follows :

(₹ in Crores)

Details of MRC of Core SGF	CM	FO	CD	Debt	Total
NSCCL own contribution	73.42	357.27	46.76	3.00	480.45
Contribution by NSCCL on behalf of Member	0.55	13.60	2.25	–	16.40
Member Deposits	13.27	28.54	5.22	–	47.04
Member Cash Equivalents	22.88	136.49	15.90	–	175.28
Contribution by NSE	37.00	179.00	24.00	1.00	241.00
Total	147.13	714.90	94.14	4.00	960.17

Out of the above the details of the Cash contributions and investment of the same are as follows :

(₹ in Crores)

I	Contribution to Corpus of Core SGF	CM	FO	CD	Debt	Total
a	NSCCL own contribution	74.81	361.46	48.62	3.00	487.89
b	Contribution by NSCCL on behalf of Member	0.54	13.63	2.25	–	16.42
c	Member Deposits	13.27	28.54	5.22	–	47.04
d	Contribution by NSE	37.00	179.00	24.00	1.00	241.00
1	Total (a+b+c+d)	125.62	582.63	80.09	4.00	792.34
2	Penalty*	19.38	100.98	11.70	–	132.06
3	Income on Investments*	8.33	27.93	5.06	0.15	41.47
	Grand Total (1+2+3)	153.33	711.54	96.85	4.15	965.88
II	Details of Investment	CM	FO	CD	Debt	Total
1	Mutual Funds	97.32	488.99	59.67	2.85	648.83
2	Fixed Deposit with Banks	33.60	199.98	26.47	–	260.05
3	Flexi Fixed Deposits	22.39	21.72	8.80	–	52.91
4	Balance in Bank Accounts	0.02	0.85	1.92	1.30	4.08
	Grand Total (1+2+3+4)	153.33	711.54	96.85	4.15	965.88

* Net of applicable corporate tax ₹ 9.38 Crores , if any, on cash basis.

- 25 In the opinion of the management, as the Company's operations comprise of only facilitating Clearing & Settlement in securities and the activities incidental thereto within India, the disclosures required in terms of Accounting Standard 17 - "Segment Reporting" notified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014 are not applicable.
- 26 In compliance with Accounting Standard 18 - "Related Party Disclosures" notified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014, the required disclosures are given in the table below:



(a) Names of the related parties and related party relationship

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited (NSE)	Holding Company
2	NSE Strategic Investment Corporation Limited	Fellow Subsidiary
3	NSE.IT Limited	Fellow Subsidiary's Subsidiary
4	DotEx International Limited	Fellow Subsidiary's Subsidiary
5	India Index Services & Products Limited	Fellow Subsidiary's Subsidiary
6	NSE Infotech Services Limited	Fellow Subsidiary's Subsidiary
7	NSE.IT (US) Inc.	Fellow Subsidiary's Subsidiary's Subsidiary
8	Mr. T Venkata Rao (Managing Director) w.e.f 07-Aug-2014	Key managerial Personnel

(b) Details of transaction (including service tax wherever levied) with parties are as follows :

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2016	Year ended 31.03.2015
National Stock Exchange of India Ltd.	• Clearing and Settlement charges received	112.04	102.45
	• Usage charges paid	16.25	13.97
	• Contribution received towards Core SGF	71.00	170.00
	• Reimbursement paid for expenses on staff on deputation	12.13	12.19
	• Reimbursement paid for other expenses incurred	41.47	33.56
	• Space & Infrastructure Usage Charges paid	4.23	3.97
	• Dividend paid	146.25	112.50
	• Sale of Preference Shares	0.41	-
	• Sale of Equity Shares	0.52	-
	• Outstanding balance – (Credit) / Debit	(33.32)	(24.08)
NSE.IT Ltd.	• Repairs & Maintenance – Clearing & Computer systems	0.93	1.24
	• Outstanding balance – (Credit) / Debit	(0.19)	(0.28)
NSE Infotech Services Limited	• Repairs & Maintenance – Clearing & Computer systems	6.13	6.24
	• Outstanding balance – (Credit) / Debit	(1.13)	(1.43)
Key Management Personnel	Gross remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	1.46	0.66



- 27 In accordance with Accounting Standard 20 - "Earning per Share" notified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014, the required disclosure is given below.

Earning per share

	Year ended 31.03.2016	Year ended 31.03.2015
Net Profit attributable to Shareholders (₹ In Crores)*	165.89	218.80
Weighted Average number of equity shares issued (No. in Crores)	4.5	4.5
Basic earnings per share of ₹ 10/- each (in ₹)	36.86	48.62

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

* before contributions to Core SGF

- 28 Prior period items for previous year includes :

(₹ in Crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Other Expenses	—	0.26
Total	—	0.26

- 29 During the year, dues amounting to ₹ 83.47 crs.(previous year ₹ 72.38 crs.) of defaulter member, after netting off available deposits and collaterals in the form of securities available with the company have been partly appropriated from Fines and Penalties amounting to ₹ 59.37 Crs. and the balance amount of ₹ 24.10 crs. (₹ 72.38 crs. for previous year) from the contribution to the Settlement Guarantee Fund provisionally receivable from National Stock Exchange of India Limited under the Securities Contracts (Regulations) (SECC) Regulations, 2012.

30 Contingent liabilities and Commitments :

- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 0.10 crores (Previous Year : NIL)
- Claims against company not acknowledged as debts: ₹ 6.59 Crores (Previous Year : ₹ 6.34 Crores)
- A suit has been filed against the Company for damages / compensation amounting to ₹ 152.57 Crores (Previous Year : ₹ 152.57 Crores) along with interest thereon and has been disputed by the Company. As per the legal opinion received, the possibility of the claim being awarded against the Company is remote.
- On account of disputed demand of Income tax ₹ 2.58 Crores (Previous Year : ₹ 5.07 Crores)

Accordingly based on the legal opinion received by the company, Company is of the view that the above matters are not likely to have any impact on financial position of the Company.



- 31 C.I.F. value of import in respect of Capital goods : ₹ 1.99 Crores (Previous year : NIL)
- 32 As per the Section 135 of the Act, every Company having networth of ₹ 500 crores or more or a Turnover of ₹ 1000 crores or more or a Net Profit of ₹ 5 crores or more during any financial year is required to spend atleast 2% of its Average Net Profit made during the immediately 3 preceding financial years on the Corporate Social Responsibility (CSR) activities. Gross amount required to be spent by the Company is ₹ 5.73 Crores (Previous Year ₹ 5.73 Crores) and amount actually spent is ₹ 0.55 Crores (Previous Year ₹ 0.03 Crores) , the details of which is as given below:

FY 2015-16

(₹ in Crores)

	Construction / acquisition of any asset	On purposes other than above
In Cash	–	0.55
Yet to be paid in cash	–	–
Total	–	0.55

FY 2014-15

(₹ in Crores)

	Construction / acquisition of any asset	On purposes other than above
In Cash	–	0.03
Yet to be paid in cash	–	–
Total	–	0.03

- 33 Previous year figures have been regrouped / reclassified wherever necessary.

For and on behalf of the Board of Directors

C.M. VASUDEV
ChairmanTVENKATA RAO
Managing DirectorPlace : Mumbai
Date : May 03, 2016R. JAYAKUMAR
Company SecretaryAMIT AMLANI
Chief Financial Officer