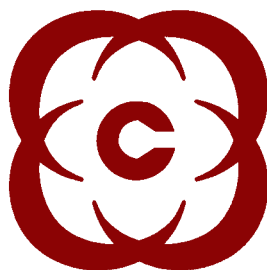


NATIONAL SECURITIES CLEARING CORPORATION LIMITED

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



TWENTIETH ANNUAL REPORT

2014-15



CONTENTS

Corporate Information	1
Board's Report.....	2
Report on Corporate Governance	38
Auditors' Report	70
Balance Sheet	74
Statement of Profit and Loss	75
Cash Flow Statement.....	76
Notes to Financial Statements	78



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. C. M. Vasudev	:	Chairman
Ms. Chitra Ramkrishna		
Mr. Anjan Barua		
Mr. Sudhir M. Joshi		
Mr. Ravi Narain		
Mr. K. R. Ramamoorthy		
Mr. L. Ravi Sankar		
Mr. T. Venkata Rao	:	Managing Director

MANAGEMENT TEAM

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

COMPANY SECRETARY	:	Mr. R. Jayakumar
--------------------------	---	------------------

CHIEF FINANCIAL OFFICER	:	Mr. Amit Amlani
--------------------------------	---	-----------------

AUDITORS	:	M/s. Haribhakti & Co. Chartered Accountants 701, Leela Business Park Andheri-Kurla Road Andheri (East) Mumbai - 400 059
-----------------	---	----------------------------------------------------------------------------------------------------------------------------------------

REGISTERED OFFICE	:	"Exchange Plaza" Plot No. C-1, Block 'G' Bandra-Kurla Complex Bandra (East) Mumbai - 400 051
--------------------------	---	----------------------------------------------------------------------------------------------------------

REGISTRAR & TRANSFER AGENTS	:	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound L.B.S Marg, Bhandup (West) Mumbai – 400 078
----------------------------------------	---	---------------------------------------------------------------------------------------------------------------------



BOARD'S REPORT

To,
The Members,

Your Directors have pleasure in presenting the Twentieth Annual Report and Audited Financial Statements of the Company for the year ended March 31, 2015.

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, 244 rolling settlements were handled in de-materialised mode. Per settlement figures in value terms in the current year are as follows:

The average value of securities handled per settlement was ₹ 5,233.03 crores in 2014-15 compared to ₹ 3,292.17 crores in 2013-14. The average funds pay-in per settlement during the above periods was ₹ 1,500.30 crores and ₹ 1,087.36 crores respectively. The average number of shares processed per settlement was about ₹ 2,617.55 lakhs in 2014-15 compared to ₹ 1,695.72 lakhs in 2013-14. Short deliveries per settlement averaged around 0.14% in 2014-15 as compared to 0.15% in 2013-14.

The highest trading volume of ₹ 36,220.19 crores was observed on May 20, 2014 and the highest deliverable value of ₹ 10,714.23 crores was observed on December 10, 2014. Percentage of number of shares deliverable to number of shares traded decreased to 27.46% in 2014-15 from 28.17% in 2013-14. Percentage of value of shares deliverable to value of shares traded decreased to 29.52% in 2014-15 from 29.70% in 2013-14.

The Core Settlement Guarantee Fund stood at ₹ 125.00 crores as on March 31, 2015. The details of settlements carried out by NSCCL are presented in Table No.1 below:-



Table No.1- Settlement Statistics for 2014-2015 – Capital Market segment

Month	Quantity of Shares Traded (lakhs)	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-14	168,622.25	47,632.02	28.25	290,004.05	85,342.97	29.43	0.15	25,538.35	4,752.26	19.00
May-14	257,402.18	68,657.48	26.67	414,178.23	117,079.70	28.27	0.14	33,487.20	6,378.76	21.00
Jun-14	263,187.76	67,131.84	25.51	435,703.33	123,986.67	28.46	0.11	36,169.70	5,900.37	21.00
Jul-14	205,812.57	52,935.16	25.72	380,588.23	104,665.00	27.50	0.12	28,834.45	5,504.25	22.00
Aug-14	154,198.28	42,407.71	27.50	299,955.62	88,793.81	29.60	0.13	25,207.59	5,365.92	19.00
Sep-14	220,298.98	62,814.13	28.51	386,175.00	115,933.29	30.02	0.15	30,129.35	5,745.13	22.00
Oct-14	130,001.00	36,309.29	27.93	257,852.00	75,254.43	29.19	0.13	21,623.43	5,685.29	18.00
Nov-14	172,186.12	49,987.24	29.03	328,681.71	100,886.67	30.69	0.10	28,686.63	5,531.12	18.00
Dec-14	178,489.41	52,114.03	29.20	368,510.82	116,591.85	31.64	0.14	37,871.61	95.00	22.00
Jan-15	177,693.53	50,008.28	28.14	356,160.16	108,386.62	30.43	0.15	30,944.31	124.00	21.00
Feb-15	190,966.18	50,518.72	26.45	371,643.81	108,957.03	29.32	0.14	30,011.17	125.00	19.00
Mar-15	206,960.19	58,167.09	28.11	435,721.11	130,981.15	30.06	0.23	37,570.18	125.00	22.00

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 2014-15, the volumes in SLBS increased by 6.09% from ₹ 4,836.50 crores in 2013-14 to ₹ 5,131.24 crores. As compared to previous year, during 2014-15, securities traded in SLBS increased from 110 to 117 and number of participants traded decreased from 61 to 57. As on March 31, 2015, there are 117 participants, 4 custodian-cum-participants and 5 custodians registered in SLBS.

1.3 Settlement - F&O segment

The period April 2014 - March 2015 witnessed an increase in the total amount settled. The total value of settlement increased from ₹ 59,131.04 crores in 2013-14 to ₹ 95,653.57 crores in 2014-15. The highest monthly settlement was ₹10,181.56 crores in the month of June 2014. March 2015 witnessed the highest monthly trading volumes of ₹ 56,91,523.72 crores while the highest daily trading volumes on NSE during this period was ₹ 5,81,563.86 crores, witnessed on February 26, 2015 with total of 2,34,91,112 contracts being traded.

The details of turnover and month-wise settlement values during the year April 01, 2014 to March 31, 2015 are tabulated in Table 2 below:



Table No. 2:

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-14	782.1	2,711,083.6	3,382.1	52.9	1,106.0	93.6	4,634.7
May-14	1,122.4	4,072,451.9	6,998.0	211.5	1,985.6	335.8	9,530.9
Jun-14	1,144.6	4,368,186.9	8,459.3	129.9	1,321.6	270.8	10,181.6
Jul-14	1,257.9	4,863,975.4	8,492.8	95.5	1,222.5	103.0	9,913.9
Aug-14	1,064.5	4,154,848.8	5,587.2	57.6	838.6	116.4	6,599.8
Sep-14	1,269.4	5,102,285.4	6,893.3	316.4	1,291.0	159.2	8,659.8
Oct-14	1,080.6	4,132,744.2	5,577.0	107.9	863.3	119.7	6,667.9
Nov-14	1,687.3	4,110,522.1	4,306.0	51.7	919.1	118.1	5,394.9
Dec-14	2,259.2	5,376,774.9	6,839.2	157.8	1,598.5	776.6	9,372.0
Jan-15	2,284.6	5,589,904.1	5,729.5	86.3	1,476.8	289.9	7,582.5
Feb-15	2,145.2	5,432,152.5	6,827.3	165.3	1,305.1	141.6	8,439.3
Mar-15	2,272.6	5,691,523.7	6,674.8	320.3	1,371.3	310.0	8,676.4

As on March 31, 2015, the Core Settlement Guarantee Fund in F&O segment stood at ₹ 489.00 Crores.

1.4 Settlement - Currency Derivatives segment

The year 2014-15 witnessed an increase in the total settlement values from ₹ 6,550.73 crores in 2013-14 to ₹ 6,569.67 crores. The highest monthly settlement value was ₹ 878.55 crores in the month of December 2014. The highest trading value in Currency Futures on NSE during this period was ₹ 23,710.45 crores witnessed on Jan 15, 2015 with total of 37,56,441 contracts being traded and in Currency Options it was ₹ 13,869.78 crores, witnessed on Jan 15, 2015 with total of 22,08,678 contracts being traded. The highest trading volume in Interest Rate Futures on NSE during this period was ₹ 9,392.88 crores witnessed on Feb 26, 2015 with total of 4,48,861 contracts being traded.

The details of turnover and month-wise settlement values during the year April 01, 2014 to March 31, 2015 are tabulated in Table 3 below:

Table No.3:

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-14	198.09	125,086.91	105.50	2.29	49.27	29,995.58	28.03	4.37	140.19
May-14	281.55	174,332.44	190.17	1.63	67.29	40,251.67	43.24	7.28	242.32
Jun-14	270.35	169,712.70	205.13	1.08	64.31	38,662.95	35.38	7.50	249.10
Jul-14	323.16	201,643.56	418.69	0.61	79.37	47,988.72	44.68	6.41	470.39
Aug-14	313.72	196,751.91	493.75	3.61	105.66	64,884.33	47.68	14.01	559.05
Sep-14	333.03	209,370.37	525.29	6.64	123.51	75,865.69	51.25	15.62	598.80
Oct-14	264.68	167,294.85	457.91	1.26	99.98	61,940.25	40.77	8.30	508.24
Nov-14	242.33	154,131.39	318.56	0.92	78.50	48,834.27	34.86	4.28	358.61
Dec-14	317.35	205,126.15	624.35	1.77	141.40	89,693.42	77.69	21.55	725.36
Jan-15	378.20	240,518.11	603.76	3.04	190.02	119,737.70	82.60	41.00	730.40
Feb-15	268.81	171,034.29	319.84	13.07	86.39	54,023.43	38.80	7.42	379.12
Mar-15	364.61	232,989.66	538.72	8.29	165.06	104,037.31	65.95	14.53	627.50



Interest Rate Futures*				
Month	No. of Contracts Traded (in lakhs)	Turnover (in ₹ crores)	MTM Settlement (in ₹ crores)	Final Settlement (in ₹ crores)
Apr-14	8.87	17,603.00	44.12	0.44
May-14	10.18	20,471.55	47.12	0.24
Jun-14	12.43	25,139.05	49.20	0.44
Jul-14	15.22	30,658.28	44.04	0.19
Aug-14	13.41	26,816.54	39.88	0.47
Sep-14	8.99	17,926.62	33.11	0.24
Oct-14	11.87	23,826.13	44.92	1.49
Nov-14	18.15	36,875.04	73.84	0.69
Dec-14	32.62	67,290.28	152.15	1.04
Jan-15	26.45	55,226.12	118.77	1.37
Feb-15	22.33	46,786.88	132.19	4.30
Mar-15	25.36	52,938.78	187.29	3.03

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

As on March 31, 2015, the Core Settlement Guarantee Fund in Currency Derivatives segment stood at ₹ 77.00 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) F&O & 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 2014-15 stands at ₹ 2,864.21 crores, ₹ 2,740.37 crores and ₹ 5,982.84 crores respectively. The highest settlement value, during this period, of ₹ 27,665.03 crores (across all corporate debt instruments) was recorded on March 27, 2015.

The month-wise settlement statistics for corporate debt instruments are as under in Table No.4:

Table No.4

Month	No. of Settlement Days	Total No. of Trades Settled	Settled Value (in ₹ crores)	Average Daily Settlement Value (in ₹ crores)
Apr-14	17	6,460	238,831.99	14,048.94
May-14	20	6,728	228,829.94	11,441.50
Jun-14	21	6,903	241,188.11	11,485.15
Jul-14	22	6,193	205,986.16	9,363.01
Aug-14	18	5,946	204,548.40	11,363.80
Sep-14	22	7,982	263,051.57	11,956.89
Oct-14	17	6,445	193,762.98	11,397.82
Nov-14	18	6,989	205,876.50	11,437.58
Dec-14	22	8,022	249,736.54	11,351.66
Jan-15	21	7,589	220,710.03	10,510.00
Feb-15	18	6,308	194,841.51	10,824.53
Mar-15	21	9,359	300,854.98	14,326.43

During the financial year 2014-15, NSCCL settled 63 repo trades valuing ₹ 1998.60 crores as compared to 25 repo trades valuing ₹ 1962.20 crores settled in the previous year.

1.7 Mutual Fund Service System (MFSS)

As on March 31, 2015, 33 mutual fund houses with 7833 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, 2014 to March 31, 2015 was ₹ 7.17 Crores. The highest settlement value was ₹ 25.69 crores and was observed on May 21, 2014.

(ii) Redemption

The average daily value of funds settled for redemption of mutual fund units for the period April 1, 2014 to March 31, 2015 was ₹ 12.71 crores. The highest settlement value was ₹ 100.78 crores and was observed on June 10, 2014.

1.8 New Initiatives and Developments

(i) Implementation of Core SGF

SEBI vide its circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014 has issued norms related to Core Settlement Guarantee Fund (Core SGF), Stress Testing and Default Procedures.

The main objectives of these guidelines were:

- a) To create a core fund that is exposure-free; readily and unconditionally available
- b) To align stress testing practices of clearing corporations with FMI principles
- c) To capture in stress testing, the risk due to possible default in institutional trades
- d) To harmonise default waterfalls across clearing corporations
- e) To limit the liability of non-defaulting members in view of the Basel capital adequacy requirements for exposure towards Central Counterparties
- f) To ring-fence each segment of clearing corporation from defaults in other segments
- g) To bring in uniformity in the stress testing and the risk management practices of different clearing corporations especially with regard to the default of members

In compliance with the SEBI circular, NSSCL has created a Core Settlement Guarantee Fund for each segment w.e.f. December 01, 2014. This fund has contributions from NSCCL, NSE and clearing members of NSCCL.

An amount of ₹458 crores has been contributed towards the Core Settlement Guarantee Fund (Core SGF) by NSCCL (which includes an amount of ₹113.11 crores contributed on behalf of the members as an interim arrangement). An amount of ₹170 crores has been received from NSE towards Core SGF. The members have contributed ₹56.66 crores (₹16.56 crores in cash and ₹40.10 crores in the form of collaterals) towards Core SGF. In addition to the above, fines and penalties collected by NSCCL amounting to ₹16.29 crores and an amount of ₹13.38 crores being income from investments Core SGF funds is credited to Core SGF.

(ii) Application to European Securities Market Authority (ESMA)

European Market Infrastructure Regulation (EMIR) is a regulation of the European Parliament and the council of European Union.

European Securities and Markets Authority (ESMA) is an independent EU Authority that contributes to safeguarding the stability of the European Union's financial system. ESMA is accountable to the European Parliament, Council of the European Union and European Commission.

According to EMIR, a CCP established in a third country (non-EU) may provide clearing services to clearing members or trading venues established in the EU only where that CCP is recognised by ESMA. Certain banks that are clearing members of NSCCL are registered in European Union and are operating in India as foreign bank branch. Hence as per the above provisions they can continue to obtain clearing services of NSCCL only if NSCCL is recognised as a third-country



CCP by ESMA. Hence NSCCL has applied to ESMA for recognition as third country CCP under EMIR. ESMA has confirmed that NSCCL's application is complete.

(iii) Acceptance of FDRs in electronic form

With an aim to overcome operational inconveniences caused to the members for depositing physical instruments and thereby reducing the time for providing the benefit of the same towards member's liquid assets. NSCCL has built an electronic data interface with empanelled banks to enable banks to send digitally signed message containing member and instrument details online to NSCCL thereby ensuring that the communication is not only secure, clear and specific but is transmitted instantaneously/real time. This will benefit the members in managing their collateral effectively.

Two banks have been activated on the platform. NSCCL is working with the other banks empanelled for the issuance of fixed deposit receipts to migrate to the platform.

(iv) Launch of NCFM module

An NCFM certification module for 'NSCCL - Clearing, Settlement and Risk Management' has been launched. This module provides insight into functions of the clearing corporation, operational aspects and application software of NSCCL. It will help students who aspire for career in financial industry, employees of Clearing member and other candidates to understand the procedural aspects of Clearing, Settlement & Risk management.

(v) Levy of settlement charges in corporate debt settlement

NSCCL provides a centralised settlement mechanism for enabling timely and smoother transaction closure and minimises the operational risk for counterparties. The salient features of services include active follow up with each of the participants for settlement of transaction, settlement of all reported transactions through FIMMDA, NSE-WDM and NSE web site, alerts, messages, emails and online transaction status to participants at various stages of activity, delivery and receipt of bonds/funds to and from NSCCL accounts. NSCCL has been providing the settlement services for free of charge for the last five years in respect of the corporate debt settlement.

Levy of settlement charges for corporate debt settlement was approved and the same shall be levied with effect from April 1, 2015.

(vi) CII Exim business excellence award

NSE Group has won the CII EXIM Bank Prize for Business Excellence-2014, in recognition of its outstanding efforts in adopting excellent frameworks in its systems and processes, setting higher benchmarks and regularly raising the bar for industry standards.

The CII-EXIM Bank Award for Business Excellence is the most prestigious award that any Indian company aspires for, in the area of business excellence. It recognises Companies that are leaders in innovative practices, dynamic management, sound financial performance, outstanding employee and customer satisfaction and a solid commitment to excellence and proven results.

**(vii) Foreign Portfolio Investors Guidelines**

With a view to rationalise Investment Routes and Monitoring of investments made by Foreign Investors, SEBI issued revised regulation, “SEBI Foreign Portfolio Investor regulation, 2014”, to put in place a framework for registration and procedures with regard to foreign investors who propose to make portfolio investment in India where-in there shall be common market entry, limit monitoring and reporting norms. The SEBI FII regulations, 1995 were repealed.

Existing Categories of Foreign investors viz, FII, FII sub account and QFI were subsumed and shall be known as Foreign Portfolio investor. Foreign Portfolio investors were categorised into three categories for regulatory purposes: category I consisting of governments and related entities, category II consisting of regulated financial institutions and category III consisting of others.

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 seventh 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, 2 Clearing Members have been enabled.

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

In the Capital Market segment, 16 Custodians and 3 Professional Clearing Members (PCM) are enabled through whom clients can settle their transactions.

(iii) Participants & custodians in SLBM

117 participants, 4 custodian-cum-participants and 5 custodians are registered in SLBM as on March 31, 2015.

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 a key differentiator and a strategic driver for NSCCL and as strategic partner, NSE Infotech Services Limited continues to deliver and maintain technology products and services for NSCCL. Last year's initiatives are briefly described as follows:-

2.1 Transformation through New Technology

New Clearing & Settlement Platform: The new Clearing & Settlement platform would be focussing on the following prime objectives. Firstly, decouple the functionality into clearly distinct modules so as to remove dependency across business cycles, departments and systems. Secondly, arrive at an architecture which enables to continuously deal with the ever evolving technology landscape. The Clearing & Settlement suite of applications for all segments are to be re-hauled at all 3 layers following the Enterprise Architecture guidelines:

- Application layer to be migrated from Unix to Linux
- Database layer to be based on Oracle 12C
- Frontend to be redesigned on Weblogic and Java technology

Along with the above as per ITRC guidelines, LDAP integration and removal of DB users to be taken up. Towards the goal, Futures & Options segment will be targeted first and then subsequently other segments will use the framework laid down.

2.2 Growth through New Products and Services

OFS: To boost participation by retail segment, various measures were taken up. These include - introduction of 'RS' series (Sep'14), provision for orders at cut-off price (Jan'15), inclusion of cash equivalent component like FDs, BGs, MFs, etc. as collateral and changes in margining rules for the same (Jan'15). To ensure high availability, Risk systems were migrated to fault tolerant hardware in Jan'15. The system was benchmarked for 7.5 million orders in a day. To protect against software failures, development of software fault tolerant architecture is in progress.

Latency reduction: Multiple initiatives were undertaken to have better control over latency numbers in Capital Market in the month of Jan'15. This has helped to reduce latency within Risk boundaries from 600 microseconds to around 150 microseconds. Multiple areas like messaging, application architecture, hardware platforms, OS parameters, Storage, network, etc. were evaluated. Changes are underway in other segments like Equity Derivatives and Currency Derivatives.

SLB Rollover: Rollover functionality is being introduced in SLB segment which will provide an opportunity to participants to extend the existing contracts upto maximum of 2 months. Additional rollover contracts will be introduced with new series like JF, JM, FM, and FA.

Single Click operations in DT segment: To improve operational efficiency, changes were carried out to clearing and risk management systems to incorporate "Single Click" operations in NSCCL. Changes were deployed to production in May'14

e-FDR: e-FDR API was introduced in Feb-2015 across all segments to empanelled banks to accept digitally signed message based electronic confirmations for issuance of Fixed Deposits. Responses



to requests made by CMs/TMs for FD additions/renewals which were earlier a manual process with turnaround being more than a day in some cases, was brought down to seconds.

Extended Market for CD segment: Support for extended market hours for selected instruments is ready for deployment to Production. Members who do not wish to participate in extended session will be provided with provisional reports.

2.3 Regulatory Changes

Stress Test and Waterfall in CM, FO and CD segments: As per SEBI mandate, daily Stress test report generation module was implemented in three segments in Dec'14. The aim was to measure, monitor and evaluate credit risk to all participants in payment, clearing, and settlement processes. It involves, separate scenarios for extreme market conditions like default by institutions or members. It also covers the risk of impact of liquidation of defaulters' position on the market space. These scenarios also include relevant peak historic price volatilities, shifts in other market factors such as price determinants, etc.

3. Human Resources

Following developments have taken place in Human Resources / Industrial Relations front in the Financial Year 2014-15 :-

- 3.1 Talent Management and Development:** During the Financial Year 2014-15, 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 organisational need. Various cross functional learning initiatives were initiated in the year. The Company has been extensively working on the Executive Coaching initiative for the executives at the Strategic and Tactical Band. Monthly coaching and feedback sessions are conducted to give them developmental feedback. "Idea lab" initiative was rolled out for generating ideas from employees. Job Descriptions were revalidated with the role holders and the line managers. Employee communication was facilitated based on the communication matrix. The emphasis was on the performance management system to drive desired performance and behavior. The Company has also implemented Job rotations as per the career path framework.
- 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. The Company has also conducted an employee engagement study this financial year and the employee satisfaction levels have improved vis-à-vis the previous years. Some of the employee engagement activities conducted by the Company are participation in Standard Chartered Mumbai Marathon 2015, employees participation in the investothon, Zumba, Kick boxing, employee appreciation corner, coffee day express outlet, dental awareness and check up camp, cancer awareness program, 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:** The Company 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 2015 is 59
- 3.6 Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

All the persons working with the Company are on deputation from NSE.

The disclosures required to be given under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are given in the following table 5:-

Table No.5

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 was done
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 ₹186.51 crores as per particulars given in table 6 below :-

Table No.6

Particulars	2014-15 (₹ In crores)	2013-14 (₹ In crores)
Income	402.10	341.82
Expenditure	72.09	66.82
Profit before prior period adjustments	330.01	275.00
Add/(Less): Prior Period Adjustment	(0.26)	–
Profit before Tax	329.75	275.00
Provision for tax (including deferred tax)	110.95	88.49
Profit after tax	218.80	186.51
Surplus brought forward from previous year	110.21	73.97
Amount available for appropriation	329.01	260.48
Appropriations		
General Reserve	–	18.65
Proposed Dividend	146.25	112.50
Corporate Dividend Tax	29.77	19.12
Adjustment of depreciation due to Companies Act, 2013	0.01	–
Corporate Social Responsibility Expenses	0.03	–
Balance carried to Balance Sheet	152.95	110.21
Total	329.01	260.48



4.2 DIVIDEND

In view of the above results, the Directors recommend payment of dividend of ₹ 32.50 per share for the year 2014-15.

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 by 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 reviewers 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.

4.6 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiary or associate companies. NSE Strategic Investment Corporation Limited is a company jointly promoted by NSE and NSCCL in which NSE and NSCCL are holding 99.90% and 0.10% of its equity share capital. During the Financial Year 2014-15, there is no change in the above position.

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 in 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 sub-committee 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 2014-15, there is no change in the equity capital structure.

4.13 EXTRACTS OF THE ANNUAL RETURN

The extracts of the annual return as on March 31, 2015 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 and Mr. L. Ravi Sankar, fall under 'Public Interest Directors' category. Mr. Ravi Narain, Mr. Gagan Rai and Ms. Chitra Ramkrishna fall under Shareholder Directors category.

Mr. Gagan Rai retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment subject to approval of SEBI. He, however, expressed his desire not to seek re-election at the forthcoming Annual General Meeting of members of NSCCL. It is therefore proposed not to fill the vacancy so caused. The Board wishes to place on record its sincere appreciation and gratitude for his valuable contribution made during his tenure as Director.

During the Financial Year 2014-15, there was no change in the directors or key managerial personnel of the Company except to the extent stated above.

5.2 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board met five times during the year i.e. on April 28, 2014, June 5, 2014, July 11, 2014, November 1, 2014 and January 22, 2015.

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 12, 2015.

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 personnel 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 be 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, 2015 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; and
- (v) 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 2014-15 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 as stipulated under clause 49 of Listing Agreement is also attached with the above report.

8.2 AUDIT COMMITTEE

The Audit Committee comprises three Directors viz., Mr. C.M. Vasudev, Mr. K.R. Ramamoorthy and



Mr. Ravi Narain 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 April 28, 2014, July 11, 2014, November 1, 2014 and January 22, 2015 respectively. The details of the attendance of members of the Audit Committee at their meetings held on the above dates are given in Table 7 hereunder:-

Table No.7

Name	Number of meetings held during the year	Number of meetings attended
Mr. C.M. Vasudev	4	4
Mr. K.R. Ramamoorthy	4	4
Mr. Ravi Narain	4	3

8.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

8.5 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management 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 on a regular basis about receipt of Protected Disclosures, the results of investigations and the action initiated with regard to the same.

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 have undertaken to use the following major technological initiatives towards "Effective Energy Conservation" as well as "Load Management System" namely:

- i. Under the 'Renewable Power Scheme', NSE has commissioned its 'Wind Power Project' of the capacity of 6.25 MW at Satara in Maharashtra to set off around 65 % of energy consumption at Exchange Plaza building.
- ii. Constructed a 'Tire-IV compatible Colocation-III Data Centre to ensure that the 'Power Utilisation Effectiveness' (PUE) of new Data Centre does not exceed the benchmarked PUE.
- iii. Implementing on the audit done on the Carbon and Water Foot Print of Exchange Plaza.
- iv. Active participation in 'Thermal Energy Storage Programme' being conducted by M/s. Tata Power Co. (TPC).
- 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.



- vi. Revamped the 'Building Management System' for effective and efficient operations of the Services especially the Air Handling Units (AHUs).
- vii. NSEIL has Motion/Occupancy Sensors installed in the lighting systems in the general staff areas.
- viii. NSEIL has 'Lighting Transformers' for regulated voltage of Lighting System.
- ix. 'Electronic Ballast and Compact Fluorescent Lamps' are used in Lighting System.
- x. NSEIL has 'Automatic Power Factor Control Units' to step up power factor of the building.
- xi. NSEIL has 'Solar Power Plant' to cater the part of lighting load at Exchange Plaza.
- xii. NSEIL has 'Rain Water Harvesting System' to harvest the rain water in the periphery of Exchange Plaza.
- 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.
- 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.

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 ₹ 0.20 crores.

11 PARTICULARS OF EMPLOYEES

All the persons 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 (2) & (3) 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 12, 2015

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)

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 – Not applicable
- (b) Nature of contracts/arrangements/transactions – Not applicable
- (c) Duration of the contracts / arrangements/transactions – Not applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any – Not applicable
- (e) Justification for entering into such contracts or arrangements or transactions – Not applicable
- (f) Date(s) of approval by the Board – Not applicable
- (g) Amount paid as advances, if any – Not applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 – Not applicable

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 April 28, 2014 as all transactions are in the ordinary course of business and at arm's length basis.
- (n) Amount paid as advances, if any: Nil

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 12, 2015

C.M. Vasudev
Chairman



Annexure to AOC

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	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
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 Crs.

Name of the Related Party	Nature of Transactions	Year ended 31.03.2015	Year ended 31.03.2014
National Stock Exchange of India Ltd.	• Clearing and Settlement charges received	102.45	84.98
	• Usage charges paid	13.97	7.61
	• Reimbursement paid for expenses on staff on deputation	12.19	11.02
	• Reimbursement paid for other expenses incurred	33.56	24.03
	• Space & Infrastructure Usage Charges paid	3.97	5.65
	• Dividend paid	112.50	146.25
	• Outstanding balance – (Credit) / Debit	(24.08)	(22.93)
NSE.IT Ltd.	• Repairs & Maintenance – Clearing & Computer systems	1.24	0.53
	• Outstanding balance – (Credit) / Debit	(0.28)	(0.12)
NSE Infotech Services Limited	• Repairs & Maintenance – Clearing & Computer systems	6.24	7.71
	• Outstanding balance – (Credit) / Debit	(1.43)	(1.66)
NSE Strategic Investment Corporation Limited	• Investment in Preference Share Capital	–	0.39
	• Investment in Equity Share Capital	–	0.39
	• Outstanding balance – (Credit) / Debit	–	–
	• Investment in Preference Share Capital	0.41	0.41
	• Investment in Equity Share Capital	0.41	0.41
Key Managerial Personnel	Gross remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	1.48	–



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 Kuria 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 & CO

S. N. Ananthasubramanian
FCS NO. 4206
C P No. 1774
Date: 7th May 2015
Place: Thane



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

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

To,
The Members,
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 2015, 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 year ended 31st March, 2015 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 shares of the Company are not listed;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - 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 during the financial year under review;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 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 Company not listed its equity shares with any 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 other laws as are applicable specifically to the company are:
1. Securities Contracts (Regulation) Act, 1956
 2. Securities and Exchange Board of India Act, 1992
 3. 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:

1. Secretarial Standards issued by The Institute of Company Secretaries of India. *[Not applicable as not yet notified during the financial year under review],*
2. The Listing Agreements entered into by the Company with the Stock Exchange(s), if applicable; [to the extent applicable as a recognized 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, applicable Regulations, Guidelines, Standards, etc. mentioned above.



We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. 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; agenda and detailed notes on agenda were sent sufficiently in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period, there are 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.

For S. N. ANANTHSUBRAMANIAN & CO.

S. N. Ananthasubramanian

FCS No: 4206

CP No.: 1774

Date: 7th May, 2015

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, 2015**

[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	31st 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 - 26598222, Fax : 022 - 2659 8198
vi	Whether listed company (Yes/No)	No
vii	Name , Address & Contact details of Registrar & 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/ service	% to total turnover of the company
1	Processing & Clearing services of Securities Transactions	6619	23%

III. Particulars of holding, subsidiary and associate companies

S. No.	Name and Address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	National Stock Exchange of India Limited	U67120MH1992PLC069769	Holding company	100%	2(87) (ii) of the Companies Act, 2013

IV. Shareholding pattern (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Shareholding**

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. Promoters (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	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	4,49,99,952	48	4,50,00,000	100	4,49,99,952	48	4,50,00,000	100	0



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) Foreign	–	–	–	–	–	–	–	–	–
a) NRIs-Individuals	–	–	–	–	–	–	–	–	–
b) Other Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (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):-	–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–	–



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	
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)	–	–	–	–	–	–	–	–	–

ii) **Shareholding of Promoters**

Sl No	Shareholder's Name	Share holding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of 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 2014-15

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	N . A .	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc):	N . A .	N.A.	N.A.	N.A.
	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):** Not Applicable

Sl. 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
	At the beginning of the year	N . A .	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Share holding 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.
	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 Directors and Key Managerial Personnel:** Nil

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	N . A .	N.A.	N.A.	N.A.
	Date wise Increase/ Decrease in Share holding 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.
	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				
• Addition	N . A .	N.A.	N.A.	N.A.
• Reduction				
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

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

Sl. no.	Particulars of Remuneration	Name of MD Mr. T. Venkata Rao				Total Amount (₹)
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	--	--	--	--	61,02,137
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--	2,73,479
	(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	--	--	--	--	3,42,040
	Total (A) Ceiling	--	--	--	--	67,17,656
	as per the Act (₹ in crores)	--	--	--	--	16.52

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
1.	Independent Directors	Mr. CM Vasudev	Mr. Anjan Barua	Mr. K. R. Ramamoorthy	Mr. L Ravi Sankar	
	Fee for attending board / committee meetings	12,30,000	9,50,000	9,90,000	6,40,000	38,10,000
	Commission	--	--	--	--	--
	Others, please specify	--	--	--	--	--
	Total (1)	12,30,000	9,50,000	9,90,000	6,40,000	38,10,000
2.	Other Non-Executive Directors	Mr. Ravi Narain	Mr. Sudhir Joshi	Mr. Gagan Rai	Ms. Chitra Ramkrishna	
	Fee for attending board / committee meetings	7,60,000	7,90,000	3,50,000	0	19,00,000
	Commission	--	--	--	--	--
	Others, please specify	--	--	--	--	--
	Total (2)	7,60,000	7,90,000	3,50,000	0	19,00,000
	Total (B) = (1 + 2)					57,10,000
	Total Managerial Remuneration	--	--	--	--	57,10,000
	Overall Ceiling as per the Act					1,00,000 (per Director /per meeting)



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (₹)	CFO (₹)	Total (₹)
1.	Gross salary				
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	52,59,314	23,20,151	75,79,465
	Value of perquisites u/s 17(2) Income-tax Act, 1961	--	1,45,895	5,106	1,51,001
	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)	--	2,81,320	89,448	3,70,768
	Total	--	56,86,529	24,14,705	81,01,234

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	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. Directors					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. Other officers in default					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May, 12, 2015

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 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 ON 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 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 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 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.

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

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 programs, exposure visits on environmental issues etc. with the help of NGO partners like 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's premises, etc., have also been undertaken.

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 undertaking to reach out to them. An MOU has been entered into with Tata Institute of Social Sciences (TISS) to guide NSE with the CSR Policy-making, Gap analysis, CSR plan and community engagement strategy, Project and Partner evaluation and screening, implementation monitoring, measurement of results etc., TISS is guiding NSE on its CSR efforts.

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 based on the larger mandate of the Companies Act 2013 and CSR Rules 2014 and to meet NSE's community engagement aspirations. Projects undertaken under these verticals will not be one-time activities but will only be on a project or program mode with a timeline to achieve pre-determined goals. In the initial phase, efforts are concentrated in on Primary Education and Elder Care. On the basis of the experiences gained in the first year, other areas will be included throughout the period. Besides the same, small scale CSR activities such as Blood



Donation Camps, NGO-Melas related to social entrepreneurship, education, health awareness, environmental awareness, organising awareness building programs, screening 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. are undertaken by the CSR Focus Group of NSE Group.

The core areas of focus, objective and goals are elaborated in the sections below vertical-wise.

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, the areas of reading, writing, critical thinking, arithmetic problem-solving, application skills and behavioral skills are being focused on. The projects which have commenced implementation will contribute to the holistic development of the children which includes addressing their physical, mental and aspirational needs through supplementary and in-school programs.

Elder Care: Project considered under elder care is focusing on enhancing the physical and mental well-being of underprivileged ageing population by improving access to cost effective healthcare services.

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.

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, storm, earthquake, etc. Unfortunate calamities such as storm in Andhra, floods in Kashmir and last year's calamities such as storm in Orissa, flash flood in Uttaranchal are some of such calamities witnessed by India. Relief is granted by the State Govt. & Central Govt., NGOs etc. and also through Prime Minister's National Relief Fund among other NGOs, 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 area in such circumstances if and when need arises.

CSR Activities under NSE CSR Focus Group: CSR focus group consisting of employee volunteers conduct/coordinate various social activities such as Blood Donation Camps, NGO-Melas related to social entrepreneurship, education, health awareness, environmental awareness, organising awareness building programs, screening 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.

Web-link for NSE Group CSR Policy:

http://nseindia.com/global/content/about_us/NSE_CSR_Policy.pdf

2. Composition of the CSR Committee of National Securities Clearing Corporation Limited (NSCCL): CSR Committee consists of Mr. C. M. Vasudev, Mr. Ravi Narain, Ms. Chitra Ramkrishna. Mr. C. M. Vasudev is Chairman of NSCCL CSR Committee.



National Securities Clearing Corporation Limited

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 ₹ 286,64,37,735.65
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 ₹ 5,73,28,754.71.
5. Details of CSR spend during the financial year:
 - (a) Total amount to be spent for the financial year: ₹ 5,73,28,754.71
 - (i) Total amount already committed: ₹ 1,57,27,284.92
 - (ii) Total amount already disbursed/spent: ₹ 17,32,559.64
 - (iii) Committed with NGOs yet to be disbursed: ₹ 1,43,10,136.06
 - (b) Amount unspent, if any: ₹ 5,55,96,195.07.
 - (c) Manner in which the amount spent during the financial year is detailed below :

1	2	3	4	5		6		7		8	
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) (Committed) (₹)		Amount spent on the 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 (₹)	
				Total for the Group	Allocated for the Company	Total for the Group	Allocated for the Company	Total for the Group	Allocated for the Company	Total for the Group	Allocated for the Company
1	Primary Education	Primary Education	Pune City State- Maharashtra	11,44,100.00	2,34,138.21	4,29,039.00	87,802.13	4,29,039.00	87,802.13	4,29,039.00	87,802.13
2	Primary Education	Primary Education	Mulashi-Mawal Dist- Pune State- Maharashtra	42,07,000.00	8,60,955.71	14,00,000.00	2,86,507.73	14,00,000.00	2,86,507.73	14,00,000.00	2,86,507.73
3	Primary Education	Primary Education	District- Buldhana State- Maharashtra	36,26,700.00	7,42,198.26	11,66,625.00	2,38,747.91	11,66,625.00	2,38,747.91	11,66,625.00	2,38,747.91
4	Primary Education	Primary Education	Ulhasanagar City District- Thane State- Maharashtra	54,82,400.00	11,21,964.25	8,93,750.00	1,82,904.49	8,93,750.00	1,82,904.49	8,93,750.00	1,82,904.49
5	Primary Education	Primary Education	Mankhurd, Mumbai State- Maharashtra	37,35,690.00	7,64,502.89	10,20,285.00	2,08,799.67	10,20,285.00	2,08,799.67	10,20,285.00	2,08,799.67
6	Elder Care	Elder Care	Mumbai and Chennai State- Maharashtra & Tamil Nadu	1,65,89,430.00	33,94,999.89	20,15,100.00	4,12,386.94	20,15,100.00	4,12,386.94	20,15,100.00	4,12,386.94
7	Primary Education	Primary Education	Thane and Mumbai State- Maharashtra	2,10,32,480.00	43,04,262.85	0.00	0.00	0.00	0.00	0.00	0.00
8	Primary Education	Primary Education	Medha Dist- Satara, State- Maharashtra	2,10,32,480.00	43,04,262.85	0.00	0.00	0.00	0.00	0.00	0.00
9	CSR Focus Group	Various CSR Activities*	Mumbai, Maharashtra	NA	NA	60,508.00	12,383.02	60,508.00	12,383.02	60,508.00	12,383.02
10	Capacity Building	Capacity Building	Mumbai, Maharashtra	NA	NA	14,80,724.00	3,03,027.76	14,80,724.00	3,03,027.76	14,80,724.00	3,03,027.76
			Total	7,68,50,280.00	1,57,27,284.91	84,66,031.00	17,32,559.65	84,66,031.00	17,32,559.65	84,66,031.00	17,32,559.65

* Activities undertaken by NSE Group CSR Focus Group Covers Blood Donation Camp, NGO Melas for Children's Day, Environment Awareness Swach Bharat Drive.



Details of implementing agency:

Door Step School: It is working in the area of Quality Education in Primary Education. Door Step has impacted lives of over 300000 children since inception.

Vikas Sahayog Pratishthan: Vikas Sahayog Pratishthan has been working with marginalized communities such as VJNT tribes, poor farmers, women, etc., addressing various issues like human rights, livelihood, education, etc.

Magic Bus India Foundation: Magic Bus is 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 mentors do this by using a curriculum that uses sports as a tool for engagement and as a metaphor for learning.

Tata Institute of Social Sciences: Tata Institute of Social Sciences is the pioneer & premier institute of social work. It is an autonomous university.

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.

All India Institute of Local Self Governance (AIILSG)- AIILSG is working on various issues like Primary Education, Disaster Management, Health, Livelihood, Women Empowerment, Research, Documentation, etc. across India.

6. The reasons for not spending the amount: This being the first year after introduction of Section 135 of the Companies Act, 2013, NSE Group is in the process of preparing the CSR Policy, identifying projects, capacity building for project identification, implementation, etc. Capacity augmentation is a key for project identification and monitoring implementation and the Company is in the process of building the same. Moreover, identifying new projects alongside the monitoring of implementation of projects is a time consuming and knowledge oriented activity. Selecting good and result oriented project requires time, knowledge, skill and availability. Accordingly, though allocated, 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 budgeted spend within the respective year itself. However, the Company remains committed to meet its CSR obligations on an annual basis.
7. 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
CSR Committee



ANNEXURE 6 TO BOARD'S REPORT

REPORT ON CORPORATE 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") is a company incorporated under the Companies Act, 2013. NSCCL is also a recognized 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, the disclosure requirements and corporate governance norms as specified for listed companies under Clause 49 of the Listing Agreement 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, 2015.

I. Board of Directors

A. Composition of the Board

As on March 31, 2015, the Board consists of 9 Directors of which 3 Directors represent Shareholders, 5 are Public Interest Directors and 1 is 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 Clause 49 of the listing agreement.

Number of Board Meetings

The Board of Directors met five times during the year on April 28, 2014, June 5, 2014, July 11, 2014, November 1, 2014 and January 22, 2015. The maximum gap between any two meetings was less than one hundred and twenty days.

Directors' Attendance Record and Directorships Held

As mandated by the Clause 49, Directors are neither members of more than ten Board level Committees nor are they Chairman of more than five such Committees in which they are members. Table 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 2014-15:

Name of the Director	Category	Attendance Particulars			No. of Directorships / Chairmanships and Committee Chairmanships / Memberships		
		Number of Board Meetings		Last AGM	Other Directorship(s)/Chairman-ship(s)*	Other Committee Member-ship(s)**	Other Committee Chairman-ship(s) **
		Held	Attended				
Mr. C. M. Vasudev, Chairman	Public Interest Director	5	5	Y	8	6	1
Mr. Ravi Narain	Shareholder Director	5	4	Y	9	7	1
Ms. Chitra Ramkrishna	Shareholder Director	5	5	Y	7	2	2
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	3	2	2
Mr. L. Ravi Sankar	Public Interest Director	5	4	Y	–	–	–
Mr. Gagan Rai	Shareholder Director	5	5	Y	1	–	–
Mr. T. Venkata Rao, Managing Director (w.e.f Aug. 7, 2014)	Executive Director	2	2	–	–	–	–

Y= Yes; N=No

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

B. 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 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 clause 49 of the Listing Agreement, 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.

C. 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 Clause 49, the Code of Conduct, has been hosted on the website of the Company. The CEO has affirmed to the Board of Directors that the code of conduct has been complied by the Directors and Senior Management Personnel.

D. 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.

E. 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 composition of remuneration includes both fixed and variable components.

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 Directors, Key Managerial Personnel and other employees.

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

Sitting fee is being paid to Non-executive Directors for attending the meetings of the Board or the Committees constituted by it.

The details of remuneration paid to Managing Director & CEO during FY 2014-15 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	0.80	0.15	0.09	0.08	1.12



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	3,50,000	22	8,80,000	12,30,000
Mr. Ravi Narain	4	2,80,000	12	4,80,000	7,60,000
Ms. Chitra Ramkrishna	5	0	4	0	0
Mr. Anjan Barua	5	3,50,000	15	6,00,000	9,50,000
Mr. Sudhir Joshi	5	3,50,000	11	4,40,000	7,90,000
Mr. K. R. Ramamoorthy	5	3,50,000	16	6,40,000	9,90,000
Mr. L. Ravi Sankar	4	2,80,000	9	3,60,000	6,40,000
Mr. Gagan Rai	5	3,50,000	–	–	3,50,000

II. Committees of the Board

1) 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 and internal auditors.

The Audit Committee reviews the reports of the internal auditors and operational auditors. The role of Audit Committee, inter-alia, covers the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments, if any, made in the financial statements arising out of audit findings



- v. Compliance with listing and other legal requirements relating to financial statements
- vi. Disclosure of any related party transactions
- vii. Qualifications, if any, in the draft audit report
- (e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (f) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (g) Approval or any subsequent modification of transactions of the company with related parties;
- (h) Scrutiny of inter-corporate loans and investments, if any;
- (i) Valuation of undertakings or assets of the company, wherever it is necessary;
- (j) Evaluation of internal financial controls and risk management systems;
- (k) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (l) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (m) Discussion with internal auditors of any significant findings and follow up there on;
- (n) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (o) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (p) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (q) To review the functioning of the Whistle Blower mechanism;
- (r) The Audit Committee shall mandatorily review the following information :
 - (a) Management discussion and analysis of financial conditions and results of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - (c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - (d) Internal Audit Reports relating to internal control weaknesses; and
 - (e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the audit committee.
- (s) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under clause 49 of the listing agreement and section 177 of the Companies Act, 2013

The Audit Committee comprises of three Directors viz., C.M. Vasudev, Mr. K.R. Ramamoorthy and Mr. Ravi Narain 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 April 20, 2014, July 11, 2014, November 1, 2014 and January 22, 2015 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 year	Number of meetings attended
Mr. C.M. Vasudev	4	4
Mr. K.R. Ramamoorthy	4	4
Mr. Ravi Narain	4	3

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. The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on August 8, 2014 to answer shareholders queries, if any.

2) Nomination & Remuneration Committee

The NRC laid down the policy for compensation of employees including Key Management Personnel in terms of the compensation norms prescribed by the SEBI. 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 Committee met three times during the year, i.e. on April 28, 2014, June 5, 2014 and January 22, 2015 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	3	3
Mr. C.M. Vasudev	3	3
Mr. L. Ravisankar	3	2
Mr. Ravi Narain	3	3
Ms. Chitra Ramkrishna	3	3

3) Risk Management Committee

In terms of SEBI requirements, a 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 June 5, 2014, September 5, 2014, November 1, 2014 and January 21, 2015. 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 22, 2015.

4. Corporate Social Responsibility (CSR) Committee

Pursuant to the provisions of the Companies Act, 2013, the Board of NSCCL has constituted a Corporate Social Responsibility (CSR) Committee consisting of Mr. C.M. Vasudev, Mr. Ravi Narain and Ms. Chitra Ramkrishna with Mr. C.M. Vasudev as the Chairman 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.

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. Independent Oversight Committee of the Governing Board for the Member Regulation.
9. Grievance Redressal committee
10. Standing Committee of Technology
11. Investor Service committee

ii) Other Functional Committee(s) :

1. Committee for Declaration of Defaults

III. **Subsidiary Companies**

As on 31st March 2015, NSCCL did not have any 'material non-listed subsidiary'.

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 Auditor the annual audit programme and the depth and detailing of the audit plan to be undertaken by him.

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, 2015. 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. Disclosures

(1) Basis of related party transactions

The transactions entered 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.

(2) 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.

(3) Management Discussion and Analysis

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

VIII. CEO/ CFO certification

The Managing Director and CFO certification of the financial statements for the financial year 2014-15 is enclosed at the end of the report.

VII. Shareholders

A. Disclosures regarding the appointment/re-appointment of directors

Mr. Gagan Rai retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The profile of Mr. Gagan Rai, Director is being provided in the Notice convening the Annual General Meeting.

B. 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.

Annual Report: Annual report containing, inter alia, Audited Accounts, Board's Report, Report on Corporate Governance, Management Discussion & Analysis other material and related matters/



information is circulated to the shareholders and others entitled thereto.

C. 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.

D. General Body Meetings

Location, date and time of the general meetings held in the last three years till March 31, 2015:-

Type of meeting	Date	Time	Venue	Special Resolution passed
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	1. 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	1. 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	–
Extra-Ordinary General Meeting	25-Feb-13	10.00 a.m	Board Room, Exchange Plaza, Plot C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	–
Extra-Ordinary General Meeting	27-Sep-12	12.00 Noon	Board Room, Exchange Plaza, Plot C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Alteration of Articles of Association
17 th Annual General Meeting	29-May-12	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.

E. Shareholding pattern of the Company and Top 10 Shareholders as on 31st March, 2015

As per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the Clearing Corporation is required to ensure at least 51% of the equity share capital is held by one or more recognised Stock Exchange. The Company is a wholly owned subsidiary of National Stock Exchange of India Limited. The Clearing Corporation ensures compliance thereof.

Stock Market Data: The equity shares of NSCCL are not listed on any stock exchange.

F. Registrar and Transfer Agent

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

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.

G. Addresses for Correspondence

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).

H. Certificate on compliance of corporate governance norms

As required under Clause 49 of the Listing Agreement, NSCCL has obtained Corporate Governance compliance certificate from a Practicing Company Secretary. The same is given as an Annexure to this report.

I. 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. Details of the Policy have been disclosed on the website of the Company.[http://www.nseindia.com/supra_global/content/nsccl/NSCCL_dtls_VM.pdf]

K. 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 during the last three years

There have been no penalties, strictures imposed by SEBI or any other statutory authority during the past three years, for any non-compliance.



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 2014-15.

For the purpose of this declaration, Senior Management Personnel means Key Management Persons appointed under SCR(SECC) Regulations, 2012 and Key Managerial personnel appointed under the Companies Act, 2013 as on March 31, 2015.

Place: Mumbai,
Date: May 12, 2015

T. Venkata Rao
Managing Director



MANAGEMENT DISCUSSION & ANALYSIS

Economic & Business environment.

The global economic growth scenario remained mixed in 2014-15. While growth has been firming up in the US led by improved labour and housing market conditions, economic activity remains bleak in the euro area although some pick-up is being observed in Q4 of 2014 and the early months of 2015. Economic activity in most of the Emerging Market Economies (EMEs) continues to totter at lower levels. The growth of the Chinese economy witnessed a slowdown during the past three quarters primarily due to subdued growth in investment demand and real estate sector. While falling oil prices weighed on the Russian economy, high inflation level contracted the growth in the Brazilian economy. The sharp fall in oil prices and moderation in commodity prices also weighed on growth prospects of countries in the Middle East, Eastern Europe and Latin America.

In India, the latest national accounts data as per the new base year (2011-12) indicates that the recovery in economic growth which had started in 2013-14, gained further momentum in 2014-15. Advance estimates of the Central Statistics Office (CSO) indicate that the growth of real GDP picked up to 7.4% in 2014-15 from 6.9% in 2013-14. While the growth rates for industry sector and services sector is estimated to improve to 5.9% and 10.6% respectively in 2014-15 (compared to 4.5% and 9.1% respectively in 2013-14), the growth in the agriculture & allied sectors are estimated to decline to 1.1% in 2014-15 (compared to 3.7% in 2013-14). The average Inflation (based on consumer prices) declined sharply to 5.9% in FY 15 compared to 10% in FY 14 due to the combined effects of decline in global commodity prices, falling food prices domestically and favorable 'base effect'. Similarly, the average inflation based on the Wholesale Price Index fell to 2% in FY 15 – lowest level for over three decades – compared to 6% in FY 14.

On the external sector front, India's trade deficit increased marginally in 2014-15 to USD 136.9 billion compared to USD 133.9 billion in the previous fiscal. In 2014-15, merchandise exports were USD 310.5 billion (y-o-y decline of 1.2%) and merchandise imports were USD 447.5 billion (y-o-y decline of 0.6%). In April-December 2014, India's current account deficit (CAD) was USD 26.4 billion, which was 1.7% of GDP compared to 2.3% of GDP in the corresponding period of 2013 mainly due to a narrower trade deficit and a modest rise in net services receipts. In April-December 2014, India's trade deficit narrowed to USD 112.5 billion from USD 116.9 billion in the corresponding period of 2013. According to the Economic Survey 2014-15, CAD is expected to further moderate in FY15 and FY16 to 1.3% and sub-1% of GDP, respectively assuming a further decline in price of crude petroleum and other products. India's foreign exchange reserves were at an all-time high of USD 341.6 billion at end-March 2015 (compared to USD 304.2 billion at end-March, 2014). As a result, the import cover ratio – an important indicator of a country's external sector vulnerability – has risen to 9.2 months.

The improved macroeconomic fundamentals had a strong positive impact on the investment climate which revived both portfolio and foreign direct investment inflows into India. In FY 15, the net FII investment was USD 45.7 billion compared to USD 8.9 billion in FY 14. In April-February of FY 15, the FDI inflows into India was USD 28.8 billion compared to USD 20.8 billion in the corresponding period of FY 14.

Further, during 2014-15 the Indian securities industry also experienced number of technological and regulatory developments. In addition, demand for new products and services, particularly new asset classes and need for faster and more cost efficient trade execution increased substantially.



Outlook

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 (2014-15)

During the year 2014-15, the total revenue has increased by around 18% from ₹ 341.82 crores for the year 2013-14 to ₹ 402.10 crores for the year 2014-15.

The total expenditure for the year 2014-15 was ₹ 72.09 crores as compared to ₹ 66.82 crores for the year 2013-14, an increase of around 8% over the previous year.



National Securities Clearing Corporation Limited

The total Profit Before tax for the year 2014-15 was ₹ 329.75 crores as against ₹ 275.00 crores for the year 2013-14, an increase of around 20% over the previous year.

The total Provision for tax (including deferred tax) for the year 2014-15 was ₹ 110.95 crores as against ₹ 88.49 crores for the year 2013-14.

The total Profit after tax for the year 2014-15 was ₹ 218.80 crores as against ₹ 186.51 crores for the year 2013-14, an increase of around 17% 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 2014-15 increased by around 21% from ₹ 75.63 crores for the year 2013-14 to ₹ 91.18 crores for the year 2014-15

Interest & Other Investment income

In line with the overall increase in the interest rates in the economy, during the year 2014-15, and due to overall increase in investible surplus the total investment income increased from ₹ 157.21 crores for the year 2013-14 to ₹ 203.86 crores for the year 2014-15.

Other Operating Revenues

During the year 2014-15, the other operating revenues increased from ₹ 4.75 crores for the year 2013-14 to ₹ 8.22 crores for the year 2014-15.

Other Income

During the year 2014-15, the other income decreased from ₹104.23 crores for the year 2013-14 to ₹98.84 crores for the year 2014-15.

Expenditure

Other expenses

During the year 2014-15 other expenses were at ₹ 58.65 crores as against ₹53.77 crores for the year 2013-14.

Employee cost

Payments to and provision for employees related expenses represents 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 2014-15, the employee related expenses stood at ₹11.49 crores which was ₹ 10.45 crores for the year 2013-14. For the year 2014-15, the total employee cost as a percentage to total income was 2.86% and as a percentage of expenditure was 15.94% which is comparable to the industry standards.

Depreciation

Depreciation decreased by around 25% from ₹ 2.60 crores for the year 2013-14 to ₹ 1.95 crores for the year 2014-15.



Financial Statement as on March 31, 2014

Share Capital

The total paid up capital of the Company as on March 31, 2014 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, 2015 is ₹ 657.66 crores comprising General reserve of ₹ 494.71 crores, Capital Redemption Reserve of ₹ 10.00 crores and balance in P&L A/c of ₹ 152.95 crores.

Thus the total Net worth of the Company as on March 31, 2015 is ₹ 702.66 crores (excluding contribution to Core SGF) and ₹ 1047.55 crores (including contribution to Core SGF) and the book value is ₹ 156.15 per share (excluding contribution to Core SGF) and ₹ 232.79 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 ₹ 458 Crs. has been contributed towards the Core Settlement Guarantee Fund (Core SGF) by NSCCL (including an amount of ₹ 113.11Crs. on behalf of the members as an intrim arrangement) an amount of ₹ 170 Crs. has been received from NSE towards Core SGF and the members have contributed ₹ 56.66 Crs. (₹ 16.56 Crs. in cash and ₹ 40.10 Crs. in the form of collaterals) towards Core SGF. In addition to the the above Fines & penalties collected by NSCCL amounting to ₹ 16.29 Crs. and an amount of ₹ 12.25 Crs. being Income from investments Core SGF funds is credited to Core SGF.

Deposits from members & Clearing Banks (Unsecured)

The total deposits from members & Clearing Banks as on March 31, 2015 stood at ₹ 570.09 crores as against ₹ 558.12 crores as on March 31, 2014.

Fixed Assets

Total Gross Block as on March 31, 2014 was ₹ 32.88 crores. Total Accumulated depreciation up to March 31, 2014 was ₹ 29.62 crores. Net fixed Assets (including Capital W.I.P) were ₹ 3.26 crores.

Investments

The prudential policy of the Company permits to invest both long term and short term surplus funds in to 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, 2015 the total non-current investments were ₹ 172.06 crores as against ₹ 265.66 crores as on March 31, 2014, decrease of ₹ 93.60 crores. Current investments were ₹ 833.60 crores as on March 31, 2015 as against ₹ 451.34 crores as on March 31, 2014, increase of ₹ 382.26 crores.

Other Non-Current and Current Assets

Total other assets (non-current and current) as on March 31, 2015 stood at ₹ 3342.02 crores mainly comprising of cash and bank balances in current and Fixed Deposits and certificates of deposits amounting to ₹ 3009.99



crores, interest accrued on investments and Fixed Deposits amounting to ₹ 97.42 crores, amount receivable from members towards Core SGF ₹ 113.11 crores, trade receivables amounting to ₹ 36.79 crores.

Other Non-Current and Current Liabilities

Total other liabilities (non-current and current) as on March 31, 2015 stood at ₹ 2405.08 crores mainly comprising of Settlement Obligations payable ₹ 1640.59 crores, Margins from Members ₹ 508.75 crores, other current liabilities amounting to ₹ 79.24 crores, provision for dividend amounting to ₹ 146.25 crores and corporate dividend tax amounting to ₹ 29.77 crores

Taxation

The total Provision for tax (including deferred tax) for the year 2014-15 was ₹ 110.95 crores as against ₹ 88.49 crores for the year 2013-14.

Event occurring after the balance sheet date.

There are no transactions of material nature that have occurred after March 31, 2015 which could have any impact on the financial performance of the Company for the year 2014-15.



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 for the year ended on March 31, 2015 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 12, 2015

T. Venkata Rao
Managing Director

Amit Amlani
Chief Financial Officer



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
National Securities Clearing Corporation Limited,
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 2015. 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

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

Date: 7th May, 2015
Place: Thane

**ANNEXURE 7 TO BOARD'S 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., LLB., PGDBA	57	Managing Director	11252374	7002287	33	December 21, 2000	Manager, Global Trust Bank Limited
2	Mr. Umesh Jain B.Tech.	45	Chief-Technology	5385150	3326635	15	September 3, 2012	President, Yes Bank Limited
3	Dr. V. R. Narasimhan M. Com., ACS, MBA, Ph.D	58	Chief-Regulatory Affairs	3413742	2254369	31	May 30, 2013	Sr. Vice President, Kotak Mahindra Bank Limited
4	Mr. Ravindra Bathula LLB.	45	Head-Legal	4609497	3159803	21	December 1, 1994	–
5	Mr R Nandakumar* B. Com., Grad. CWA, MBA, CAIIB, Fill	49	Chief-Operations	4738609	3351415	28	March 15, 1995	Staff Officer (Finance), Unit Trust of India
6	# Mr. Amit Bhobe, B.Tech.	37	Head-Clearing & Settlement	4832572	3273120	7	December 8, 2008	Accenture- Associate Manager Limited
7	# Mr. Aniket Bhanu, B.E., PGDM	31	Head-Risk Management	3274569	1990422	6	March 2, 2009	Assistant Trainee, TATA Consultancy Services 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.
- 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.
- Mr. T. Venkata Rao was appointed as Managing Director for a period of three years with effect from August 7, 2014.
- None of the employees mentioned above is a relative of any Director.
- The above employees were on deputation basis from the Company's holding company i.e. National Stock Exchange of India Limited (NSEIL) for part of the year and the 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.



BUSINESS RESPONSIBILITY REPORT

[In line with the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business]

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company :
U67120MH1995PLC092283
2. Name of the Company :
NATIONAL SECURITIES CLEARING CORPORATION LIMITED (NSCCL)
3. Registered address :
Exchange Plaza, Plot C-1, Block 'G'
Bandra Kurla Complex, Bandra (East)
Mumbai-400 051
4. Website :
www.nseindia.com
[The Company is a wholly owned subsidiary of NSE. Accordingly, the details pertaining to the Company are contained in NSE's website]
5. E-mail id : cc_nse@nse.co.in
6. Financial Year reported: 2014-2015
7. Sector(s) that the Company is engaged in (industrial activity code-wise):
Sector: Infrastructure Company in the securities market industry
Activity: Processing & Clearing services of securities transactions
NIC Code: 6619

[As per National Industrial Classification Code 2008 – Ministry of Statistics and Programme Implementation]

8. List three key products/services that the Company manufactures/provides(as in balance sheet)
 - i. Electronic Clearing Services
 - ii. Electronic Settlement Services
 - iii. Electronic Collateral Management-acceptance of electronic FDRs (Fixed Deposit Receipts)
9. Total number of locations where business activity is undertaken by the Company
 - i. Number of International Locations (Provide details of major 5): None
 - ii. Number of National Locations:
Twelve [Ahmedabad, Bengaluru, Chennai, Cochin, Delhi, Hyderabad, Indore, Jaipur, Kanpur, Kolkata, Mumbai and Pune]
10. Markets served by the Company - Local/State/National/International :
National

Section B: Financial Details of the Company

1. Paid up Capital (INR): 45 crore
2. Total Turnover (INR): 402.10 crore
3. Total profit after taxes (INR): 218.80 crore



4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profitafter tax (%) :

The Company has allocated ₹ 5,73,28,754.71 (Rupees five crore seventy three lakhs twenty-eight thousand seven hundred fifty-four and paise seventy-one only), being 2% of the average net profits for the past three years, for CSR purposes. Out of the same, ₹ 1,57,27,284.92 (Rupees one crore fifty-seven lakhs twenty seven thousand two hundred eighty-four and paise ninety two only) has already been committed with NGOs. Out of the same, ₹ 17,32,559.64 (Rupees seventeen lakhs thirty two thousand five hundred fifty-nine and paise sixty four only) has already been disbursed.

This being the first year of spend on CSR, the Company was in the process of preparing the CSR Policy, identifying projects, capacity building for project identification, implementation, etc. Capacity augmentation was a key for project identification and monitoring implementation and the Company was in the process of building the same. Moreover, identifying new projects alongside the monitoring of implementation of projects is a time consuming and knowledge oriented activity. Selecting good and result oriented project requires time, knowledge, skill and availability. Accordingly, though 2% of average net profits (of the immediately preceding three years) is allocated, 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 budgeted spend within the respective year itself. However, the Company remains committed to meet its CSR obligations on an annual basis.

5. List of activities in which expenditure in (4) above has been incurred:-

Sr. No.	Sector	Location
a.	Primary Education	Pune City, District- Pune, State- Maharashtra
b.	Primary Education	Mulashi -Mawal, District- Pune State- Maharashtra
c.	Primary Education	District- Buldhana State- Maharashtra
d.	Primary Education	Ulhasanagar City District- Thane State- Maharashtra
e.	Primary Education	Mankhurd, Mumbai State- Maharashtra
f.	Elder Care	Mumbai and Chennai State- Maharashtra and Tamil Nadu
g.	Primary Education	Thane and Mumbai State- Maharashtra
h.	Primary Education	Medha District-Satara State- Maharashtra
i.	Various Activities*	Mumbai, Maharashtra
j.	Capacity Building	Mumbai, Maharashtra

(*Activities undertaken by NSE Group CSR Focus Group covers blood donation camp, NGO Melas for Children's Day, Environment awareness, Swachha Bharat Drive)

**Section C: Other Details**

1. Does the Company have any Subsidiary Company/ Companies?
No
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
Not applicable
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?
[Less than 30%, 30-60%, More than 60%]
Yes. The number of entities that the Company does business with, which participate in the BR initiatives, is less than 30 %.

Section D: BR Information**1. Details of Director/Directors responsible for BR**

- a) Details of the Director/Directors responsible for implementation of the BR policy/policies
DIN Number : 06832502
Name : Mr. T. Venkata Rao
Designation : Managing Director

b) Details of the BR head - to be nominated

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	N.A.
2.	Name	N.A.
3.	Designation	N.A.
4.	Telephone number	N.A.
5.	e-mail id	N.A.

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The Company has put in place various policies and /or adopted various practices in respect of matters contained in NVG principles on ESG (Environmental, Social and Governance) norms from time to time. The Company is now in the process of formulating /formalizing the same in accordance with the process laid down and expects the same to be completed in FY 2015-16. Hence, answers to specific queries will be given in the Annual Report for the FY 2015-16.

Section E: Principle-wise performance**Principle 1****Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others:
The Company has a policy relating to ethics, which covers not only all individuals working with it, but also its group companies at all levels and grades.



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

The Company has not received any complaint against it. There are no complaints from investors against the clearing members of the Clearing Corporation.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - i. Electronic Clearing Services
 - ii. Electronic Settlement Services
 - iii. Electronic Collateral Management-acceptance of electronic FDRs
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
 - i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
Not applicable.
 - ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?
 - a) By using Thermal Energy Storage System, the Company & the Group has saved 11,500 Demand Kilo-Volt-ampere (KVA) in the previous year
 - b) By using Wind Power System, the Company & the Group has generated & in turn saved 11,95,791 units Kilowatt-hour (Kwh) from the date of commissioning of the System i.e. on December 12, 2014
 - c) By using Solar Power System, the Company & the Group have saved 5720 units (Kwh) in the previous year
3. Does the company have procedures in place for sustainable sourcing (including transportation)?
 - i. If yes, what percentage of your inputs was sourced sustainably? *Also, provide details thereof, in about 50 words or so.*
The Company keeps in mind sustainable sourcing for the inputs. For example, electricity, which is an important input for the Company's business, the Company has set up wind and solar plants.
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
Generally, the Company procures goods and services from the original equipment manufacturer. However, wherever feasible, the procurement is also done from local and small vendors.
5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.
Yes.



Details - 1) E - Waste - As per the Company's E-Waste Policy, the E-Waste in Exchange Plaza building as well as its Branch Office premises is recycled through authorized E-Waste Vendor shortlisted by Central Pollution Control Board (CPCB)/ Maharashtra Pollution Control Board (MPCB).

2) Food Waste - Food Waste generated at Company's Exchange Plaza building is processed through Vermiculture System installed at its building wherein manure (i.e. Vermicompost) generated through it is used for Gardening Purpose.

3) Water Recycling - Sewage Water generated at Exchange Plaza is recycled through Sewage Treatment Plant installed at its Exchange Plaza building and the processed water is used for secondary purposes i.e. for cleaning, for Cooling Towers associated with Heating, Ventilation and Air Conditioning (HVAC) System.

Principle 3

Businesses should promote the wellbeing of all employees

- Please indicate the Total number of employees.
59 (All are on deputation from its holding company, NSE)
- Please indicate the Total number of employees hired on temporary/contractual/casual basis.
None
- Please indicate the Number of permanent women employees.
17
- Please indicate the Number of permanent employees with disabilities.
None
- Do you have an employee association that is recognized by management?
No
- What percentage of your permanent employees is members of this recognized employee association?
Not applicable
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr.No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

- What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?
 - Permanent Employees :
Safety- 100%; Skill upgradation-73%
 - Permanent Women Employees :
Safety- 100%; Skill upgradation-59%



- Casual/Temporary/Contractual Employees :
Not applicable
- Employees with Disabilities :
Not applicable

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the company mapped its internal and external stakeholders? Yes/No
Yes. The Company has mapped its internal and external stakeholders.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?
Yes. The Company has identified the disadvantaged, vulnerable & marginalized stakeholders and is working towards improving their lives.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.
The Company, together with its holding company NSE, periodically conducts financial literacy education programs. Moreover, the Company conducts various CSR programs through NGOs. For specific details, please refer to Report on CSR.

Principle 5

Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
No, the Company's various policies on human rights like 'Work Life Balance' and 'Talk to me' covers not only the Company's, but all its Group Companies.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
No stakeholder complaints were received in the past financial year.

Principle 6

Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?
No, the Company has an "Environment Policy" covering not only the Company, but all its Group Companies. Environmental protection initiatives also extend across the Group.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.
The Company is committed to a better tomorrow, for which it is stringently pursuing to minimize its impact on the environment by taking measures like measuring and reducing its carbon and water foot print, checking



and preventing pollution and ensure better Air and Water quality, make efficient use of energy. The Company has installed Scrubber System [i.e. associated with Distributed Generation (DG) Sets installed at Exchange Plaza] wherein the smoke generated through DG Sets is processed and then it is released to the environment.

The hyperlink for the "Environment Policy" is:

http://www.nseindia.com/global/content/about_us/nseil_disc_others.htm

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

Yes.

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

Yes. The Company has installed following System/ Project towards Clean Development Mechanism:

- 1) Thermal Energy Storage System: The 'Thermal Energy Storage System' has been introduced in the HVAC System. It was observed that most of the Services (i.e. HVAC-Chillers, Air Handling Units (AHUs), Lifts, Lighting, Personal Computer (PC), Plumbing System, etc.) at Exchange Plaza were operated mainly during office / day hours. Whereas, Chillers and its associated equipments used to consume more than 30% of total peak demand load. M/s. Tata Power Company Limited had made an appeal to its consumers for conserving the energy as there was shortage of power supply vis-à-vis, its demand in Mumbai especially during peak hours. In view of this, the Company had decided to reduce its demand load and to achieve this, the Company has incorporated 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. temperature below zero degree centigrade of glycol water) which gets stored in the Thermal Storage Tank. The following next day the stored Chill is being utilized through Heat Exchangers for air-conditioning the Office Area. In this manner, the total load (i.e. HVAC-Chillers, AHUs, Lifts, Lighting, PC, Plumbing System, etc.) which were operating mainly during office hours have been distributed and the Company has surrendered the Extra Power.
- 2) Wind Power Plant: On account of the high electricity consumption that the Company has been facing, mainly owing to the continuous operation of the Data Center, a need had been felt to ascertain possible alternatives of energy conservation including sourcing of energy from a cost effective alternative which are also environment friendly ("Green Power"). In fact, from the energy conservation point of view, the Company has already taken various initiatives including setting up a Thermal Energy Storage System for its air conditioning plant, Solar Power Plant at its available terraces, Power Savers for its lighting system, Light-Emitting Diode (LED) lighting, etc. which have helped to reduce the power consumption substantially. However, going further, to reduce our carbon foot print, the Company has gone into generating green power. Accordingly, on sourcing front, various alternatives were examined and among the various proposals, the power generated by Wind Mills was found to be more beneficial especially since it is a Renewable Source of Energy. In Wind Power Project, the Wind Electric Generator (WEG) converts the Kinetic Energy (KE) available in the Wind to Electrical Energy (EE) by using a Rotor, Gearbox and Generator. It may be noted that there is a defined range of Wind speed, which is a basic prerequisite for the WEG to generate electricity. The Ministry of Non-Conventional Energy Sources (MNES), by a proper survey has identified certain 'geographical areas' within every State, suitable to develop Wind Farms (an area where a number of WEGs are installed is known as a Wind Farm). Considering the current power consumption requirements of the Company at its office building at Exchange Plaza, it was estimated that



the total sizing of Wind Mills would be around 6.25 Megawatt (MW) (i.e. 5 fans of 1.25 MW Wind Mills). Accordingly, the aforesaid capacity of project has got commissioned through M/s. Suzlon Energy Ltd. at Satara in Maharashtra recently (i.e. on December 06, 2014) successfully by taking necessary compliances.

- 3) Solar Power Plant: In addition to various power saving measures being undertaken at the building, a need had been felt to ascertain the possible alternatives of energy conservation including sourcing of energy from natural resources which is environment friendly (i.e. Green Power). In view of this, Solar Power Plant has been installed in the Exchange Plaza building which harnesses the Solar Power and then converts the same into Electrical Power to cater the part of lighting load at Exchange Plaza.

The expected electricity generation which could be considered for the set off facility against the Company's own power consumption at Exchange Plaza is in the tune of around 1 crore units per year.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. The Company has undertaken following initiatives towards energy conservation, green / renewable energy:

- 1) Thermal Energy Storage System
- 2) Automation in Operation of the Services
- 3) Regulated Voltage for Lighting System
- 4) Electronic Ballast and Compact Fluorescent Lamps (CFL) used in Lighting System, Use of LED Lights
- 5) Automatic Power Factor Control Units
- 6) Solar Power Plant
- 7) Rain Water Harvesting System
- 8) Wind Power Plant
- 9) Use of energy efficient * rated products

The hyperlink for the "E-waste Policy" is:

http://www.nseindia.com/global/content/about_us/nseil_disc_others.htm

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

Yes. All the emissions/ waste generated is within permissible limits given by CPCB/State Pollution Control Board (SPCB).

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

Nil

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

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

The Company is a member of CCP 12 (Central Counterparties 12), the Global Association of Central counterparties.



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

Principle 8

Businesses should support inclusive growth and equitable development

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

In order to strengthen its CSR initiatives, in 2012, a CSR Focus Group was formed consisting of employees, then volunteering to contribute part of their time to undertake CSR activities internally. The group has since then organised various activities such as environment awareness building programs, exposure visits on environmental issues, etc. with the help of NGO partners like Bombay Natural History Society (BNHS), 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.

The Company, in order to further its CSR aspiration of helping the underprivileged sections of population in improving their quality of life, is now embarking upon undertaking to reach out to them. A Memorandum of Understanding (MOU) has been entered into with Tata Institute of Social Sciences (TISS) to guide the Company with the CSR Policy-making, Gap analysis, CSR plan and community engagement strategy, Project and Partner evaluation and screening, implementation monitoring, measurement of results, etc.

CSR Objectives and Goals: To begin with, the Company has taken up (i) Primary Education (ii) Elder Care and (iii) Sanitation and Safe Drinking Water, as the focus areas. The CSR objectives have been identified based on the larger mandate of the Companies Act, 2013 and CSR Rules, 2014 to meet the Company's community engagement aspirations. Projects undertaken under these verticals will not be a one-time activity, but will only be on a project or program mode with a timeline to achieve pre-determined goals. In the initial phase, efforts are concentrated on Primary Education and Elder Care. On the basis of the experiences gained in the first year, other areas will be included throughout the period.

The core areas of focus, objective and goals are elaborated in the sections below vertical-wise :

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 problem-solving, application skills and behavioural skills are being focused on. The projects which have been implemented will contribute to the holistic development of children which includes addressing their physical, mental and aspirational needs through supplementary and in-school programs.



Elder Care: Project considered under elder care is focusing on enhancing the physical and mental well-being of underprivileged ageing population by improving access to cost effective healthcare services.

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 their 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.

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, storm, earthquake, etc. Unfortunate calamities such as storm in Andhra, floods in Kashmir and last year's calamities such as storm in Orissa, flash flood in Uttaranchal are some of such calamities 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 contributed to the 'Prime Ministers National Relief Fund' as one of the focus area in such circumstances, if and when need arises.

CSR Activities under the Company's 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, awareness building programs, screening 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.

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

The programs are undertaken through the Company's CSR Focus Group as well as by specialised NGOs.

For specific details, please refer to the CSR Report.

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

Appropriate monitoring mechanisms have been evolved for tracking the progress and impact of the various CSR programmes. Impact assessment of these initiatives will be done at the end of the project.

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

Sector	Location	Amount Sanctioned	Amount Disbursed
Primary Education	Pune City, District- Pune, State- Maharashtra	2,34,138.21	87,802.13
Primary Education	Haveli- Mulashi Tehasil, District- Pune, State Maharashtra	8,60,955.71	2,86,507.73
Primary Education	District-Buldhana, State- Maharashtra	7,42,198.26	2,38,747.91
Primary Education	Ulhasanagar City, District- Thane, State- Maharashtra	11,21,964.25	1,82,904.49



Sector	Location	Amount Sanctioned	Amount Disbursed
Primary Education	Mankhurd, Mumbai, State-Maharashtra	7,64,502.89	2,08,799.67
Elder Care	Mumbai and Chennai, State-Maharashtra and Tamil Nadu	33,94,999.89	4,12,386.94
Various Activities*	Mumbai, Maharashtra	N.A.	12,383.02
Capacity Building	Mumbai, Maharashtra	N.A.	3,03,027.76
	Total	1,57,27,284.91	17,32,559.65

(*Activities undertaken by NSE Groups CSR Focus Group covers blood donation camp, NGO Melas for Children's Day, Environment awareness, Swachha Bharat Drive)

- Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company is covered under the purview of Section 135 of the Companies Act 2013. As per requirement, the CSR Committee of the Board was formed and approved by the Board. A full time manager level employee, qualified and experienced in social work, was also recruited. The CSR Budget based on the average 3 years annual profit calculated pursuant to section 198 of the Companies Act, 2013 for FY 2014-15 was proposed to the CSR Committee and the Board for approval. The CSR budget was approved by the Board.

In order to strengthen CSR initiatives in the community, the Company has approached TISS to guide the Company with the CSR Policy-making, Gap analysis, CSR plan and community engagement strategy, Project and Partner evaluation and screening, implementation monitoring, measurement of results etc., TISS is guiding the Company on its CSR efforts. CSR policy has been prepared and approved by the CSR Committee and the Board; with Primary Education, Elder Care and Sanitation & Safe Drinking Water, as focus areas. The Board authorised the CSR committee to approve CSR projects to be funded by the NSE Group. The Board also noted that NSE at the NSE Group level, has entered into the engagement with TISS to evaluate and recommend proposals. The Board also approved the CSR budget recommended by the CSR Committee.

Subsequently, 8 Proposals from 6 NGOs were shortlisted for approval which was approved by the CSR Committee. Out of the same, 7 Proposals fall under primary education category and 1 proposal falls under 'Elder Care' category. These proposals were taken to the CSR Committee for consideration and recommendation to the Board. The Board has approved 8 projects. Project Co-operation Agreements with NGOs have already been signed and disbursement is done for the first instalment as specified under the agreements. The rest committed funds under the 'Project Cooperation Agreement' signed between NSE on behalf of NSE Group companies and NGOs will be disbursed as per its milestones.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

- What percentage of customer complaints/consumer cases are pending as on the end of financial year?
None



2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)
Not applicable
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
None
4. Did your company carry out any consumer survey/ consumer satisfaction trends?
Yes, Annual Customer Satisfaction Survey was conducted by IMRB (Indian Market Research Bureau) International on behalf of the Company.



INDEPENDENT AUDITORS' 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, 2015, 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 Standalone 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, 2015, 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, 2015 ("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, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. The Order is yet to be notified in the Gazette of India.
- (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, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. 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 29 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: 12th May, 2015
Place: Mumbai



ANNEXURE TO INDEPENDENT AUDITORS' 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 31st March, 2015]

- (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.
- (ii) The Company does not hold any Inventory. Therefore the matters specified in clauses ii(a),(b)&(c) of paragraph 3 of the Order are not applicable to the Company.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (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 of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) (i) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including income tax, service tax, cess and any other material statutory dues applicable to it. We are informed that the provisions of Provident Fund Act and Employees' State Insurance Act are not applicable to the Company.
- (a) (ii) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service 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, the dues outstanding with respect to, income tax, service tax, cess and any other material statutory dues applicable to it, on account of any dispute, 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	0.14	F.Y. 2007-08	ITAT
		1.46	F.Y. 2010-11 & F.Y. 2011-12	CIT –Appeals

- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company does not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company does not have dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company has not obtained any term loans.
- (xii) 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 on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

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

Date: 12th May, 2015
Place: Mumbai



BALANCE SHEET AS AT MARCH 31, 2015

	Note No.	As at 31.03.2015 (₹ in Crores)	As at 31.03.2014 (₹ in Crores)
I Equity and Liabilities			
1 Shareholder's funds			
a Share Capital	3	45.00	45.00
b Reserves and surplus	4	657.66	959.81
		702.66	1,004.81
2 Core Settlement Guarantee Fund (Core SGF)	23	673.11	–
		673.11	–
3 Non-current Liabilities			
a Deposits (Unsecured)	5	556.11	543.36
b Deferred tax liabilities (net)	6	0.47	0.51
		556.58	543.87
4 Current Liabilities			
a Deposits (Unsecured)	5	13.98	14.76
b Trade payables	8	26.94	26.98
c Other current liabilities	8	2,195.34	4,446.09
d Short-term provisions	7	182.32	139.72
		2,418.58	4,627.55
TOTAL		4,350.93	6,176.23
II Assets			
1 Non-current Assets			
a Fixed assets	9		
Tangible assets		2.77	3.08
Intangible assets		0.49	1.07
Capital work-in-progress		–	–
		3.26	4.15
b Non-current investments	10	172.06	265.66
b Trade receivable	14	31.36	–
c Long-term loans and advances	12	7.46	10.03
d Other non-current assets	13	329.63	303.14
		543.77	582.98
2 Current Assets			
a Current investments	11	833.60	451.34
b Trade receivable	14	5.43	35.28
c Cash and bank balances	15	2,707.57	4,960.12
d Short-term loans and advances	12	4.86	4.36
e Other Current assets	13	255.70	142.15
		3,807.16	5,593.25
TOTAL		4,350.93	6,176.23

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.
Chartered Accountants
Firm Regn. No. 103523W

SUMANT SAKHARDANDE
Partner
Membership No.034828

Place : Mumbai
Date : May 12, 2015

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

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2015**

PARTICULARS	Note No.	For the year ended 31.03.2015 (₹ in Crores)	For the year ended 31.03.2014 (₹ in Crores)
Revenue from operations	16	303.26	237.59
Other income	17	98.84	104.23
Total Revenue (I)		402.10	341.82
Expenses			
Employee benefits expenses	18	11.49	10.45
Other expenses	19	58.65	53.77
Depreciation and amortisation expenses	9	1.95	2.60
Total Expenses (II)		72.09	66.82
Profit before prior-period adjustments		330.01	275.00
Add/(Less) : Prior-period adjustments	27	(0.26)	–
Profit before tax		329.75	275.00
Less : Provision for tax			
Current tax		111.00	88.00
Deferred tax		(0.04)	0.22
Provision for earlier Year		(0.01)	0.27
Total tax expenses		110.95	88.49
Profit after tax		218.80	186.51
Earning per Equity Share (FV ₹10)	26		
Basic (₹)		48.62	41.45
Diluted (₹)		48.62	41.45
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.
Chartered Accountants
Firm Regn. No. 103523W

SUMANT SAKHARDANDE
Partner
Membership No.034828

Place : Mumbai
Date : May 12, 2015

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 2015**

	For the year ended 31.03.2015 ₹ in Crores	For the year ended 31.03.2014 ₹ in Crores
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	329.75	275.00
Add : Adjustments for :		
Depreciation for current year	1.95	2.60
Amortisation of Premium on Govt/Debt Securities	0.09	0.37
Adjustments to the carrying amount of current investments	0.00	0.05
Less: Adjustments for :		
(Profit)/Loss on sale of fixed assets	—	—
Interest Income on short term Investments	(22.16)	(12.83)
Interest Income on long term Investments	(17.35)	(15.80)
Interest income on Bank Deposit	(21.33)	(55.27)
Profit on sale / redemption of Investments	(37.77)	(8.96)
Dividend on Investment	(0.09)	(6.53)
Operating Profit Before Working Capital Changes	233.09	178.63
Adjustments for :		
Trade Receivables	(1.51)	(99.36)
Loans & Advances	(0.53)	(0.73)
Interest on operating Income	7.38	(3.97)
Current Liabilities	(2,250.79)	2,166.32
Cash Generated from Operations	(2,012.36)	2,240.89
Direct taxes paid (Net of Refunds)	(110.22)	(90.42)
Net Cash from (used in) Operating Activities - Total (A)	(2,122.58)	2,150.47
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets / Capital Work in progress	(1.06)	(0.30)
Sale of Fixed Assets	0.00	0.01
Interest Income received	58.17	77.33
Dividend on Investment	0.09	6.53
(Increase)/Decrease in Deposits with banks	203.31	150.26
(Increase)/Decrease in Investment	(250.98)	(258.57)
Net cash from (used in) Investing activities - Total (B)	9.53	(24.74)



	For the year ended 31.03.2015 ₹ in Crores	For the year ended 31.03.2014 ₹ in Crores
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceed of deposit from Clearing members / Applicant	98.06	75.66
Refund of deposit to Clearing members / Applicant	(86.10)	(57.37)
Dividend Paid (incl. corporate dividend tax)	(131.62)	(171.11)
Contribution to Core SGF	215.11	–
Net cash from (used in) financing activities - Total (C)	95.45	(152.82)
Net Increase/(Decrease) in Cash & Cash equivalents (A+B+C)	(2,017.60)	1,972.91
Cash and Cash Equivalents : Opening Balance	4,247.36	2,274.45
(includes fixed deposit with banks of ₹ 4178.43 Crores (Previous Year : ₹ 2244.00 Crores)		
Cash and Cash Equivalents : Closing Balance	2,229.76	4,247.36
(includes fixed deposit with banks of ₹ 2148.82 Crores (Previous Year : ₹ 4178.43 Crores)		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	(2,017.60)	1,972.91

Notes to Cash Flow Statement :

- 1 Cash and Cash equivalent represent bank balances and balances in fixed deposit accounts.
- 2 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 HARIBHAKTI & CO.
Chartered Accountants
Firm Regn. No. 103523W

SUMANT SAKHARDANDE
Partner
Membership No.034828

Place : Mumbai
Date : May 12, 2015

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

1 Basis of preparation

The financial statements of 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.

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 and the 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) As per the requirement of the provisions of Schedule II of the companies Act, 2013 (the "Act"), the management has carried an internal technical assessment to re-estimate useful lives and residual values of all its fixed assets. The useful lives of these assets where different from the useful lives as prescribed under Part C of Schedule II of Companies Act, 2013 represents the period over which it expects to use these assets.

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. For the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation.

Estimated useful life for various assets is as under :-

Assets	Estimated Useful Life of Asset
Office Equipment	5 years
Furniture & Fixtures	
- Movable Furniture	5 years
- Non Movable Furniture	10 years
Computer Systems	
- Servers	4 years
- End use devices such as desktops, laptops, etc.	3 years
Clearing and Settlement Systems	4 years
Telecommunications Systems	4 years

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

This change in accounting policy did not have any material impact on financial statements of the company

(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 and short-term investments with an original maturity of three months or less.

3 Share Capital

	31.03.2015 (₹ in Crores)	31.03.2014 (₹ 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				
	2010-11	2011-12	2012-13	2013-14	2014-15
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 12, 2015, proposed a dividend of ₹ 32.50 per equity share.



National Securities Clearing Corporation Limited

The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2015 amounted to ₹ 146.25 crores excluding Dividend Distribution Tax

During the year ended March 31, 2014, the amount of per share dividend recognized as distribution to equity shareholders was ₹ 25/-. The dividend appropriation for the year ended March 31, 2014 amounted to ₹ 112.50 crores excluding Dividend Distribution Tax.

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

	31.03.2015		31.03.2014	
	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

	31.03.2015 (₹ in Crores)	31.03.2014 (₹ in Crores)
Capital Redemption Reserve		
As per last balance sheet	10.00	10.00
Less: Expenses incurred Transferred from statement of profit & loss	–	–
Add : Transferred from surplus balance in the statement of profit & loss	10.00	10.00
General reserve		
As per last balance sheet	839.60	820.95
Add : Transferred from surplus balance in the statement of profit & loss	–	18.65
Add : Transferred from Special Contingency Reserve	–	–
Less: Contribution to Core Settlement Guarantee Fund (Core SGF)	344.89	–
	494.71	839.60
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	110.21	73.97
Profit for the year	218.80	186.51
Less :Deprecation Reversal (transition Effect)	0.01	–
Less : Appropriations		
Transfer to general reserve	–	18.65
Corporate Social Responsibility Expenses (Refer to Note 30)	0.03	–
Proposed dividend (refer note 3)	146.25	112.50
Tax on proposed dividend	29.77	19.12
	152.95	110.21
Total reserves and surplus	657.66	959.81



5 Deposits (Unsecured)

	Non-current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	(₹ in Crores)		(₹ in Crores)	
Security Deposit from Clearing Members	308.23	327.89	8.96	9.69
Security Deposit in lieu of Bank Guarantee/securities	62.33	60.97	1.95	2.00
Deposits from applicants for membership	–	–	3.07	3.07
Deposits from Clearing Banks	185.55	154.50	–	–
Total	556.11	543.36	13.98	14.76

6 Deferred Tax liabilities (net)

	31.03.2015	31.03.2014
	(₹ in Crores)	
Deferred Tax Liabilities		
Related to depreciation and other expenditure	0.47	0.51
Total	0.47	0.51

7 Provisions

	Short - Term	
	31.03.2015	31.03.2014
	(₹ in Crores)	
a) Provisions for Income tax		
Income tax (Net of advance tax and TDS)	6.30	8.10
Wealth Tax	–	–
b) Others		
Proposed dividend	146.25	112.50
Corporate dividend tax	29.77	19.12
	176.02	131.62
Total	182.32	139.72

8 Current liabilities

	31.03.2015	31.03.2014
	(₹ in Crores)	
Trade payables (Ref note no.20)	26.94	26.98
(Including amount due to holding company ₹ 24.08 crores (previous year ₹ 22.93 crores)	26.94	26.98
Other current liabilities		
Margins From Members	508.75	1,135.72
Settlement Obligations payable	1,640.59	3,279.30
Amount payable to Core SGF	19.68	13.03
Other liabilities	26.32	18.04
	2,195.34	4,446.09



Note No. 9 Fixed Asset as on 31-MAR-2015 (Refer Note No. 2c)

₹ In Crs										
Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 01-APR-2014	Additions	Deletions	As on 31-MAR-2015	Upto 31-Mar-2014	For the Year	Deductions during the year	Total upto 31-Mar-2015	As on 31-MAR-2015	As on 31-MAR-2014
Tangible Assets										
CLEARING AND SETTLEMENT SYSTEM	25.89	1.06	0.06	26.88	22.84	1.35	0.06	24.12	2.76	3.05
FURNITURE AND FIXTURES	0.06	–	–	0.06	0.04	0.01	–	0.05	0.01	0.02
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	0.35	–	0.01	0.34	0.34	0.00	0.01	0.34	–	0.01
Total A	26.36	1.06	0.07	27.34	23.28	1.36	0.07	24.57	2.77	3.08
Intangible Assets										
COMPUTER SOFTWARE	5.54	–	–	5.54	4.47	0.58	–	5.05	0.49	1.07
Total B	5.54	–	–	5.54	4.47	0.58	–	5.05	0.49	1.07
Grand Total (A+B)	31.90	1.06	0.07	32.88	27.75	1.95	0.07	29.62	3.26	4.15
Previous Year	32.11	0.30	0.51	31.90	25.65	2.60	0.50	27.75	4.15	–



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 31.3.2015 (₹ in crores)	Number of Units	As at 31.3.2014 (₹ in crores)
QUOTED							
GOI SECURITIES							
TAXABLE							
11.50% GOVERNMENT OF INDIA SECURITY	21-May-2015	300	100	30,000	0.00	300	0.00
				Sub-total(i)	0.00		0.00
BONDS							
TAXFREE							
6.05% INDIAN RAILWAY FINANCE CORPORATION LIMITED - SERIES 73	20-Dec-2015	500	100,000	50,000,000	-	500	5.00
8.00 % INDIAN RAILWAY FINANCE CORPN LTD - TRANCHE 1 - SERIES 1	23-Feb-2022	32,626	1,000	32,626,000	3.26	32,626	3.26
8.09% - POWER FINANCE CORPORATION - SERIES 80 A	25-Nov-2021	500	100,000	50,000,000	5.00	500	5.00
7.93 % RURAL ELECTRIFICATION CORPN LTD - TRANCHE 1 - SERIES 1	27-Mar-2022	61,238	1,000	61,238,000	6.12	61,238	6.12
8.20% NATIONAL HIGHWAYS AUTHORITY OF INDIA - TRANCHE 1 - SERIES 1	25-Jan-2022	86	1,000	86,000	0.00	86	0.01
8.20% POWER FINANCE CORPORATION LIMITED - TRANCHE 1 - SERIES 1	1-Feb-2022	42,718	1,000	42,718,000	4.27	42,718	4.27
9.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	28-Feb-2015				0.01		-
7.18 % INDIAN RAILWAY FINANCE CORPN LTD - TRANCHE 1 - SERIES 1	19-Feb-2023	150,000	1,000	150,000,000	15.00	150,000	15.00
8.46% RURAL ELECTRIFICATION CORPORATION LIMITED - NON CONVERTIBLE BONDS	29-Aug-2028	50	1,000,000	50,000,000.00	5.00	50	5.00
8.41% NTPC LIMITED	16-Dec-2023	79162	1,000	79,162,000.00	7.92	79162	7.92
				Sub-total(ii)	46.58		51.58



National Securities Clearing Corporation Limited

	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2015 (₹ in crores)	Number of Units	As at 31.3.2014 (₹ in crores)
TAXABLE							
8.82% RURAL ELECTRIFICATION CORPORATION LIMITED - SR 114	12-Apr-2023	53	1,000,000	53,000,000.00	5.17	53	5.16
8.82% RURAL ELECTRIFICATION CORPORATION LIMITED - SR 114	12-Apr-2023	47	1,000,000	47,000,000.00	4.59	47	4.57
8.82% RURAL ELECTRIFICATION CORPORATION LIMITED - SR 114	12-Apr-2023	50	1,000,000	50,000,000.00	—	50	4.81
8.80% POWER GRID CORPORATION OF INDIA LIMITED	13-Mar-2023	100	1,000,000	100,000,000.00	9.61	100	9.57
9.35% INDIAN OIL CORPORATION LIMITED	30-Apr-2015	150	1,000,000	150,000,000.00	—	150	14.92
8.95% POWER FINANCE CORPORATION LIMITED	11-Mar-2018	50	1,000,000	50,000,000.00	—	50	4.90
9.81% POWER FINANCE CORPORATION LTD. SR-109 - TXB	7-Oct-2018	250	1,000,000	250,000,000.00	—	250	25.15
9.63% RURAL ELECTRIFICATION CORPORATION LIMITED	5-Feb-2019	100	1,000,000	100,000,000.00	—	100	9.95
8.56% NUCLEAR POWER CORPORATION OF INDIA - NCD	15-Mar-2023	150	1,000,000	150,000,000.00	—	150	14.40
8.70% POWER GRID CORPORATION OF INDIA LIMITED	15-Jul-2018	50	1,000,000	50,000,000.00	4.89	50	4.85
8.76% EXPORT IMPORT BANK OF INDIA - TXB	10-Jan-2018	50	1,000,000	50,000,000.00	—	50	4.84
9.81% POWER FINANCE CORPORATION LTD.-TXB BONDS	7-Oct-2018	50	1,000,000	50,000,000.00	—	50	4.99
8.70% POWER GRID CORPORATION OF INDIA LIMITED	15-Jul-2023	50	1,000,000	50,000,000.00	4.78	50	4.75
9.70% EXPORT IMPORT BANK OF INDIA	21-Nov-2018	50	1,000,000	50,000,000.00	—	50	4.98
9.70% EXPORT IMPORT BANK OF INDIA	21-Nov-2018	500	1,000,000	500,000,000.00	—	500	50.32
Sub-total(iii)					29.04		168.16
DEBENTURES							
9.15% HOUSING DEVELOPMENT FINANCE CORPORATION LTD - NCD - SR K028	3-Apr-2016	50	1,000,000	50,000,000.00	4.96	50	4.93
9.85% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR J005	5-Jun-2015	50	1,000,000	50,000,000.00	—	50	5.04
9.60% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR J 021	7-Aug-2015	50	1,000,000	50,000,000.00	—	50	5.03
9.60% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR J 021	7-Aug-2015	50	1,000,000	50,000,000.00	—	50	5.03
9.70% HOUSING DEVELOPMENT FINANCE CORPORATION LTD - NCD	16-Apr-2015	150	1,000,000	150,000,000.00	—	150	15.08
10.05% HDB FINANCIAL SERVICES LIMITED - NCD	10-Feb-2017	100	1,000,000	100,000,000.00	10.00	100	10.00
10.60% LIC HOUSING FINANCE - DEB	6-Sep-2016	50	1,000,000	50,000,000.00	5.06	—	—
9.75% HDFC - DEB	10-Oct-2016	50	1,000,000	50,000,000.00	5.02	—	—
10.18% LIC HOUSING FINANCE - DEB	19-Sep-2016	200	1,000,000	200,000,000.00	20.15	—	—



	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2015 (₹ in crores)	Number of Units	As at 31.3.2014 (₹ in crores)
9.68% TATA SONS LIMITED - DEB	10-Jan-2017	50	1,000,000	50,000,000.00	5.01	-	-
9.65% IL&FS FINANCIAL SERVICES LIMITED - DEB	18-Sep-2017	30000	1,000	30,000,000.00	3.00	-	-
9.06% HDB FINANCIAL SERVICES LIMITED - DEB	20-Jun-2016	150	1,000,000	150,000,000.00	15.00	-	-
9.10% HDB FINANCIAL SERVICES LIMITED - NCD	29-Dec-2017	150	1,000,000	150,000,000.00	15.00	-	-
Sub-total(iv)					83.20		45.11
Other Investments							
UNQUOTED							
INVESTMENT IN EQUITY SHARES (VALUED AT COST UNLESS STATED OTHERWISE)							
NSE STRATEGIC INVESTMENT CORPORATION LIMITED		413,022	10	4,130,220.00	0.41	0	0.41
Sub-total(v)					0.41		0.41
INVESTMENT IN PREFERENCE SHARES							
6% NON-CUMULATIVE COMPULSORILY CONVERTIBLE PREFERENCE SHARES OF NSE STRATEGIC INVESTMENT CORPORATION LIMITED	27-Mar-2022	22,500	10	225,000.00	0.02	22,500	0.02
	1-Jun-2022	57,564	10	575,640.00	0.06	57,564	0.06
	21-Jul-2022	9,020	10	90,200.00	0.01	9,020	0.01
	27-Jul-2022	31,570	10	315,700.00	0.03	31,570	0.03
	1-Sep-2022	54,120	10	541,200.00	0.05	54,120	0.05
	30-Sep-2022	26,650	10	266,500.00	0.03	26,650	0.03
	19-Feb-2023	211,548	10	2,115,480.00	0.21	211,548	0.21
Sub-total(vi)					0.41		0.41
					-		



INVESTMENT IN EXCHANGE TRADED FUNDS					
QUOTED	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2015 (₹ in crores)
GOLDMAN SACHS NIFTY EXCHANGE TRADED SCHEME - INF732E01011		147,555	10	1,475,550.00	12.42
				Sub-total(vii)	12.42
				Total (i+ii+iii+iv+v+vi+vii)	172.06
					0.00
					265.66

Note :

Aggregate Book Value - Quoted Investments

(Aggregate Market Value of the quoted investments is ₹184.00 crores
(Previous Year : ₹269.51 crores)

Aggregate Book Value - Unquoted Investments

As at 31.03.2015 (₹ in crores)	As at 31.03.2014 (₹ in crores)
171.24	264.84
0.83	0.83
172.06	265.66



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 31.3.2015 (₹ in crores) (Figures in bracket indicates amount earmarked towards Core SGF)	Number of Units	As at 31.3.2014 (₹ in crores)
I CURRENT PORTION OF LONG TERM INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)							
A) QUOTED							
GOI SECURITIES							
TAXABLE							
11.50% GOVERNMENT OF INDIA SECURITY	21-May-2015	300.00	100	30,000	0.00	300	0.00
				Sub-total(i)	0.00		0.00
TAXFREE BONDS							
5.25% NUCLEAR POWER CORPORATION OF INDIA LIMITED	23-Mar-2014	100.00	1,000,000	100,000,000.00	-	100	-
6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES I	22-Jan-2014	6,750.00	100,000	675,000,000.00	-	6,750	-
6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES II	20-Mar-2014	2,875.00	100,000	287,500,000.00	-	2,875	-
9.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	28-Feb-2015	90.00	1,000,000	90,000,000.00	-	90	9.10
6.05% INDIAN RAILWAY FINANCE CORPORATION LIMITED - SERIES 73	20-Dec-2015	500.00	100,000	50,000,000.00	5.00	-	-
				Sub-total(i)	5.00		9.10
TAXABLE BONDS							



National Securities Clearing Corporation Limited

	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2015 (₹ in crores) (Figures in bracket indicates amount earmarked towards Core SGF)	Number of Units	As at 31.3.2014 (₹ in crores)
5.75% NUCLEAR POWER CORPORATION OF INDIA LTD.	14-Aug-2013	200.00	100,000	20,000,000.00	-	200	-
8.85% POWER FINANCE CORPORATION LIMITED - SR 93A	15-Oct-2014	5.00	1,000,000	5,000,000.00	-	5	0.49
8.85% POWER FINANCE CORPORATION LIMITED - SR 93A	15-Oct-2014	45.00	1,000,000	45,000,000.00	-	45	4.45
9.63% POWER FINANCE CORPORATION LIMITED	15-Dec-2014	100.00	1,000,000	100,000,000.00	-	100	9.99
9.35% INDIAN OIL CORPORATION LIMITED	30-Apr-2015	150.00	1,000,000	150,000,000.00	14.99	-	-
				Sub-total(ii)	14.99		14.93
DEBENTURES							
9.70% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR I	23-Feb-2015	50.00	1,000,000	50,000,000.00	-	50	5.01
9.85% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR J005	5-Jun-2015	50.00	1,000,000	50,000,000.00	5.01	-	-
9.60% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR J 021	7-Aug-2015	50.00	1,000,000	50,000,000.00	5.01	-	-
9.60% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR J 021	7-Aug-2015	50.00	1,000,000	50,000,000.00	5.00	-	-
9.70% HOUSING DEVELOPMENT FINANCE CORPORATION LTD - NCD	16-Apr-2015	150.00	1,000,000	150,000,000.00	15.00	-	-
				Sub-total(iii)	30.02		5.01
				TOTAL (I)	50.01		29.04



	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2015 (₹ in crores) (Figures in bracket indicates amount earmarked towards Core SGF)	Number of Units	As at 31.3.2014 (₹ in crores)
II CURRENT INVESTMENTS (VALUED AT LOWER OF COST OR FAIR VALUE)							
A) QUOTED DEBENTURES							
9.65% HOUSING DEVELOPMENT FINANCE CORP LTD - NCD	16-Aug-2014	50.00	1,000,000	50,000,000.00	-	50	4.99
9.90% BAJAJ FINANCE LTD - NCD	24-Sep-2014	10.00	10,000,000	100,000,000.00	-	10	9.98
9.75% ADITYA BIRLA FINANCE LIMITED - NCD	13-Oct-2014	150.00	1,000,000	150,000,000.00	-	150	14.97
10.10% MAHINDRA FINANCIAL SERVICES LTD - NCD	9-Sep-2014	100.00	1,000,000	100,000,000.00	-	100	9.98
10.20% MAHINDRA FINANCIAL SERVICES LTD - NCD	8-Jul-2014	75.00	1,000,000	75,000,000.00	-	75	7.49
10.4% SUNDARAM FINANCE LIMITED - NCD	20-Jun-2014	19.00	1,000,000	19,000,000.00	-	19	1.90
10.4% SUNDARAM FINANCE LIMITED - NCD	20-Jun-2014	31.00	1,000,000	31,000,000.00	-	31	3.10
10.40% TATA MOTORS FINANCE LIMITED - TXB	22-May-2015	50.00	1,000,000	50,000,000.00	5.00	-	-
10.40% TATA MOTORS FINANCE LIMITED - TXB	22-May-2015	100.00	1,000,000	100,000,000.00	10.00	-	-
10.40% TATA MOTORS FINANCE LIMITED - TXB	22-May-2015	100.00	1,000,000	100,000,000.00	10.01	-	-
9.50% HDB FINANCIAL SERVICES LIMITED	22-Dec-2015	50.00	1,000,000	50,000,000.00	5.00	-	-
11.10% FULLERTON INDIA CREDIT COMAPNY LIMITED - DEB	4-Sep-2015	50.00	1,000,000	50,000,000.00	5.03	-	-
9.93% TATA CAPITAL FINANCIAL SERVICES LIMITED	31-Jul-2015	200.00	1,000,000	200,000,000.00	20.02	-	-
10.40% TATA MOTORS FINANCE LIMITED - TXB	22-May-2015	150.00	1,000,000	150,000,000.00	15.01	-	-
9.985 % TATA MOTORS FINANCE LIMITED - DEB	26-Oct-2015	100.00	1,000,000	100,000,000.00	10.02	-	-
10.80 DEWAN HOUSING FINANCE CORPORATION LTD - DEB	5-Dec-2015	100.00	1,000,000	100,000,000.00	10.06	-	-
10.80 DEWAN HOUSING FINANCE CORPORATION LTD - DEB	5-Dec-2015	50.00	1,000,000	50,000,000.00	5.03	-	-
10.80 DEWAN HOUSING FINANCE CORPORATION LTD - DEB	5-Dec-2015	50.00	1,000,000	50,000,000.00	5.03	-	-



National Securities Clearing Corporation Limited

	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2015 (₹ in crores) (Figures in bracket indicates amount earmarked towards Core SGF)	Number of Units	As at 31.3.2014 (₹ in crores)
9.30% TATA SONS LIMITED - DEB	24-Dec-2015	50.00	1,000,000	50,000,000.00	5.00	-	-
10.80 DEWAN HOUSING FINANCE CORPORATION LTD - DEB	5-Dec-2015	150.00	1,000,000	150,000,000.00	15.09	-	-
TAXABLE BONDS				Sub-total(i)	120.30		52.41
7.22% RURAL ELECTRIFICATION CORPORATION 31-Dec-2014 LIMITED		6.00	1,000,000	6,000,000.00	-	6	0.59
6.85% INDIAN RAILWAY FINANCE CORPORATION LTD	16-Sep-2014	7.00	1,000,000	7,000,000.00	-	7	0.69
				Sub-total(ii)	0.00		1.28
B) UNQUOTED							
MUTUAL FUNDS							
AXIS LIQUID FUND - DIRECT - GROWTH		32,254.13	1,550.19	50,000,000.00	5.00	296.5885	0.04
BARODA PIONEER LIQUID FUND - PLAN B - DIRECT - GROWTH		-	-	-	-	913.0844	0.13
BARODA PIONEER TREASURY ADVANTAGE FUND PLAN B - GROWTH		71,306.43	1,402.40	100,000,000.00	10.00	73,129.4439	10.26
BOI AXA LIQUID FUND- DIRECT PLAN - GROWTH		31,037.95	1,610.93	50,000,000.00	5.00	-	-
BIRLA SUN LIFE CASH PLUS - DAILY DIVIDEND - REINVESTMENT		-	-	-	-	101.3659	-
BIRLA SUN LIFE CASH PLUS - DIRECT - GROWTH		-	-	-	-	1,273,212.2057	26.12
DSP BLACKROCK LIQUIDITY FUND - DIRECT - GROWTH		88.16	1,771.02	156,128.64	0.02	1,214.3458	0.22
DWS TREASURY FUND - CASH - DIRECT - GROWTH		1,246.51	148.44	185,036.02	0.02	-	-
HDFC FMP 91 D FEB 2015 (I)		10,000,000.00	10.00	100,000,000.00	10.00	-	-
ICICI PRUDENTIAL LIQUID - DIRECT PLAN - GROWTH		1,842.71	203.37	374,757.21	0.04	9,537.1740	0.17



Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2015 (₹ in crores) (Figures in bracket indicates amount earmarked towards Core SGF)	Number of Units	As at 31.3.2014 (₹ in crores)
ICICI PRUDENTIAL MONEY MARKET FUND - DIRECT- GROWTH	901.72	178.39	160,857.62	0.02	—	—
ICICI PRUDENTIAL ULTRA SHORT TERM PLAN - DIRECT - GROWTH	3,282,371.48	13.71	45,000,000.00	4.50	—	—
IDFC MONEY MANAGER - TREASURY PLAN - DIRECT - GROWTH	11,297,903.11	22.13	250,000,000.00	25.00	—	—
INDIABULLS LIQUID FUND - DIRECT - GROWTH	—	—	—	—	1,044.9070	0.13
JM HIGH LIQUIDITY FUND - DIRECT GROWTH	763,159.00	33.74	25,750,424.43	2.58	780,220.2870	2.63
JPMORGAN INDIA LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN	—	—	—	—	80,604.8583	0.08
JPMORGAN INDIA LIQUID FUND - DIRECT - GROWTH	14,248,228.62	17.78	253,366,567.05	25.34	6,366,355.4619	10.42
KOTAK LIQUID SCHEME - PLAN A - DIRECT - GROWTH	8.75	2,825.61	24,737.35	—	—	—
L&T CASH FUND - DIRECT PLAN - GROWTH	—	—	—	—	20.1778	—
L&T LIQUID FUND - DIRECT - GROWTH	—	—	—	—	318.5656	0.06
LIC NOMURA MF LIQUID FUND - DIRECT - GROWTH	114.46	2,511.52	287,478.88	0.03	492.1331	0.11
PRINCIPAL CASH MANAGEMENT - DIRECT PLAN - GROWTH	13.19	1,201.35	15,848.88	—	200,816.0522	25.02
RELIANCE LIQUID FUND - CASH PLAN - DIRECT - GROWTH	73,598.66	2,241.89	165,000,000.00	16.50	188,488.3246	38.75
RELIANCE LIQUID FUND - TP - DIRECT - GROWTH	—	—	—	—	45.3144	0.01
RELIGARE INVESCO LIQUID FUND - DIRECT - GROWTH	—	—	—	—	376.9446	0.07
SBI MAGNUM INSTA CASH FUND - DIRECT - GROWTH	13.18	2,702.77	35,619.75	—	13.1790	—
SUNDARAM MONEY FUND - DIRECT PLAN - GROWTH	214,394.60	28.84	6,183,310.46	0.62	23,160.3520	0.06



National Securities Clearing Corporation Limited

Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2015 (₹ in crores) (Figures in bracket indicates amount earmarked towards Core SGF)	Number of Units	As at 31.3.2014 (₹ in crores)
TATA LIQUID FUND DIRECL PLAN - GROWTH	698.73	2,281.63	1,594,239.43	0.16	17,949,5430	4.10
TATA MONEY MARKET FUND - DIRECT - GROWTH	-	-	-	-	49,741,4970	10.03
TEMPLETON INDIA TMA - DIRECT - GROWTH	80,875.16	1,863.48	150,709,563.12	15.07	854,078,1720	162.37
TEMPLETON INDIA ULTRA SHORT BOND FUND - DIRECT PLAN - GROWTH	22,270,720.87	18.52	412,500,000.00	41.25	2,013,541,2170	3.31
UTI MONEY MARKET FUND - INSTITUTIONAL PLAN - DIRECT - GROWTH	-	-	-	-	73,0380	0.01
BIRLA SUN LIFE SAVINGS FUND - DIRECT - DAILY DIVIDEND REINVEST	5,925,331.92	100.30	594,294,200.67	59.43 (59.43)		
ICICI PRUDENTIAL FLEXIBLE INCOME - DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT	9,639,974.67	105.74	1,019,290,434.01	101.93 (101.93)		
ICICI PRUDENTIAL MONEY MARKET FUND - DIRECT - DAILY DIVIDEND REINVESTMENT	208,813.97	100.14	20,911,361.50	2.09 (2.09)		
JPMORGAN INDIA LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN	8,125,474.91	10.01	81,337,356.66	8.13 (8.13)		
JPMORGAN INDIA LIQUID FUND - DIRECT - GROWTH	21,534,594.68	17.78	382,923,855.67	38.29 (38.29)		
KOTAK LIQUID SCHEME - PLAN A - DIRECT - DAILY DIVIDEND	24,268.80	1,222.81	29,676,135.95	2.97 (2.97)		
RELINCE LIQUID FUND - TP - DIRECT PLAN - DAILY DIVIDEND	503,086.01	1,528.74	769,087,703.14	76.91 (76.91)		
RELIGARE INVESCO ULTRA SHORT TERM FUND - DIR - DAILY DIVIDEND REINVESTMENT	1,359,959.57	1,017.97	1,384,396,006.32	138.44 (138.44)		
TEMPLETON INDIA - TMA - DAILY DIVIDEND - DIRECT PLAN	236,668.43	1,001.85	237,106,693.08	23.71 (23.71)		
Sub-total(iii)				613.04 (451.90)		294.10



	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2015 (₹ in crores) (Figures in bracket indicates amount earmarked towards Core SGF)	Number of Units	As at 31.3.2014 (₹ in crores)
C) COMMERCIAL PAPER							
TATA MOTORS FINANCE LIMITED	30-Apr-2014	500.00	500,000	250,000,000.00	-	500	22.94
BAJAJ FINANCE LIMITED	1-Oct-2014	100.00	500,000	50,000,000.00	-	100	4.70
BAJAJ FINANCE LIMITED	22-Jan-2015	300.00	500,000	150,000,000.00	-	300	13.67
TATA MOTORS FINANCE LIMITED	26-Sep-2014	100.00	500,000	50,000,000.00	-	100	4.70
TATA MOTORS FINANCE LIMITED	26-Sep-2014	400.00	500,000	200,000,000.00	-	400	18.68
INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED	9-May-2014	200.00	500,000	100,000,000.00	-	200	9.83
BAJAJ FINANCE LIMITED - CP	6-Apr-2015	600.00	500,000	300,000,000.00	27.40	-	-
TATA CAPITAL LIMITED - CP	3-Aug-2015	500.00	500,000	250,000,000.00	22.85	-	-
				Sub-total(iv)	50.25		74.52
				TOTAL (II)	783.59 (451.90)		422.31
				GRAND TOTAL (I + II)	833.60 (451.90)		451.34

Note :

Aggregate Book Value - Quoted Investments
(Aggregate Market Value of the quoted investments is ₹ 170.75 crores
(Previous Year : ₹ 23.09 crores)

Aggregate Book Value - Unquoted Investments

Provision for Diminution in Value of Investments

As at 31.03.2015 (₹ in crores)	As at 31.03.2014 (₹ in crores)
170.31	82.72
663.29	368.62
833.60	451.34
0.00	0.02



12 Loans and advances

	Long Term		Short Term	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	(₹ in Crores)		(₹ in Crores)	
Capital advances				
Secured, considered good	–	–	–	–
Unsecured, considered good	0.03	–	–	–
(A)	0.03	–	–	–
Advances recoverable in cash or kind				
Secured, considered good	–	–	–	–
Unsecured, considered good	–	–	4.86	4.36
(B)	–	–	4.86	4.36
Other loans and advances				
Income Tax paid including TDS (Net of Provisions)	7.31	9.91	–	–
Other deposits	0.12	0.12	–	–
(C)	7.42	10.03	–	–
Total (A+B+C)	7.46	10.03	4.86	4.36

13 Other assets

	Non-current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	(₹ in Crores)		(₹ in Crores)	
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note no.15)	302.42	270.78	–	–
	302.42	270.78	–	–
Others				
Interest accrued on Investments	17.05	15.53	3.96	2.74
Interest accrued on certificate of deposits	–	–	–	0.08
Interest accrued on Bank deposits	10.16	16.83	66.25	66.95
Receivable From members towards Core SGF (note no. 23)	–	–	113.11	–
Other receivables (note no. 28)	–	–	72.38	72.38
	27.22	32.36	255.70	142.15
Total	329.63	303.14	255.70	142.15



14 Trade receivables

	Non-current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	(₹ 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	31.36	–	0.03	29.69
	31.36	–	0.03	29.69
Other debts				
Secured, considered good	–	–	–	–
Unsecured, considered good	–	–	5.40	5.59
	–	–	5.40	5.59
Total	31.36	–	5.43	35.28

15 Cash and bank balances

	Non-current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	(₹ in Crores)		(₹ in Crores)	
Cash and cash equivalents				
Balances with banks :				
On current accounts	–	–	80.95	68.93
Deposits with original maturity of less than three months	–	–	2,052.19	3,277.25
Earmarked Deposits with original maturity of less than three months (including ₹51.92 crores towards withheld payouts and ₹ 44.70 crores pertaining to Core SGF)	–	–	96.62	901.18
Cash on hand	–	–	–	–
	–	–	2,229.76	4,247.36
Other bank balances				
Deposits with original maturity for more than 12 months	222.42	154.75	377.82	243.84
Earmarked Deposits with original maturity for more than 12 months	80.00	116.03		172.79
Deposits with original maturity for more than 3 months but upto 12 months	–	–	9.99	181.15
Earmarked Deposits with original maturity for more than 3 months but upto 12 months	–	–	90.00	90.09
Certificate of Deposits				24.90
Earmarked Certificate of Deposits				
	302.42	270.78	477.81	712.76
Amount disclosed under non-current assets (note 13)	302.42	270.78	–	–
Total	–	–	2,707.57	4,960.12



16 Revenue from operations

	31.03.2015 (₹ in Crores)	31.03.2014 (₹ in Crores)
Sale of Services		
Clearing & Settlement Charges	91.18	75.63
	91.18	75.63
Other operating revenues		
IT & Process Support Charges	–	–
Software Usage Charges	–	–
Connect to NSE Services	3.59	3.17
Interest received	203.86	157.21
Processing Charges	4.63	1.58
Total	303.26	237.59

17 Other income

Interest Income on			
On Investment			
- Short Term	21.35	12.13	
- Long Term	17.35	15.80	
On Bank Deposits	21.33	55.27	
On Certificate of Deposits	0.80	0.71	
On Others	0.02	0.76	84.66
Dividend income			
Long Term	–	–	
Short Term	0.09		6.53
Net gain / loss on sale of long term Investment	–		–
Net gain / loss on sale of current Investment	37.77		8.96
Professional Fees (From NCDEX)	–		3.69
Miscellaneous Income	0.13		0.39
Total	98.84		104.23

18 Employee benefits expenses (Refer Note No. 22)

Salaries, wages and bonus	10.42	9.40
Contribution to provident and other fund	0.43	0.41
Employees welfare expenses	0.64	0.64
Total	11.49	10.45

**19 Other expenses**

Space & Infrastructure Usage Charges	3.53	5.03
Common Usage Expenses (Refer Note No. 2 c (i))	12.44	6.77
Insurance Premium	0.05	0.10
Printing, Stationery & Consumables	0.50	0.49
Auditors' Remuneration (refer note below)	0.11	0.09
Professional fees	3.70	3.87
Repairs & Maintenance :		
- On Building	0.27	0.17
- On Computer systems	16.13	14.53
- Others	0.12	0.21
IT Management & Consultancy Charges	6.51	4.72
Software Expenses	2.92	3.48
Directors' Sitting fees	0.25	0.10
Electricity expenses	2.51	2.37
Rates and Taxes	0.02	0.01
Adjustments to the carrying amount of current investments	0.00	0.05
Amortisation of Premium on Government / Debt Securities	0.09	0.37
Other expenses	9.50	11.41
Total	58.65	53.77
Note :		
Payment to auditor		
As auditor :		
Audit fees	0.08	0.06
Other services	0.03	0.03
Total	0.11	0.09

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: ₹ 0.03 Crores (Previous Year : NIL)

Others: ₹ 0.17 Crores (Previous Year: ₹ 0.06 Crs)

22 Payments to and provision for employees represents 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.

23 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



National Securities Clearing Corporation Limited

Fund (Core SGF) by the Clearing Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%) for each segment. Details of Core SGF as on 31-Mar-2015 are as follows :

₹ in Crs.

Details of MRC of Core SGF	CM	FO	CD	Debt	Total
NSCCL own contribution	62.81	239.46	39.62	3.00	344.89
Contribution by NSCCL on behalf of Member	19.19	77.54	16.38	–	113.11
Member Deposits	4.83	10.79	0.94	–	16.56
Member Cash Equivalents	7.01	31.01	2.08	–	40.10
Contribution by NSE	31.00	119.00	19.00	1.00	170.00
Total	124.84	477.80	78.02	4.00	684.66

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

₹ in Crs.

I Contribution to Corpus of Core SGF	CM	FO	CD	Debt	Total
a NSCCL own contribution	62.81	239.46	39.62	3.00	344.89
b Contribution by NSCCL on behalf of Member	19.19	77.54	16.38	–	113.11
c Member Deposits	4.83	10.79	0.94	–	16.56
d Contribution by NSE	31.00	119.00	19.00	1.00	170.00
1 Total (a+b+c+d)	117.83	446.79	75.94	4.00	644.56
2 Penalty*	1.07	14.66	0.57	–	16.29
3 Income on Investments*	2.16	8.69	1.35	0.05	12.25
Grand Total (1+2+3)	121.06	470.13	77.86	4.05	673.11
II Details of Investment	CM	FO	CD	Debt	Total
1 Mutual Funds	75.55	320.02	53.57	2.75	451.90
2 Fixed Deposit with Banks	25.00	130.00	15.00	–	170.00
3 Flexi Fixed Deposits	18.67	18.91	7.12	–	44.70
4 Balance in Bank Accounts	1.84	1.20	2.17	1.30	6.51
Grand Total (1+2+3+4)	121.07	470.13	77.86	4.05	673.11

* Net of applicable corporate tax ₹ 9.38 Crs, on cash basis.

- 24 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 Companies (Accounting Standards) Rules, 2006 (as amended) are not applicable.
- 25 In compliance with Accounting Standard 18 - "Related Party Disclosures" notified under Companies (Accounting Standards) Rules, 2006 (as amended), 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 :

Name of the Related Party	Nature of Transactions	Year ended 31.03.2015	Year ended 31.03.2014
National Stock Exchange of India Ltd.	• Clearing and Settlement charges received	102.45	84.98
	• Usage charges paid	13.97	7.61
	• Reimbursement paid for expenses on staff on deputation	12.19	11.02
	• Reimbursement paid for other expenses incurred	33.56	24.03
	• Space & Infrastructure Usage Charges paid	3.97	5.65
	• Dividend paid	112.50	146.25
	• Outstanding balance – (Credit) / Debit	(24.08)	(22.93)
NSE.IT Ltd.	• Repairs & Maintenance – Clearing & Computer systems	1.24	0.53
	• Outstanding balance – (Credit) / Debit	(0.28)	(0.12)
NSE Infotech Services Limited	• Repairs & Maintenance – Clearing & Computer systems	6.24	7.71
	• Outstanding balance – (Credit) / Debit	(1.43)	(1.66)
NSE Strategic Investment Corporation Limited	• Investment in Preference Share Capital	–	0.39
	• Investment in Equity Share Capital	–	0.39
	• Outstanding balance – (Credit) / Debit	–	–
	• Investment in Preference Share Capital	0.41	0.41
	• Investment in Equity Share Capital	0.41	0.41
Key Management Personnel	Gross remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	0.66	

- 26 In accordance with Accounting Standard 20 - "Earning per Share" notified under Companies (Accounting Standards) Rules, 2006 (as amended), the required disclosure is given below.

Earning per share

	Year ended 31.03.2015	Year ended 31.03.2014
Net Profit attributable to Shareholders (₹ In Crores)	218.80	186.51
Weighted Average number of equity shares issued (No. in Crores)	4.5	4.5
Basic earnings per share of ₹ 10/- each (in ₹)	48.62	41.45

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.



National Securities Clearing Corporation Limited

27 Prior period items for previous year includes :

Particulars	₹ Crores
Others	0.26
Total	0.26

28 During the previous year, dues amounting to ₹ 72.38 crs. of defaulter member, after netting off available deposits and collaterals in the form of securities (subject to realisation) available with the company have been appropriated 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.

29 **Contingent liabilities and Commitments :**

- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ NIL (Previous Year : NIL)
- Claims against company not acknowledged as debts: ₹ 6.34 Crores (Previous Year : ₹ 6.69 Crores)
- A suit has been filed against the Company for damages / compensation amounting to ₹152.57 Crores (Previous Year : ₹ NIL) 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 ₹ 5.07 Crores (Previous Year : ₹ 7.40 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.

30 As per the Section 135 of the Companies Act, 2013 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. Accordingly, total amount to be spent by the Company for the financial year 2014-15 is ₹ 5.73 crores . The total expenditure incurred on CSR activities during the year ended March 31, 2015 is ₹ 0.03 crores.

31 Previous year figures have been regrouped / reclassified wherever necessary.

For and on behalf of the Board of Directors

C.M. VASUDEV
CHAIRMAN

T VENKATA RAO
Managing Director

Place : Mumbai
Date : May 12, 2015

R. JAYAKUMAR
Company Secretary

AMIT AMLANI
Chief Financial Officer