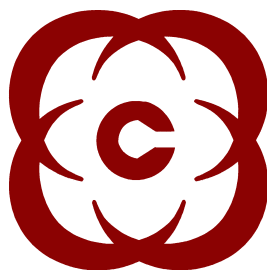


**NATIONAL SECURITIES CLEARING
CORPORATION LIMITED**

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



NINETEENTH ANNUAL REPORT
2013-14



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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. Gagan Rai		
Mr. L. Ravi Sankar		

MANAGEMENT TEAM

Mr. T. Venkat Rao	:	Head- NSCCL
Mr. Amit Amlani*	:	Chief Financial Officer
Mr. R. Jayakumar*	:	Company Secretary

AUDITORS

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

:	“Exchange Plaza” Plot No. C – 1, Block ‘G’ Bandra Kurla Complex Bandra (East) Mumbai – 400 051
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Registrar & Transfer Agents

:	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound L B S Marg, Bhandup (West) Mumbai – 400 078
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*As on April 28, 2014



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report and Audited Accounts of the Company for the year ended March 31, 2014.

I. OPERATIONS

Your company, a wholly-owned subsidiary of National Stock Exchange of India Limited (NSEIL), carries out the clearing and settlement of the trades executed on the Capital Market (CM), Futures & Options (F&O), Currency Derivatives (CD), Securities Lending and Borrowing (SLBS), Mutual Funds (MFSS) segment, Debt segment and OTC trades in Corporate Bonds. National Securities Clearing Corporation Limited (NSCCL) guarantees settlement of trades executed on the Capital Market, Futures and Options, Securities Lending & Borrowing and Currency Derivatives segments.

1. Settlement – Capital Market segment

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

During the period under review, 250 rolling settlements were handled in dematerialised mode. Per settlement figures in value terms in the current year are as follows:

The average value of securities handled per settlement was ₹ 3,292.17 crores in 2013-14 compared to ₹ 3,190.02 crores in 2012-13. The average funds pay-in per settlement during the above periods was ₹ 1,087.36 crores and ₹ 1,004.14 crores respectively. The average number of shares processed per settlement was about 1,695.72 lakhs in 2013-14 compared to 1,840.04 lakhs in 2012-13. Short deliveries per settlement averaged around 0.15% in 2013-14 as compared to 0.14% in 2012-13.

The highest trading volume of ₹ 19,112.64 crores was observed on March 07, 2014 and the highest deliverable value of ₹ 6,033.58 crores was observed on March 11, 2014. Percentage of number of shares deliverable to number of shares traded increased to 28.17% in 2013-14 from 27.98% in 2012-13. Percentage of value of shares deliverable to value of shares traded increased to 29.70% in 2013-14 from 29.53% in 2012-13. The Settlement Guarantee Fund stood at ₹ 5,041.46 crores as on 31st March 2014. The details of settlements carried out by NSCCL are presented in Table-1.



Table No.1-Settlement Statistics for 2013-2014 – Capital Market Segment

Month	Quantity of Shares Traded (lakh)	Quantity of Shares Deliverable (lakhs)	% of Shares Deliverable to Total Shares Traded	Value of Shares Traded (₹ Crores)	Value of Shares Deliverable (₹ Crores)	% of Delivery to Value of Shares Traded	% of Short Delivery to Delivery	Funds-Pay In (₹ Crores)	Settlement Guarantee Fund (₹ Crores)	No. of settlements
Apr-13	119111.29	32303.40	27.12%	211211.91	61273.32	29.01%	0.17%	19865.54	4675.70	20.00
May-13	125261.22	34643.53	27.66%	236531.31	68262.92	28.86%	0.19%	21577.40	4846.98	23.00
Jun-13	114498.54	32068.96	28.01%	205907.43	64167.48	31.16%	0.15%	23231.78	4699.34	20.00
Jul-13	132615.40	37341.26	28.16%	247124.96	75637.83	30.61%	0.15%	23747.91	4550.55	23.00
Aug-13	134614.55	35966.10	26.72%	242937.06	71174.90	29.30%	0.13%	24084.99	4114.50	20.00
Sep-13	135779.53	38712.03	28.51%	256409.44	74674.57	29.12%	0.12%	25824.55	4195.24	20.00
Oct-13	125304.29	33549.63	26.77%	228521.40	62810.17	27.49%	0.14%	19384.45	4149.29	21.00
Nov-13	121208.85	34129.59	28.16%	222304.21	63856.68	28.72%	0.13%	21504.19	4295.24	20.00
Dec-13	135067.51	40400.81	29.91%	235183.56	72930.37	31.01%	0.12%	25028.23	4301.72	21.00
Jan-14	136321.01	37777.46	27.71%	246433.99	73786.82	29.94%	0.13%	23256.01	4293.25	23.00
Feb-14	95427.03	27853.65	29.19%	185578.85	57678.49	31.08%	0.13%	18033.83	4185.96	19.00
Mar-14	129924.13	39184.24	30.16%	253093.52	76788.29	30.34%	0.13%	26302.24	5041.46	20.00

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

2. Securities Lending and Borrowing segment (SLBS)

NSCCL is an Approved Intermediary (AI) for SLBS with SEBI. In 2013-14, the volumes in SLBS increased by 3.32% from ₹ 4,836.50 crores in 2012-13 to ₹ 4,996.88 crores. As compared to previous year, during 2013-14, securities traded in SLBS increased from 105 to 110 and number of participants traded too increased from 52 to 61. As on March 31, 2014, there are 115 participants, 4 custodian-cum-participants and 5 custodians registered in SLBS.

3. Settlement - F&O segment

The period April 2013 - March 2014 witnessed an increase in the total amount settled. The total value of settlement increased from ₹ 56,758.80 crores in 2012-13 to ₹ 59,131.04 crores in 2013-14. The highest monthly settlement was ₹ 7,402.02 crores in the month of August 2013. August 2013 witnessed the highest monthly trading volumes of ₹ 38,13,920.69 crores while the highest daily trading volume on NSE during April 2013 –March 2014 was ₹ 3,77,262.52 crores, witnessed on March 27, 2014 with total of 1,13,44,846 contracts being traded.

The details of turnover and month-wise settlement values during the year April 01, 2013 to March 31, 2014 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-13	1038.49	3010162.93	2994.26	138.47	1153.99	156.95	4443.67
May-13	1155.22	3503801.19	3802.99	92.57	1094.52	153.04	5143.12
Jun-13	1107.13	3190886.52	3703.77	233.71	1034.28	486.85	5458.61
Jul-13	1081.56	3180392.71	4358.96	125.27	1082.09	133.87	5700.19
Aug-13	1422.24	3813920.69	5274.29	358.69	1439.80	329.24	7402.02
Sep-13	1189.12	3381557.66	4273.44	30.44	1352.35	176.96	5833.19
Oct-13	1065.10	3206065.82	2669.13	74.46	1135.32	131.29	4010.20
Nov-13	967.00	2898504.30	3223.00	47.01	949.40	67.08	4286.49
Dec-13	900.91	2787961.95	2732.79	23.80	1143.38	145.06	4045.03
Jan-14	1057.14	3324373.67	4054.38	151.87	919.49	102.80	5228.54
Feb-14	847.37	2586398.40	2061.54	53.02	770.00	63.48	2948.04
Mar-14	1012.96	3327382.20	3142.42	95.99	1182.64	210.89	4631.94

As on March 31, 2014, the Settlement Guarantee Fund in F&O segment stood at ₹ 25,363.47 crores.

4. Settlement – Currency Derivatives segment

The year 2013-14 witnessed a decrease in the total settlement values from ₹ 8,647.91 crores in 2012-13 to ₹ 6,550.73 crores. The highest monthly settlement value was ₹ 1,673.12 crores in the month of June 2013. The highest trading volume in Currency Futures on NSE during this period was ₹ 41,926.20 crores witnessed on June 20, 2013 with total of 69,33,857 contracts being traded and in Currency Options it was ₹ 27,397.70 crores, witnessed on June 20, 2013 with total of 46,00,706 contracts being traded. The highest trading volume in Interest Rate Futures on NSE during this period was ₹ 3,081.49 crores witnessed on January 21, 2014 with total of 1,51,134 contracts being traded.

The details of turnover and month-wise settlement values during the year April 01, 2013 to March 31, 2014 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-13	532.16	293509.09	321.52	6.06	270.57	148172.90	144.39	42.24	514.21
May-13	686.25	383936.08	418.70	16.45	351.17	194524.16	190.47	98.83	724.44
Jun-13	828.68	492159.91	1190.41	4.42	482.22	283152.88	305.52	172.75	1673.12
Jul-13	477.66	293175.91	674.80	7.01	192.65	116563.50	165.50	26.85	874.15
Aug-13	428.74	284502.55	741.18	31.98	88.81	56304.91	94.30	55.76	923.21
Sep-13	385.69	257586.04	483.55	4.44	70.78	46046.09	75.43	26.97	590.39
Oct-13	286.68	183084.32	159.10	1.13	61.36	38287.09	39.69	6.93	206.85
Nov-13	240.73	156867.25	212.51	1.60	64.98	41041.59	38.30	7.64	260.06
Dec-13	230.06	149638.95	153.95	0.82	58.15	36425.53	37.69	7.62	200.08
Jan-14	257.28	168442.01	147.41	5.99	63.95	40121.86	34.44	5.21	193.06
Feb-14	202.84	132871.33	95.44	1.28	45.97	28854.67	21.78	5.57	124.07
Mar-14	226.25	145112.48	148.15	4.06	68.30	42132.36	31.17	14.34	197.72



Interest Rate Futures*				
Month	No. of Contracts Traded	Turnover	MTM Settlement	Final Settlement
Apr-13	0.00	0.00	0.00	0.00
May-13	0.00	0.00	0.00	0.00
Jun-13	0.00	0.00	0.00	0.00
Jul-13	0.00	0.00	0.00	0.00
Aug-13	0.00	0.00	0.00	0.00
Sep-13	0.00	0.00	0.00	0.00
Oct-13	0.00	0.00	0.00	0.00
Nov-13	0.00	0.00	0.00	0.00
Dec-13	0.00	0.00	0.00	0.00
Jan-14	4.37	8832.48	11.50	1.48
Feb-14	4.57	9146.47	23.67	0.71
Mar-14	6.09	12193.94	31.18	0.84

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

As on March 31, 2014, the Settlement Guarantee Fund in Currency Derivatives segment stood at ₹ 1,434.51 crores.

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. 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.

M/s Prime Broking Company (India) Ltd. was declared defaulter on October 15, 2013 for its failure to fulfill settlement obligations. During the financial year, the dues of the 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 NSEIL under the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

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 2013-14 stand at ₹ 2,298.39 crores, ₹ 1,843.55 crores and ₹ 6,337.57 crores respectively. The highest settlement value during this period of ₹ 35,739.21 crores (across all corporate debt instruments) was recorded on April 02, 2013.

The month-wise settlement statistics for corporate debt instruments are as under in Table 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-13	18	9270	314958.78	17497.71
May-13	22	8716	269082.58	12231.03
Jun-13	20	6835	242369.50	12118.48
Jul-13	22	7784	256835.68	11674.35
Aug-13	20	4840	117260.18	5863.01
Sep-13	20	5273	159645.45	7982.27
Oct-13	21	4973	127613.19	6076.82
Nov-13	19	4671	138001.09	7263.22
Dec-13	21	5683	181054.89	8621.66
Jan-14	22	6606	216569.35	9844.06
Feb-14	18	4895	168929.52	9384.97
Mar-14	19	8748	345685.18	18193.96

During the financial year 2013-14, NSCCL settled 25 repo trades valuing ₹ 1962.20 crores as compared to 33 repo trades valuing ₹ 723.20 crores settled in the previous year.

7. Mutual Fund Service System (MFSS)

As on March 31, 2014, 33 mutual fund houses with 5,652 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, 2013 to March 31, 2014 was ₹ 2.64 Crores. The highest settlement value was ₹ 25.49 crores and was observed on May 31, 2013.



(ii) **Redemption**

The average daily value of funds settled for redemption of mutual fund units for the period April 1, 2013 to March 31, 2014 was ₹ 4.82 crores. The highest settlement value was ₹ 85.14 crores and was observed on March 21, 2013.

8. **New Initiatives and Developments**

(i) **SEBI recognition as QCCP**

National Securities Clearing Corporation Limited (NSCCL) is recognised as the Qualified Central Counterparty (QCCP) in the Indian Securities Market jurisdiction. Clearing Corporations are designated as Market Infrastructure Institutions (MII) for oversight considering its systemic importance in Securities markets regulated by the SEBI. NSCCL has qualified as QCCP in view of the fact that it is regulated by Securities and Exchange Board of India (SEBI) under SEBI Act 1992, Securities Contract (Regulation) Act, 1956 (SCRA) and Rules and Regulations made there under.

(ii) **NSCCL risk management and advisory committee**

NSCCL constituted Risk Management Committee and Advisory Committee; and conducted meetings during the year. The Advisory Committee advises the Board on non-regulatory and operational matters including product design, technology, charges and levies. The Risk Management Committee monitors implementation of the risk management policy approved by the Board and to keep the Board informed about its implementation and deviation, if any.

(iii) **Clearing and settlement for Debt segment**

NSCCL started clearing and settlement for Dedicated Debt Segment. Settlement is on DVP III (Netting of funds and securities) basis and has settlement cycle of T+1. Further, upfront margin computation and blocking from member's deposit are initiated with the provision of settlement guarantee under Normal Market Deals. For trades on Negotiated Trade platform, settlement cycle is reduced to either T+0 or T+1 basis as per the terms of trade and settlement is carried out on CBRICS platform on DVP I basis. The debt trading platform provides an opportunity to retail investors to invest in corporate bonds on a liquid and transparent exchange platform.

(iv) **Clearing and settlement of INDIAVIX futures contract**

NSCCL started clearing and settlement activities for NVIX i.e. futures on its own volatility index India VIX from February 25, 2014. Volatility indices enable market participants to trade expected changes in market volatility in a single transaction.

The contract symbol is INDIAVIX and 3 weekly futures contract are available for trading. This product is a simpler tool for investors to cover the portfolio from price volatility.

(v) **Revision in clearing and settlement of IRF futures contract**

NSCCL commenced clearing and settlement for NSE Bond Futures II (NBF II) contracts from January 21, 2014. These contracts are available for trading based on Government of India (GOI)



security of face value 100 with semi-annual coupon. Three serial month contracts are available for trading and clearing.

(vi) CD segment - Risk reduction mode

During the year, Risk reduction mode was implemented in CD segment. When the collateral utilisation of a member exceeds 95%, risk reduction mode gets enabled for the member. In the risk reduction mode, all orders are validated for collateral sufficiency on pre-trade basis. Risk reduction mode has significantly reduced the instances of disablement and risk of potentially uncovered exposures for the clearing corporation.

(vii) Online collateral releases

NSCCL has incorporated additional features with regard to collateral releases and transfers. Online collateral releases have benefitted members in managing their collaterals effectively as well as increasing their operational efficiency. Members may seamlessly release their collateral at ease.

(viii) Project - Single Click

Clearing and settlement operations are performed with Single Click mechanism. In Single click, various operations are auto initiated and executed on various different applications. It immensely helps in reduction of operational errors and increase operational efficiency as manual intervention are minimised or avoided.

(ix) IOSCO compliance assessment

International Organization of Securities Commissions (IOSCO) and Bank for International Settlements (BIS) published the principles for financial market infrastructures (PFMI) in April 2012. PFMI have become the gold standard for benchmarking the policies and procedures of global CCPs. NSCCL has done a self-assessment with respect to compliance with IOSCO guidelines and benchmarking with peer best practices.

(x) Prudential norms for securities accepted as collaterals

NSCCL has further strengthened prudential norms on securities, accepted as collaterals, by enforcing prudent haircuts for collateral valuation which minimizes procyclicality and implemented member security limits based on Cash collateral of the member. Additional norms were introduced in order to ensure that the liquid assets of a member do not have concentration of single security and the value of securities accepted as collateral is in tune with its average daily traded volume. This initiative has helped in strengthening NSCCL's risk containment measures and reduced overall market risk.

9. Other achievements

During the year, 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 status as Clearing Corporation for NSE, India's largest stock



exchange. The rating also factors in NSCCL's rigorous risk management controls and adequate settlement guarantee cover. NSCCL has been accorded this rating for the sixth consecutive year.

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 7 new members in the F&O segment and 17 new members in Capital Market segment. In Currency Derivatives segment, 16 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

13 new participants became active in SLBM segment in 2013-14. As on March 31, 2014, there are 115 Participants, 4 Custodian-cum-Participants and 5 Custodians registered in SLBS.

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.

II. 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 below:-

Particulars	2013-14 (₹ In crores)	2012-13 (₹ In crores)
Income	341.82	349.93
Expenditure	66.82	62.97
Profit before prior period adjustments	275.00	286.96
Add/(Less): Prior Period Adjustment	-	(32.79)
Profit before Tax	275.00	254.17
Provision for tax (including deferred tax)	88.49	74.96
Profit after tax	186.51	179.21
Surplus brought forward from previous year	73.97	85.87
Amount available for appropriation	260.48	265.08
Appropriations		
General Reserve	18.65	20.00
Proposed Dividend	112.50	146.25
Corporate Dividend Tax	19.12	24.86
Balance carried to Balance Sheet	110.21	73.97
Total	260.48	265.08



III. DIVIDEND

In view of the above results, the Directors recommend payment of dividend of ₹ 25/- per share for the year 2013-14.

IV. SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATION) REGULATIONS, 2012

SEBI notified Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporation) Regulations, 2012 on June 20, 2012. As per the above Regulations, existing clearing house / corporations are required to obtain recognition from SEBI. Accordingly, NSCCL made an application to SEBI for recognition under the above Regulations. SEBI granted its in-principle approval to NSCCL on April 3, 2013 to act as a Clearing Corporation for a period of one year and the same was extended by six months.

- V. During the year under review, NSCCL subscribed to 3,90,472 Equity shares of ₹ 10/- each and 3,90,472 6% Non-cumulative Compulsory Convertible Preference Shares of ₹ 10/- each in NSE Strategic Investment Corporation Limited, a public limited company incorporated to inter alia to make or hold all strategic investments in the equity shares and/or other securities of NSE group companies and other companies .

VI. DIRECTORS

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. Dileep Choksi ceased to be a Director of the Company with effect from April 16, 2014. The Board wishes to place on record its sincere appreciation and gratitude for his valuable contribution made during his tenure as Public Interest Director.

The Board of NSCCL in its meeting held on March 04, 2014 appointed Mr. T Venkata Rao, Head-NSCCL as an Additional Director on the Board of NSCCL to be effective from the date of approval from SEBI subject to approval of shareholders and SEBI. In the same meeting, the Board also appointed Mr. T. Venkata Rao, Head-NSCCL as Managing Director of the Company, subject to approval of SEBI, for a period of three years to be effective from the date of approval from SEBI. If SEBI approves his appointment before the forthcoming Annual General Meeting, he can hold office as Director only upto the date of the forthcoming Annual General Meeting according to the provisions of Section 161(1) of the Companies Act, 2013 read with Articles 125 of the Articles of Association of the Company. However, he is eligible for appointment as Director by members. The profile of Mr. T Venkata Rao, will be included in the Notice convening the Annual General Meeting on receipt of approval from SEBI.

Ms. Chitra Ramkrishna retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment subject to approval of SEBI.



The Board recommends the appointment/re-appointment of above persons as Directors of the Company to the shareholders at the forthcoming annual general meeting of the Company subject to approval of SEBI.

VII. 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. In September, 2012, NSCCL made an application to SEBI for recognition of a clearing corporation under the above Regulations and SEBI granted its in- principle approval to NSCCL on April 3, 2013 to act as a Clearing Corporation for a period of one year and the same was extended by another six months. 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 2013-14 is furnished as part of the Annual Report for the information of all its stakeholders. 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.

VIII. 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, 2014 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, 1956 for safeguarding the assets of NSCCL and for preventing and detecting fraud and other irregularities ; and
- (iv) the Directors had prepared the annual accounts on a going concern basis.

IX. AUDIT COMMITTEE

The Audit Committee comprises three Directors viz., Mr. C. M Vasudev, Mr. Ravi Narain and Mr. K.R. Ramamoorthy as its members. Mr. C.M. Vasudev is the Chairman of the Audit Committee. The Committee met four times during the year i.e., on May 23, 2013, July 25, 2013, November 14, 2013 and January 16, 2014. The details of the attendance of members of the Audit Committee at their meetings held on the above dates are given in Table 5 below:-



Table No. 5

Name	Number of meetings held during their tenure	Number of meetings attended
Mr. C.M. Vasudev, Chairman	4	4
Mr. Sudhir Joshi*	4	4
Mr. K.R. Ramamoorthy	4	4
Mr. Ravi Narain	4	4

* Mr. Sudhir Joshi ceased to be member of the Committee with effect from April 28, 2014.

X. 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, recommend the amount of expenditure to be incurred on the activities, and monitor the Corporate Social Responsibility Policy of the company from time to time.

XI. 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.

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

1. Conservation of Energy and Technology Absorption

As the Company does not fall under any of the industries listed out in the Schedule appended to Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, the requirements of disclosure of particulars with respect to conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956, read with the aforesaid Rules are not applicable to the Company.



2. Foreign Exchange earnings/outgo during the year under review

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

XIII. 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 under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is enclosed.

XIV. 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: April 28, 2014

C.M. Vasudev
Chairman

**ANNEXURE TO DIRECTORS' REPORT****STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975.**

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. R Nandakumar B. Com., Grad. CWA, MBA, CAIIB, FIII	48	Chief - Operations	5852138	3566517	27	March 15, 1995	Staff Officer (Finance), Unit Trust of India
2	Mr. T Venkat Rao B.Com., LLB., PGDBA	56	Head - NSCCL	8056799	5223691	32	December 21, 2000	Manager, Global Trust Bank Limited
3	Mr. Umesh Jain B.Tech	44	Chief - Technology	3956585	2429947	14	September 3, 2012	President, Yes Bank Limited

Notes:

- 1 Gross Remuneration includes Salary and other benefits, Company's contribution to Provident Fund, Superannuation Fund, taxable value of perquisites etc. Net remuneration represents gross remuneration less Company's contribution to provident and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amounts also includes certain allowances accrued during previous year(s) but claimed in the current year.
- 2 Besides the above, variable pay pertaining to FY 2012-13 amounting to ₹ 719107, in respect of Mr. Umesh Jain was disbursed during FY 2013-14.
- 3 None of the employees mentioned above is a relative of any Director.
- 4 The above employees were on deputation basis from the Company's holding company i.e. National Stock Exchange of India Limited (NSEIL). The remuneration in respect of them has been reimbursed to NSEIL by the Company and hence also included in the 217(2A) statement of the holding company.
- 5 None of the employees is holding equity share(s) in the Company within the meaning of sub-clause (iii) of clause (a) of sub-section (2A) of Section 217 of the Companies Act, 1956.
- 6 The Company does not have any Employees Stock Option Plan (ESOP) Scheme for its employees.



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. NSCCL is a company incorporated under the Companies Act, 1956. NSCCL made an application to SEBI for recognition of a clearing corporation under the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and SEBI granted its in-principle approval to NSCCL on April 3, 2013 to act as a Clearing Corporation for a period of one year and extended the same by another 6 months on April 01, 2014. NSCCL is required to comply with Securities Contracts (Regulation) Act, 1956, the Rules 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, 2014.

I. Board of Directors

A. Composition of the Board

As on March 31, 2014, the Board consisted of Nine Directors, out of which Six Public Interested Directors and three shareholder Directors. The Board in its meeting held on March 4, 2014 appointed Mr. T. Venkata Rao as Managing Director, subject to approval of shareholders and SEBI, for a period of three years to be effective from the date of approval from SEBI. The approval of SEBI is yet to be received. None of the Directors of the Company are related with each other. The Chairman of the Board of Directors is a non-executive Director. The composition of the Board is in conformity with Clause 49 of the listing agreement.

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.

Number of Board Meetings

The Board of Directors met six times during the year on May 23, 2013, July 25, 2013, October 15, 2013, November 14, 2013, January 28, 2014 and March 04, 2014. The maximum time gap between any two meetings was less than 4 months.

Directors' Attendance Record and Directorships Held

As mandated by the Clause 49, none of the Directors are members of more than ten Board level Committees nor are they Chairman of more than five Committees in which they are members. Table 1 gives the details of the composition of the Board, attendance and details of Committee Memberships 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 2013-14:

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	6	6	No	8	6	1
Mr. Ravi Narain	Shareholder Director	6	6	No	13	7	2
Ms. Chitra Ramkrishna	Shareholder Director	6	6	Yes	7	2	1
Mr. Anjan Barua	Public Interest Director	6	6	No	-	-	-
Mr. Dileep Choksi	Public Interest Director	5	4	No	8	6	2
Mr. Sudhir Joshi	Public Interest Director	6	6	No	3	-	2
Mr. K. R. Ramamoorthy	Public Interest Director	6	6	No	3	2	1
Mr. L. Ravi Sankar	Public Interest Director	5	5	No	-	-	-
Mr. Gagan Rai	Shareholder Director	5	5	No	1	-	-

Notes:

- Mr. Ravi Narain ceased to be non- executive Chairman of the Company w.e.f. July 25, 2013. Mr. C.M. Vasudev was appointed as non-executive Chairman of the Company w.e.f. October 23, 2013.
 - Mr. Dileep Choksi ceased to be a Director of the Company w.e.f. April 16, 2014.
- @ The Directorships/ Committee memberships held by Directors as mentioned above, do not include Directorships/Committee memberships of Foreign Companies, Section 25 Companies and Private Companies.
- # Memberships/Chairmanships of only the Audit Committee and Shareholders/Investors' Grievances Committee of all Public Companies have been considered.

B. Responsibilities of the Board

The Company conducts orientation programmes for new Directors covering various operations of the Clearing Corporation so as to familiarise themselves with the various functions being carried out by the Clearing Corporation. 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.
- 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 has been prescribed for the Directors and Key Management Personnel. All Board members and Key Management Personnel have affirmed compliance with the Code of Conduct.

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. As per SEBI requirement, Independent Directors shall not interfere in the day-to-day management of the clearing corporation. The Company strives to strike a balance between both the above requirements without compromising on compliance of such requirements.



E. Remuneration of Directors

SEBI has laid down certain norms in terms of the compensation policy for the Key Management Personnel (KMP) 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 compensation policy in conformity with norms specified by SEBI for employees including KMPs.

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

Sitting fees is being paid to Non-executive Directors for the meetings of the Board or the Committees constituted by it, attended by them. The sitting fees paid to the Non-executive Directors during the year for attending the meetings of the Board and Committees constituted by it are as follows:

Name	Board meetings		Committees' meetings		Total
	No. of meetings attended	Amount (₹)	No. of meetings attended	Amount (₹)	
Mr. C.M. Vasudev, Chairman	6	1,20,000	13	2,60,000	3,80,000
Mr. Anjan Barua	6	1,20,000	5	1,00,000	2,20,000
Mr. Sudhir Joshi	6	1,20,000	10	2,00,000	3,20,000
Mr. Dileep Choksi	4	80,000	7	1,40,000	2,20,000
Mr. Gagan Rai	5	1,00,000	-	0	1,00,000
Mr. K.R. Ramamoorthy	6	1,20,000	10	2,00,000	3,20,000
Mr. Ravi Narain	6	1,20,000	8	1,60,000	2,80,000
Mr. L. Ravi Sankar	5	1,00,000	2	40,000	1,40,000
Ms. Chitra Ramkrishna*	6	0	4	0	0

* The employees of NSEIL representing NSEIL on the Boards of its subsidiaries are not eligible for sitting fees.



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 the statutory auditors and internal auditors.

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

- (a) 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.
- (b) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on-
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications, if any, in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- (c) Reviewing with the management, external and internal auditors and the adequacy of internal control systems.
- (d) Reviewing the adequacy of internal audit function including specification of terms of reference to firms conducting internal audit.
- (e) Discussion with internal auditors on any significant findings and follow up there on.
- (f) 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.
- (g) Discussion with external auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.



- (h) Reviewing the company's financial management policies.
- (i) 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.

The Audit Committee comprises three Directors viz., Mr. C. M Vasudev, Mr. Ravi Narain and Mr. K.R. Ramamoorthy as its members. Mr. C.M. Vasudev is the Chairman of the Audit Committee. The Committee met four times during the year i.e., on May 23, 2013, July 25, 2013, November 14, 2013 and January 16, 2014. The details of the attendance of members of the Audit Committee at their meetings held on above dates are given hereunder:-

Name	Number of meetings held during their tenure	Number of meetings attended
Mr. C.M. Vasudev, Chairman	4	4
Mr. Sudhir Joshi*	4	4
Mr. K.R. Ramamoorthy	4	4
Mr. Ravi Narain	4	4

* Mr. Sudhir Joshi ceased to be member of the Committee with effect from April 28, 2014.

The Officer responsible for the finance function and the representative of the statutory auditors and internal auditors are regularly invited by the Audit Committee to its meetings. The Company Secretary of the Company is the Secretary to the Committee. All members of the Audit Committee have requisite accounting and financial management expertise.

2. Nomination & Remuneration Committee

The Compensation Committee lays 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). The Chairman of NRC shall be different from Chairman of the Board. Accordingly, the Board rechristened the name of existing Compensation Committee as 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 twice on November 14, 2013 and March 04, 2014. The details of the attendance of members of the Compensation Committee at their meetings held on above dates are given hereunder:-



Name	Number of meetings held during the year	Number of meetings attended during the year
Mr. C.M. Vasudev, Chairman	2	2
Mr. Anjan Barua	2	2
Mr. Ravi Narain	2	2
Mr. Dileep Choksi*	2	2
Ms. Chitra Ramkrishna	2	2
Mr. L. Ravisankar**	None	N.A

* Mr. Dileep Choksi ceased to be member of the Committee with effect from April 16, 2014.

**Mr. L. Ravisankar appointed as a Member of the Committee with effect from April 28, 2014.

3. Selection Committee

In terms of SEBI Regulations a Selection Committee shall be constituted for the selection of Managing Director of the Company and shall consist of four members i.e., two Public Interest Directors (PIDs) and two independent external persons. In case of non - availability of adequate number of PIDs or independent external persons, then the number of PID or independent external persons as required could be increased accordingly to form the committee. The Selection Committee comprises Mr. C.M. Vasudev, Mr. L. Ravisankar, Mr. Sudhir Joshi and Mr. Pradip Shah as its members. Mr. C.M. Vasudev is the Chairman of the Selection Committee. During the year, the Committee met twice, on February 10, 2014 and on March 04, 2014. The details of the attendance of members of the Compensation Committee at their meetings held on above dates are given hereunder:-

Name	Number of meetings held during the year	Number of meetings attended during the year
Mr. C.M. Vasudev, Chairman	2	2
Mr. Sudhir Joshi	2	2
Mr. Dileep Choksi*	2	1
Mr. Pradip Shah	2	2
Mr. L. Ravisankar**	None	N.A

* Mr. Dileep Choksi ceased to be member of the Committee with effect from April 16, 2014.

**Mr. L. Ravisankar appointed as a Member of the Committee with effect from April 28, 2014.

4. Risk Management Committee

In terms of SEBI requirements, the Clearing Corporation is required to constitute a Risk Management Committee inter alia to formulate a detailed risk management policy. The 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 Risk Management Committee. During the year, the Committee met twice on December 06, 2013 and March 3, 2014. The details of the attendance of



members of the Risk Management Committee at their meetings held on above dates are given hereunder:-

Name	Number of meetings held during the year	Number of meetings attended during the year
Mr. K.R. Ramamoorthy	2	2
Mr. Anjan Barua	2	1
Mr. Sudhir Joshi	2	2

5. **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.

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

III. **Subsidiary Companies**

As on 31st March 2014, 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.

An external firm of Chartered Accountants has been appointed by the Board as internal auditor in order to ensure the independence and credibility of the internal audit process.



V. Secretarial Review

The Company has engaged the services of M/s. S.N. Ananthasubramanian & Co., Practicing Company Secretaries, to conduct review of compliances under the Companies Act, 1956 and the Companies Act, 2013 and the rules laid down thereunder for the financial year ended 31st March, 2014. The report of the Practicing Company Secretary is placed before the Audit Committee.

VI. Disclosures

(1) Basis of related party transactions

Related party transactions in the ordinary course of business have been disclosed in the notes to the financial statements in the Annual Report.

(2) Disclosure of Accounting Treatment in preparation of Financial Statements

NSCCL has followed the guidelines of Accounting Standards laid down by the Central Government under the provisions of section 211(3) of the Companies Act, 1956 in the preparation of its financial statements.

VII. Shareholders

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

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

The Board of NSCCL in its meeting held on March 04, 2014 appointed Mr. T Venkata Rao, Head-NSCCL as an Additional Director on the Board of NSCCL to be effective from the date of approval from SEBI subject to approval of shareholders and SEBI. If SEBI approves his appointment before the forthcoming Annual General Meeting, he can hold office as Director only upto the date of the forthcoming Annual General Meeting according to the provisions of Section 161(1) of the Companies Act, 2013 read with Articles 125 of the Articles of Association of the Company. However, he is eligible for appointment as Director by members. The profile of Mr. T Venkata Rao, will be included in the Notice convening the Annual General Meeting on receipt of approval from SEBI.

The Board recommends the re-appointment/appointment of above persons as Directors of the Company to the shareholders at the forthcoming annual general meeting of the Company subject to approval of SEBI

B. Communication with Shareholders

The data related to quarterly and annual financial results, shareholding pattern, Board meetings, general meetings etc., are provided in the Company's web-site for the information of the shareholders.

Annual Report: Annual report containing, inter alia, Audited Accounts, Directors' Report, Report on Corporate Governance, 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, 2014:-

Type of meeting	Date	Time	Venue	Special Resolution passed
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.
18th 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
17th 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	-
16th Annual General Meeting	13-Sep-11	2.00 p.m.	Board Room, Exchange Plaza, Plot C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	-



The Company was not required to pass any resolution through Postal Ballot in the previous three years.

E. Shareholding pattern of the Clearing Corporation and Top 10 Shareholders as on 31st March, 2014.

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:

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

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 the Directors' Report.



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 2014**. 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: 28th April, 2014
Place: Thane



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, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Sumant Sakhardande
Partner
Membership No. 034828

Mumbai : April 28, 2014



ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of National Securities Clearing Corporation Limited on the financial statements for the year ended March 31, 2014]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) The Company does not hold any Inventory. Therefore, the provisions of clauses 4(ii)(a),(b)&(c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iii) (a) 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 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(b),(c) and (d) of the order are not applicable.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(f) and (g) 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 with regard to purchase of fixed assets and 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) (a) According to the information and explanations given to us, there are no contracts or arrangements during the year that need to be entered into the register maintained under section 301 hence clause 4(v)(b) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- (vi) 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 meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the services of the Company.



- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including investor education and protection fund, income-tax, service tax, cess and 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.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of investor education and protection fund, income-tax, service tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, service tax and cess as at March 31, 2014 which have not been deposited with respective authorities on account of disputes, are as follows:

Name of the statute	Nature of dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	14,33,426	A.Y. 2008-09	ITAT
Income Tax Act, 1961	Income Tax	86,26,280	A.Y. 2011-12	CIT (Appeals)

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) 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.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and 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 during the year.
- (xvi) The Company has not obtained any term loans.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.



- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) 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 such case by the management.

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

Sumant Sakhardande
Partner
Membership No.034828

Mumbai: April 28, 2014

**BALANCE SHEET AS AT MARCH 31, 2014**

	Note No.	As at 31.03.2014 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)
I Equity and Liabilities			
1 Shareholder's funds			
a Share Capital	3	45.00	45.00
b Reserves and surplus	4	959.81	904.92
		1,004.81	949.92
2 Non-current Liabilities			
a Deposits (Unsecured)	5	543.36	529.91
b Deferred tax liabilities (net)	6	0.51	0.29
		543.87	530.20
3 Current Liabilities			
a Deposits (Unsecured)	5	14.76	9.93
b Trade payables	8	26.98	22.79
c Other current liabilities	8	4,446.09	2,283.96
d Short-term provisions	7	139.72	171.44
		4,627.55	2,488.12
TOTAL		6,176.23	3,968.24
II Assets			
1 Non-current Assets			
a Fixed assets	9		
Tangible assets		3.08	4.80
Intangible assets		1.07	1.66
Capital work-in-progress		-	-
		4.15	6.46
b Non-current investments	10	265.66	47.90
c Long-term loans and advances	12	10.03	0.12
d Other non-current assets	13	303.14	382.51
		582.98	436.99
2 Current Assets			
a Current investments	11	451.34	402.00
b Trade receivable	14	35.28	8.30
c Cash and bank balances	15	4,960.12	3,033.61
d Short-term loans and advances	12	4.36	3.63
e Other Current assets	13	142.15	83.71
		5,593.25	3,531.25
TOTAL		6,176.23	3,968.24
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 : April 28, 2014

For and on behalf of the Board of Directors

C.M. VASUDEV
CHAIRMAN

CHITRA RAMKRISHNA
Director

RAVI NARAIN
Director

R. JAYAKUMAR
Asst. Company Secretary

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014**

PARTICULARS	Note No.	For the year ended 31.03.2014 (₹ in Crores)	For the year ended 31.03.2013 (₹ in Crores)
Revenue from operations	16	237.59	243.02
Other income	17	104.23	106.91
Total Revenue (I)		341.82	349.93
Expenses			
Employee benefits expenses	18	10.45	11.38
Other expenses	19	53.77	48.98
Depreciation and amortisation expenses	9	2.60	2.61
Total Expenses (II)		66.82	62.97
Profit before prior-period adjustments		275.00	286.96
Add/(Less) : Prior-period adjustments	27	-	(32.79)
Profit before tax		275.00	254.17
Less : Provision for tax			
Current tax		88.00	75.00
Deferred tax		0.22	(0.04)
Provision for earlier Year		0.27	
Total tax expenses		88.49	74.96
Profit after tax		186.51	179.21
Earning per Equity Share (FV ₹10)	26		
Basic (₹)		41.45	39.82
Diluted (₹)		41.45	39.82
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 : April 28, 2014

For and on behalf of the Board of Directors

C.M. VASUDEV
CHAIRMAN

CHITRA RAMKRISHNA
Director

RAVI NARAIN
Director

R. JAYAKUMAR
Asst. Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**

	For the year ended 31.03.2014 ₹ in Crores	For the year ended 31.03.2013 ₹ in Crores
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	275.00	254.17
Add: Adjustments for :		
Depreciation for current year	2.60	2.61
Amortisation of Premium on Govt/Debt Securities	0.37	0.39
Adjustments to the carrying amount of current investments	0.05	0.11
Less: Adjustments for :		
(Profit)/Loss on sale of fixed assets	-	-
Interest Income on short term Investments	(12.83)	(7.61)
Interest Income on long term Investments	(15.80)	(9.93)
Interest income on Bank Deposit	(55.27)	(72.18)
Profit on sale / redemption of Investments	(8.96)	(2.26)
Dividend on Investment	(6.53)	(14.45)
Operating Profit Before Working Capital Changes	178.63	150.85
Adjustments for :		
Trade Receivables	(99.36)	(3.65)
Loans & Advances	(0.73)	1.06
Interest on operating Income	(3.97)	(8.63)
Current Liabilities	2,166.32	(428.83)
Cash Generated from Operations	2,240.89	(289.20)
Direct taxes paid (Net of Refunds)	(90.42)	(73.49)
Net Cash from (used in) Operating Activities - Total (A)	2,150.47	(362.69)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets / Capital Work in progress	(0.30)	(5.44)
Sale of Fixed Assets	0.01	-
Interest Income received	77.33	72.62
Dividend on Investment	6.53	14.45
(Increase)/Decrease in Deposits with banks	150.26	172.79
(Increase)/Decrease in Investment	(258.57)	(22.74)
Net cash from (used in) Investing activities - Total (B)	(24.74)	231.68



	For the year ended 31.03.2014 ₹ in Crores	For the year ended 31.03.2013 ₹ in Crores
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceed of deposit from Clearing members / Applicant	75.66	83.04
Refund of deposit to Clearing members / Applicant	(57.37)	(56.42)
Dividend Paid (incl. corporate dividend tax)	(171.11)	(235.35)
Net cash from (used in) financing activities - Total (C)	(152.82)	(208.73)
Net Increase/(Decrease) in Cash & Cash equivalents (A+B+C)	1,972.91	(339.74)
Cash and Cash Equivalents : Opening Balance	2,274.45	2,614.19
(includes fixed deposit with banks of ₹ 2244.00 Crores (Previous Year : ₹ 2596.26 Crores)		
Cash and Cash Equivalents : Closing Balance	4,247.36	2,274.45
(includes fixed deposit with banks of ₹4178.43.00 Crores (Previous Year : ₹ 2244.00 Crores)		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	1,972.91	(339.74)

Notes to Cash Flow Statement :

- Cash and Cash equivalent represent bank balances and balances in fixed deposit accounts.
- The above Cash Flow Statement has been prepared under the " Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statements notified under Companies (Accounting Standards) Rules, 2006 (as amended).

As per our report of even date attached

For and on behalf of the Board of Directors

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

SUMANT SAKHARDANDE
Partner

C.M. VASUDEV
CHAIRMAN

CHITRA RAMKRISHNA
Director

RAVI NARAIN
Director

R. JAYAKUMAR
Asst. Company Secretary

Place : Mumbai
Date : April 28, 2014



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

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 the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. 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.

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 & Fixed Assets

- (i) For the assets commonly used by the Company and National Stock Exchange of India Ltd. (NSEIL) and which are owned by NSEIL, Usage charges are paid to NSEIL at 25 % per annum of the proportionate Capital Cost of such assets.
- (ii) Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- (iii) Depreciation is provided on the "Straight line method" based on estimated useful life of assets at the following rates which are higher than those prescribed in Schedule XIV (Inserted by the Companies (Amendment) Act, 1988 and Notification GSR No. 756E dated 16th December, 1993) to the Companies Act, 1956. Depreciation on additions / deletions is provided on pro-rata basis from the date of acquisition/ up to the date of deletion.

Assets	Depreciation Rate
Office Equipment	25.00%
Furniture & Fixtures	
- Movable Furniture	20.00%
- Non Movable Furniture	6.33%/10.00%
Computer Systems	33.33%
Clearing and Settlement Systems	25.00%
Telecommunications Systems	25.00%
Dial Based Telecom Network	25.00%

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

(iv) Intangibles :-

Intangibles 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	Depreciation Rate
Computer Software	25.00%

(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

	31.03.2014 (₹ in Crores)	31.03.2013 (₹ 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				
	2009-10	2010-11	2011-12	2012-13	2013-14
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 April 28, 2014, proposed a dividend of ₹25.00 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2014 amounted to ₹112.50 crores excluding Dividend Distribution Tax

During the year ended March 31, 2013, the amount of per share dividend recognized as distribution to equity shareholders was ₹32.50/-. The dividend appropriation for the year ended March 31, 2013 amounted to ₹146.25 crores excluding Dividend Distribution Tax.

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

	31.03.2014		31.03.2013	
	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

	31.03.2014 (₹ in Crores)	31.03.2013 (₹ 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	820.95	800.95
Add : Transferred from surplus balance in the statement of profit & loss	18.65	20.00
Add : Transferred from Special Contingency Reserve	-	-
	839.60	820.95
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	73.97	85.87
Profit for the year	186.51	179.21
Less : Appropriations		
Transfer to general reserve	18.65	20.00
Proposed dividend (refer note 3)	112.50	146.25
Tax on proposed dividend	19.12	24.86
	110.21	73.97
Total reserves and surplus	959.81	904.92

5 Deposits (Unsecured)

	Non-current		Current	
	31.03.2014 (₹ in Crores)	31.03.2013	31.03.2014 (₹ in Crores)	31.03.2013
Security Deposit from Clearing Members	327.89	329.05	9.69	6.10
Security Deposit in lieu of Bank Guarantee/securities	60.97	61.86	2.00	0.51
Deposits from applicants for membership	-	-	3.07	3.32
Deposits from Clearing Banks	154.50	139.00	-	-
Total	543.36	529.91	14.76	9.93



6 Deferred Tax liabilities (net)

	31.03.2014	31.03.2013
	(₹ in Crores)	
Deferred Tax Liabilities		
Related to depreciation and other expenditure	0.51	0.29
Total	0.51	0.29

7 Provisions

	Short - Term	
	31.03.2014	31.03.2013
	(₹ in Crores)	
a) Provisions for Income tax		
Income tax (Net of advance tax and Tds)	8.10	0.33
b) Others		
Proposed dividend	112.50	146.25
Corporate dividend tax	19.12	24.86
	131.62	171.11
Total	139.72	171.44

8 Current liabilities

	31.03.2014	31.03.2013
	(₹ in Crores)	
Trade payables (Ref note no.20)		
(including amount due to holding company ₹ 22.93 crores (previous year ₹.18.53 crores)	26.98	22.79
	26.98	22.79
Other current liabilities		
Margins From Members	1,135.72	641.22
Settlement Obligations payable	3,279.30	1,625.36
Amount payable to NSEIL IPFT	13.03	3.90
Other liabilities	18.04	13.48
	4,446.09	2,283.96



Note No. 9 Fixed Asset as on 31-MAR-2014 (Refer Note No. 2c)

₹ In Crs.

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 01-APR-2013	Additions	Deletions	As on 31-MAR-2014	Upto 31-Mar-2013	For the Year	Deductions during the year	Total upto 31-Mar-2014	As on 31-MAR-2014	As on 31-MAR-2013
Tangible Assets										
CLEARING AND SETTLEMENT SYSTEM	25.79	0.21	0.11	25.89	21.03	1.91	0.10	22.84	3.05	4.76
FURNITURE AND FIXTURES	0.06	-	-	0.06	0.04	-	-	0.04	0.02	0.02
OFFICE EQUIPMENTS	0.01	-	-	0.01	0.01	-	-	0.01	0.00	0.00
TELECOMMUNICATION SYSTEMS	0.08	-	0.03	0.05	0.08	-	0.03	0.05	-	-
COMPUTER SYSTEMS	0.72	-	0.37	0.35	0.70	0.01	0.37	0.34	0.01	0.02
Total A	26.66	0.21	0.51	26.36	21.86	1.92	0.50	23.28	3.08	4.80
Intangible Assets										
COMPUTER SOFTWARE	5.45	0.09	-	5.54	3.79	0.68	-	4.47	1.07	1.66
Total B	5.45	0.09	-	5.54	3.79	0.68	-	4.47	1.07	1.66
Grand Total (A+B)	32.11	0.30	0.51	31.90	25.65	2.60	0.50	27.75	4.15	6.46
Previous Year	26.69	5.46	0.04	32.11	23.07	2.61	0.03	25.65	6.46	-



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 31.3.2014 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)	Number of Units	As at 31.3.2013 (₹ 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	5.00	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	0.01	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 (4.27)	42,718	4.27
9.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	28-Feb-2015				-	90	9.20
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	-	-
8.41% NTPC LIMITED	16-Dec-2023	79162	1,000	79,162,000.00	7.92	-	-
				Sub-total(ii)	51.58 (4.27)		47.86



National Securities Clearing Corporation Limited

	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2014 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)	Number of Units	As at 31.3.2013 (₹ in crores)
TAXABLE							
8.82% RURAL ELECTRIFICATION CORPORATION LIMITED - SR 114	12-Apr-2023	53	1,000,000	53,000,000.00	5.16	-	-
8.82% RURAL ELECTRIFICATION CORPORATION LIMITED - SR 114	12-Apr-2023	47	1,000,000	47,000,000.00	4.57 (4.56)	-	-
8.82% RURAL ELECTRIFICATION CORPORATION LIMITED - SR 114	12-Apr-2023	50	1,000,000	50,000,000.00	4.81	-	-
8.80% POWER GRID CORPORATION OF INDIA LIMITED	13-Mar-2023	100	1,000,000	100,000,000.00	9.57	-	-
9.35% INDIAN OIL CORPORATION LIMITED	30-Apr-2017	150	1,000,000	150,000,000.00	14.92	-	-
8.95% POWER FINANCE CORPORATION LIMITED	11-Mar-2018	50	1,000,000	50,000,000.00	4.90	-	-
9.81% POWER FINANCE CORPORATION LTD. SR-109 - TXB	7-Oct-2018	250	1,000,000	250,000,000.00	25.15	-	-
9.63% RURAL ELECTRIFICATION CORPORATION LIMITED	5-Feb-2019	100	1,000,000	100,000,000.00	9.95	-	-
8.56% NUCLEAR POWER CORPORATION OF INDIA - NCD	15-Mar-2023	150	1,000,000	150,000,000.00	14.40	-	-
8.70% POWER GRID CORPORATION OF INDIA LIMITED	15-Jul-2018	50	1,000,000	50,000,000.00	4.85	-	-
8.76% EXPORT IMPORT BANK OF INDIA - TXB	10-Jan-2018	50	1,000,000	50,000,000.00	4.84	-	-
9.81% POWER FINANCE CORPORATION LTD. TXB BONDS	7-Oct-2018	50	1,000,000	50,000,000.00	4.99	-	-
8.70% POWER GRID CORPORATION OF INDIA LIMITED	15-Jul-2023	50	1,000,000	50,000,000.00	4.75	-	-
9.70% EXPORT IMPORT BANK OF INDIA	21-Nov-2018	50	1,000,000	50,000,000.00	4.98	-	-
9.70% EXPORT IMPORT BANK OF INDIA	21-Nov-2018	500	1,000,000	500,000,000.00	50.32	-	-
				Sub-total(iii)	168.16 (4.56)		
DEBENTURES							
9.15% HOUSING DEVELOPMENT FINANCE CORPORATION LTD - NCD - SR K028 - 03 APR 2016	3-Apr-2016	50	1,000,000	50,000,000.00	4.93	-	-
9.85% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR J005 - 05 JUN 2015	5-Jun-2015	50	1,000,000	50,000,000.00	5.04	-	-
9.60% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR J 021 - 07 AUG 2015	7-Aug-2015	50	1,000,000	50,000,000.00	5.03	-	-
9.60% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR J 021 - 07 AUG 2015	7-Aug-2015	50	1,000,000	50,000,000.00	5.03	-	-
9.70% HOUSING DEVELOPMENT FINANCE CORPORATION LTD - NCD 16 APR 2015	16-Apr-2015	150	1,000,000	150,000,000.00	15.08	-	-
10.05% HDB FINANCIAL SERVICES LIMITED - NCD 10-FEB-2017	10-Feb-2017	100	1,000,000	100,000,000.00	10.00	-	-
				Sub-total(iv)	45.11		



	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2014 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)	Number of Units	As at 31.3.2013 (₹ in crores)
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	22,550	0.02
				Sub-total(v)	0.41		0.02
INVESTMENT IN PREFERENCE SHARES							
6% NON-CUMULATIVE COMPULSORILY CONVERTIBLE PREFERENCE SHARES OF	27-Mar-2022	22,500	10	225,000.00	0.02	22,500	0.02
NSE STRATEGIC INVESTMENT CORPORATION LIMITED	1-Jun-2022	57,564	10	575,640.00	0.06	-	-
	21-Jul-2022	9,020	10	90,200.00	0.01	-	-
	27-Jul-2022	31,570	10	315,700.00	0.03	-	-
	1-Sep-2022	54,120	10	541,200.00	0.05	-	-
	30-Sep-2022	26,650	10	266,500.00	0.03	-	-
	19-Feb-2023	211,548	10	2,115,480.00	0.21	-	-
				Sub-total(vi)	0.41		0.02
				Total (i+ii+iii+iv+v+vi)	265.66 (8.83)		47.90

Note :

- Aggregate Book Value - Quoted Investments
- Aggregate Market Value of the quoted investments is ₹ 269.51 crores (Previous Year : ₹ 49.46 crores)
- Aggregate Book Value - Unquoted Investments

As at 31.03.2014 (₹ in crores)	As at 31.03.2013 (₹ in crores)
264.84	47.86
0.82	0.04
265.66	47.90



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 31.3.2014 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)	Number of Units	As at 31.3.2013 (₹ in crores)
I CURRENT PORTION OF LONG TERM INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)							
A) QUOTED							
TAXFREE BONDS							
5.25% NUCLEAR POWER CORPORATION OF INDIA LIMITED	23-Mar-2014	100	1,000,000	100,000,000.00	-	100	9.90
6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES I	22-Jan-2014	6,750	100,000	675,000,000.00	-	6,750	67.63
6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES II - 20 MAR 2014	20-Mar-2014	2,875	100,000	287,500,000.00	-	2,875	28.80
9.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	28-Feb-2015	90	1,000,000	90,000,000.00	9.10	0	-
				Sub-total(i)	9.10		106.33
TAXABLE BONDS							
5.75% NUCLEAR POWER CORPORATION OF INDIA LTD.	14-Aug-2013	200	100,000	20,000,000.00	-	200	1.97
8.85% POWER FINANCE CORPORATION LIMITED - SR 93A	15-Oct-2014	5	1,000,000	5,000,000.00	0.49	-	-
8.85% POWER FINANCE CORPORATION LIMITED - SR 93A	15-Oct-2014	45	1,000,000	45,000,000.00	4.45	-	-
9.63% POWER FINANCE CORPORATION LIMITED	15-Dec-2014	100	1,000,000	100,000,000.00	9.99	-	-
				Sub-total(ii)	14.93		1.97



	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2014 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)	Number of Units	As at 31.3.2013 (₹ in crores)
DEBENTURES							
9.70% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR I	23-Feb-2015	50	1,000,000	50,000,000.00	5.01	-	-
				Sub-total(iii)	5.01		
				TOTAL (I)	29.04		108.30
II CURRENT INVESTMENTS (VALUED AT LOWER OF COST OR FAIR VALUE)							
A) QUOTED							
DEBENTURES							
10.47% - MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED	17-Jun-2013			50,000,000.00	-	50	5.01
11.4% POWER FINANCE CORPORATION LTD	28-Nov-2013			150,000,000.00	-	150	15.20
9.5% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	12-Sep-2013			50,000,000.00	-	50	4.99
9.65% HOUSING DEVELOPMENT FINANCE CORP LTD - NCD	16-Aug-2014	50	1,000,000	50,000,000.00	4.99		-
9.90% BAJAJ FINANCE LTD - NCD	24-Sep-2014	10	10,000,000	100,000,000.00	9.98		-
9.75% ADITYA BIRLA FINANCE LIMITED - NCD	13-Oct-2014	150	1,000,000	150,000,000.00	14.97		-
10.10% MAHINDRA MAHINDRA FINANCIAL SERVICES LTD - NCD	9-Sep-2014	100	1,000,000	100,000,000.00	9.98		-
10.20% MAHINDRA MAHINDRA FINANCIAL SERVICES LTD - NCD	8-Jul-2014	75	1,000,000	75,000,000.00	7.49		-
10.4% SUNDARAM FINANCE LIMITED - NCD	20-Jun-2014	19	1,000,000	19,000,000.00	1.90		-
10.4% SUNDARAM FINANCE LIMITED - NCD	20-Jun-2014	31	1,000,000	31,000,000.00	3.10		-
				Sub-total(i)	52.41		25.20
TAXABLE BONDS							



National Securities Clearing Corporation Limited

	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2014 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)	Number of Units	As at 31.3.2013 (₹ in crores)
7.22% RURAL ELECTRIFICATION CORPORATION LIMITED	31-Dec-2014	6	1,000,000	6,000,000.00	0.59	-	-
6.85% INDIAN RAILWAY FINANCE CORPORATION LTD	16-Sep-2014	7	1,000,000	7,000,000.00	0.69	-	-
B) UNQUOTED				Sub-total(ii)	1.28		0.00
MUTUAL FUNDS							
AXIS LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND - REINVEST				66,941,792.24	-	66,934	6.69
BARODA PIONEER LIQUID FUND - PLAN B - DAILY DIVIDEND - REINV (DIRECT PLAN)				431,080.52	-	431	0.04
BARODA PIONEER TREASURY ADVANTAGE FUND PLAN B DAILY DIVIDEND REINV (DIRECT PLAN)				103,685,700.89	-	103,554	10.37
CANARA ROBECO LIQUID FUND - DIRECT DAILY DIVIDEND REINVESTMENT				3,964,808.19	-	3,943	0.40
DWS INSTA CASH PLUS FUND - DIRECT - DAILY DIVIDEND				505,597.69	-	5,041	0.05
HDFC CASH MANAGEMENT FUND - SAVINGS PLAN - DIRECT PLAN - DAILY DIVIDEND REINVEST				554,429.66	-	52,126	0.06
HDFC LIQUID FUND - DIRECT - DAILY DIVIDEND				815,709.06	-	79,986	0.08
ICI PRUDENTIAL FLEXIBLE INCOME - DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT				187,960.52	-	1,778	0.02
ICI PRUDENTIAL LIQUID FUND - DIRECT - DAILY DIVIDEND				1,170,016.99	-	11,698	0.12
ICI PRUDENTIAL ULTRA SHORT TERM - DIRECT PLAN - WEEKLY DIVIDEND				107,246,737.97	-	10,687,942	10.73
IDBI LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN				252,495,529.67	-	252,468	25.25
IDFC CASH FUND - DIRECT - DAILY DIVIDEND				731,651.04	-	731	0.07
IDFC MONEY MANAGER FUND - TREASURY PLAN - DIRECT PLAN - DAILY DIVIDEND				527,602.23	-	52,394	0.05



Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2014 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)	Number of Units	As at 31.3.2013 (₹ in crores)
JIM HIGH LIQUIDITY FUND (DIRECT) - DAILY DIVIDEND - REINVESTMENT		29,117,896.28		-	2,791,691	2.91
JPMORGAN INDIA LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND REINVEST		59,529,503.39		-	5,948,251	5.95
KOTAK FLOATER - SHORT TERM - DAILY DIVIDEND - DIRECT PLAN		249,839,763.34		-	246,970	24.98
KOTAK LIQUID SCHEME - PLAN A - DIRECT - DAILY DIVIDEND		286,836.87		-	235	0.03
L&T CASH FUND (SUPER INSTITUTIONAL) - DIRECT PLAN - DAILY DIVIDEND		237,573.97		-	232	0.02
PRINCIPAL CASH MANAGEMENT - DIRECT PLAN - DAILY DIVIDEND		73,004.36		-	73	0.01
RELIANCE LIQUID FUND - TREASURY PLAN - DIRECT DAILY DIVIDEND - REINVESTMENT		1,896,959.21		-	1,241	0.19
RELIANCE LIQUIDITY FUND - DIRECT DAILY DIVIDEND REINVESTMENT		896,089.48		-	896	0.09
RELIANCE MEDIUM TERM - DAILY DIRECT DIVIDEND PLAN - REINVESTMENT		1,729,795.19		-	101,182	0.17
SBI PREMIER LIQUID FUND - DIRECT - DAILY DIVIDEND		446,759.47		-	445	0.04
SUNDARAM MONEY FUND - DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		2,403,452.38		-	237,907	0.25
TATA FLOATER FUND DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		144,514.58		-	144	0.01
TATA LIQUID FUND DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		407,415.60		-	366	0.04
TEMPLETON INDIA - TMA - DAILY DIVIDEND - DIRECT PLAN		2,174,994.58		-	2,174	0.22
TEMPLETON INDIA ULTRA SHORT BOND FUND - SUPER IP - DIRECT - DAILY DIVIDEND		7,384,219.98		-	737,183	0.74
AXIS LIQUID FUND - DIRECT - GROWTH	296.5885	1,369.17	406,079.83	0.04		-



National Securities Clearing Corporation Limited

Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2014 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)	Number of Units	As at 31.3.2013 (₹ in crores)
BARODA PIONEER LIQUID FUND - PLAN B - DIRECT - GROWTH	913.0844	1,447.23	1,321,446.66	0.13 (0.11)	-	-
BARODA PIONEER TREASURY ADVANTAGE FUND PLAN B - GROWTH	73,129.4439	1,402.40	102,556,593.09	10.26 (10.00)	-	-
BIRLA SUN LIFE CASH PLUS - DAILY DIVIDEND - REINVESTMENT	101.3659	-	-	-	-	-
BIRLA SUN LIFE CASH PLUS - DIRECT - GROWTH	1,273,212.2057	205.18	261,241,339.71	26.12 (25.15)	-	-
DSP BLACKROCK LIQUIDITY FUND - DIRECT - GROWTH	1,214.3458	1,782.55	2,164,632.74	0.22 (0.17)	-	-
ICICI PRUDENTIAL LIQUID - DIRECT PLAN - GROWTH	9,537.1740	182.35	1,739,062.14	0.17	-	-
INDIABULLS LIQUID FUND - DIRECT - GROWTH	1,044.9070	1,200.88	1,254,811.51	0.13	-	-
JIM HIGH LIQUIDITY FUND - DIRECT GROWTH	780,220.2870	33.72	26,308,247.87	2.63 (2.56)	-	-
JPMORGAN INDIA LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN	80,604.8583	10.01	806,691.77	0.08	-	-
JPMORGAN INDIA LIQUID FUND - DIRECT - GROWTH	6,366,355.4619	16.36	104,179,596.42	10.42 (10.33)	-	-
L&T CASH FUND - DIRECT PLAN - GROWTH	20.1778	1,675.39	33,805.61	-	-	-
L&T LIQUID FUND - DIRECT - GROWTH	318.5656	1,756.34	559,509.38	0.06	-	-
LIC NOMURA MF LIQUID FUND - DIRECT - GROWTH	492.1331	2,310.61	1,137,126.13	0.11 (0.11)	-	-
PRINCIPAL CASH MANAGEMENT - DIRECT PLAN - GROWTH	200,816.0522	1,245.85	250,187,439.51	25.02 (25.02)	-	-
RELIANCE LIQUID FUND - CASH PLAN - DIRECT - GROWTH	188,488.3246	2,055.95	387,522,941.37	38.75 (6.00)	-	-
RELIANCE LIQUID FUND - TP - DIRECT - GROWTH	45.3144	2,480.35	112,395.68	0.01	-	-
RELIGARE INVESCO LIQUID FUND - DIRECT - GROWTH	376.9446	1,761.63	664,038.30	0.07	-	-
SBI MAGNUM INSTA CASH FUND - DIRECT - GROWTH	13.1790	2,702.77	35,619.75	-	-	-
SUNDARAM MONEY FUND - DIRECT PLAN - GROWTH	23,160.3520	26.06	603,489.29	0.06	-	-



	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2014 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)	Number of Units	As at 31.3.2013 (₹ in crores)
TATA LIQUID FUND DIRECL PLAN - GROWTH		17,949,5430	2,281.63	40,954,181.40	4.10 (4.09)		-
TATA MONEY MARKET FUND - DIRECT - GROWTH		49,741,4970	2,017.32	100,344,477.38	10.03 (10.03)		-
TEMPLETON INDIA TMA - DIRECT - GROWTH		854,078,1720	1,901.07	1,623,662,112.52	162.37 (160.50)		-
TEMPLETON INDIA ULTRA SHORT BOND FUND - DIRECT PLAN - GROWTH		2,013,541,2170	16.44	33,100,000.00	3.31		-
UTI MONEY MARKET FUND - INSTITUTIONAL PLAN - DIRECT - GROWTH		73,0380	1,383.87	101,075.02	0.01		-
C) COMMERCIAL PAPER				Sub-total(iii)	294.10 (254.07)		89.58
ADITYA BIRLA FINANCE LIMITED	7-Jun-2013		500,000	50,000,000.00	-	100	4.54
HCL INFOSYSTEMS LIMITED	27-Jun-2013		500,000	50,000,000.00	-	100	4.65
TATA MOTORS FINANCE LIMITED	6-Aug-2013		500,000	50,000,000.00	-	100	4.65
IL&FS FINANCIAL SERVICES LIMITED	19-Jun-2013		500,000	250,000,000.00	-	500	23.89
ADITYA BIRLA FINANCE LIMITED	30-Jul-2013		500,000	50,000,000.00	-	100	4.76
ADITYA BIRLA FINANCE LIMITED	16-Jul-2013		500,000	50,000,000.00	-	100	4.78
BAJAJ FINANCE LIMITED	16-Jul-2013		500,000	50,000,000.00	-	100	4.78
ADITYA BIRLA FINANCE LIMITED	3-May-2013		500,000	100,000,000.00	-	200	9.75
L&T FINANCE COMPANY LIMITED	16-Sep-2013		500,000	50,000,000.00	-	100	4.71
POWER FINANCE CORPORATION LIMITED	15-Jul-2013		500,000	250,000,000.00	-	500	24.03
EXPORT-IMPORT BANK OF INDIA	5-Jul-2013		500,000	100,000,000.00	-	200	9.66
HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	10-May-2013		500,000	150,000,000.00	-	300	14.71
IL&FS FINANCIAL SERVICES LIMITED	29-Aug-2013		500,000	150,000,000.00	-	300	14.32
POWER FINANCE CORPORATION LIMITED	15-Apr-2013		500,000	500,000,000.00	-	1,000	49.69
TATA MOTORS FINANCE LIMITED	30-Apr-2014	500	500,000	250,000,000.00	22.94	-	-
BAJAJ FINANCE LIMITED	1-Oct-2014	100	500,000	50,000,000.00	4.70	-	-
BAJAJ FINANCE LIMITED	22-Jan-2015	300	500,000	150,000,000.00	13.67	-	-
TATA MOTORS FINANCE LIMITED	26-Sep-2014	100	500,000	50,000,000.00	4.70	-	-



	Maturity Date	Number of Units	Face Value Per Unit (₹)	Face Value (₹)	As at 31.3.2014 (₹ in crores) (Figures in bracket indicates amount earmarked towards SGF)	Number of Units	As at 31.3.2013 (₹ in crores)
TATA MOTORS FINANCE LIMITED	26-Sep-2014	400	500,000	200,000,000.00	18.68	-	-
INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED	9-May-2014	200	500,000	100,000,000.00	9.83	-	-
				Sub-total(iv)	74.51	-	178.92
				TOTAL (II)	422.30 (254.07)		293.70
				GRAND TOTAL (I + II)	451.34 (258.47)		402.00

	As at 31.03.2014 (₹ in crores)	As at 31.03.2013 (₹ in crores)
a) Aggregate Book Value - Quoted Investments	82.72	133.50
b) Aggregate Market Value of the quoted investments is ₹ 83.09 crores Previous Year : ₹ 134.21 crores)	368.61	268.50
c) Aggregate Book Value - Unquoted Investments	451.33	402.00
d) Provision for Diminution in Value of Investments	0.02	0.11

Note :

- Aggregate Book Value - Quoted Investments
- Aggregate Market Value of the quoted investments is ₹ 83.09 crores
Previous Year : ₹ 134.21 crores)
- Aggregate Book Value - Unquoted Investments
- Provision for Diminution in Value of Investments



12 Loans and advances

	Long Term		Short Term	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	(₹ in Crores)		(₹ in Crores)	
Advances recoverable in cash or kind				
Secured, considered good				
Unsecured, considered good	-	-	4.36	3.63
(A)	-	-	4.36	3.63
Other loans and advances				
Income Tax paid including TDS (Net of Provisions)	9.91		-	
Other deposits	0.12	0.12		
(B)	10.03	0.12	-	-
Total (A+B)	10.03	0.12	4.36	3.63

13 Other assets

	Non-current		Current	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	(₹ in Crores)		(₹ in Crores)	
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note no.15)	270.78	374.64	-	-
	270.78	374.64	-	-
Others				
Interest accrued on Investments	15.53	1.45	2.74	5.44
Interest accrued on certificate of deposits	-	-	0.08	0.16
Interest accrued on Bank deposits	16.83	6.42	66.95	78.11
Other receivables (note no. 28)	-	-	72.38	-
	32.36	7.87	142.15	83.71
Total	303.14	382.51	142.15	83.71



14 Trade receivables

	Current	
	31.03.2014	31.03.2013
	(₹ 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	29.69	0.06
	29.69	0.06
Other debts		
Secured, considered good	-	-
Unsecured, considered good	5.59	8.24
	5.59	8.24
Total	35.28	8.30

15 Cash and bank balances

	Non-current		Current	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	(₹ in Crores)		(₹ in Crores)	
Cash and cash equivalents				
Balances with banks :				
On current accounts (earmarked ₹4.06 crores)	-	-	68.93	30.45
Deposits with original maturity of less than three months	-	-	3,277.25	1,654.08
Earmarked Deposits with original maturity of less than three months (including ₹47.66 crores towards withheld payouts)	-	-	901.18	589.92
Cash on hand	-	-	-	-
	-	-	4,247.36	2,274.45
Other bank balances				
Deposits with original maturity for more than 12 months	154.75	228.97	243.84	379.23
Earmarked Deposits with original maturity for more than 12 months	116.03	145.67	172.79	172.89
Deposits with original maturity for more than 3 months but upto 12 months	-	-	181.15	112.83
Earmarked Deposits with original maturity for more than 3 months but upto 12 months	-	-	90.08	45.20
Certificate of Deposits	-	-	24.90	39.23
Earmarked Certificate of Deposits	-	-	-	9.78
	270.78	374.64	712.76	759.16
Amount disclosed under non-current assets (note 13)	270.78	374.64	-	-
Total	-	-	4,960.12	3,033.61

**16 Revenue from operations**

	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Sale of Services		
Clearing & Settlement Charges	75.63	72.09
	75.63	72.09
Other operating revenues		
IT & Process Support Charges	-	-
Software Usage Charges	-	0.50
Connect to NSE Services	3.17	3.37
Interest received	157.21	165.27
Processing Charges	1.58	1.79
Fines & Penalties	-	-
Total	237.59	243.02

17 Other income

Interest Income on		
On Investment		
- Short Term	12.13	7.09
- Long Term	15.80	9.91
On Bank Deposits	55.27	72.18
On Certificate of Deposits	0.71	0.53
On Others	0.75	0.02
	84.66	89.73
Dividend income		
Long Term	-	-
Short Term	6.53	14.45
Net gain / loss on sale of long term Investment	-	2.26
Net gain / loss on sale of current Investment	8.96	-
WAP Difference	-	0.02
Professional Fees (From NCDEX)	3.69	0.31
Miscellaneous Income	0.39	0.14
Total	104.23	106.91

18 Employee benefits expenses (Refer Note No. 22)

Salaries, wages and bonus	9.40	10.30
Contribution to provident and other fund	0.41	0.46
Employees welfare expenses	0.64	0.62
Total	10.45	11.38



19 Other expenses

Space & Infrastructure Usage Charges	5.03	5.59
Common Usage Expenses (Refer Note No. 2 c (i))	6.77	6.16
Insurance Premium	0.10	0.12
Printing, Stationery & Consumables	0.49	0.52
Auditors' Remuneration (refer note below)	0.09	0.08
Professional fees	3.87	3.13
Repairs & Maintenance :		
- On Building	0.17	0.20
- On Computer systems	14.53	15.50
- Others	0.21	0.27
IT Management & Consultancy Charges	4.72	4.95
Software Expenses	3.48	3.41
Directors' Sitting fees	0.10	0.03
Electricity expenses	2.37	2.05
Rates and Taxes	0.01	0.01
Adjustments to the carrying amount of current investments	0.05	0.11
Amortisation of Premium on Government / Debt Securities	0.37	0.39
Other expenses	11.41	6.46
Total	53.77	48.98
Note :		
Payment to auditor		
As auditor :		
Audit fees	0.06	0.06
Other services	0.03	0.02
Total	0.09	0.08

20 Trade payables include outstanding amounts of ₹ NIL (Previous Year: 1,798/-) (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 :

Travelling Expenses: ₹ NIL (Previous Year : ₹0.03 Crores)

Others: ₹ 0.06 Crores (Previous Year: ₹ 0.05 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 Companies (Accounting Standards) Rules, 2006 (as amended) are carried out by NSEIL.



- 23 The Company has constituted separate Settlement Guarantee Funds (SGF) in respect of the Capital Market, Futures & Options Market, Retail Debt Market segments and Currency Derivatives Market.

The Clearing members are required to contribute to the respective fund in the form of interest free security deposit and also make additional deposits in the form of cash, securities, fixed deposit receipts or bank guarantees. Besides the same, the Clearing members are also required to deposit margin money which, subject to hair cut, forms part of the SGF. While the interest free security deposit is not refundable during the tenure of a clearing membership, the margin money is refundable, subject to adjustments, if any.

Of this, the interest free security deposit and security deposit in the form of cash collected from members amounting to ₹ 370.46 Crores are grouped under the head "Unsecured Deposits" whereas the cash margin amounting to ₹ ,135.72 Crores collected from members (₹ 1,133.33 Crores after applying hair cut) has been grouped under the head "Other Current Liabilities". The non cash portion of the SGF comprising of collaterals such as bank guarantees, securities and fixed deposit receipts received from the members amounting to ₹ 8,329.44 Crores (₹ 30,819.42 Crores after applying hair cut) does not form part of the Balance Sheet.

Sr. No.	Segment	Total SGF	Cash Component	Non Cash Component		
				Bank Guarantees	Securities	Fixed Deposit Receipts
1	Capital market *	5,041.46	716.95	1,116.15	503.41	2,704.95
2	Futures & Options *	25,363.47	666.88	5,243.80	4,269.14	15,183.65
3	Retail Debt Market	2.75	1.45	0.40	-	0.90
4	Currency Derivatives	1,434.51	71.51	313.07	322.57	727.36
5	SLB Segment	481.00	46.98	149.68	-	284.34
	Total	32,323.19	1,503.77	6,823.10	5,095.12	18,901.20

*after adjusting net shortages amounting to ₹ 0.02 crores

The breakup of Cash Component in each SGF is as follows:

Sr. No.	Segment	Mar-2014			
		Interest Free Security Deposit	Security Deposit	Margins	Total
1	Capital market	144.56	17.26	555.15	716.97
	Less : Net Shortages				0.02
	Net Amount				716.95
2	Futures & options	116.00	33.39	517.49	666.88
3	Retail Debt Market	1.45	-	-	1.45
4	Currency Derivatives	38.75	7.05	25.71	71.51
5	SLB Segment	12.00	-	34.98	46.98
	Total	312.76	57.70	1,133.33	1,503.77
5	Amount not forming part of SGF	24.82	5.27	2.39	32.48
	TOTAL	337.58	62.97	1,135.72	1,536.25
	(Balance Sheet ref. no)	Note 5	Note 5	Note 8	
	Non Current	327.89	60.97	-	
	Current	9.69	2.00	1,135.72	
	Total	337.58	62.97	1,135.72	



The above cash component of SGF has been earmarked as under:

Sr. No.	Particulars	Amount	Balance Sheet Reference No.	Earmarked Amount
1	Non Current Investments	265.66	Note 10	8.83
2	Current Investments	451.34	Note 11	258.47
3	Balances with Banks			
	in Current Account	68.93	Note 15	4.06
	in Deposit Accounts	5,137.07	Note 15	1,232.43
	in Certificate of Deposits	24.90	Note 15	-
	Total (1 to 3)	5,947.91		1,503.79

A) Capital Market Segment:

- I. Cash component in form of Interest Free Security Deposit of ₹ 144.56 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
FIXED DEPOSIT WITH BANKS	
ALLAHABAD BANK	12.59
AXIS BANK LIMITED	19.43
BANK OF INDIA	0.98
BANK OF MAHARASHTRA	2.97
CENTRAL BANK OF INDIA	0.73
CORPORATION BANK	5.00
FEDERAL BANK LIMITED	3.96
IDBI BANK LTD.	2.45
INDIAN BANK	4.95
STATE BANK OF MYSORE	8.98
SYNDICATE BANK	9.69
UCO BANK	5.00
YES BANK LIMITED	9.10
TOTAL FIXED DEPOSIT	85.83
Flexi Fixed Deposits	
AXIS BANK	22.16
HDFC BANK	5.45
HSBC BANK	9.70
TOTAL Flexi Fixed Deposits	37.31
MUTUL FUND	
JM HIGH LIQUIDITY FUND - DIRECT GROWTH	2.56
TEMPLETON INDIA TMA - DIRECT - GROWTH	10.03
TOTAL MUTUL FUND	12.59
TAXABLE BONDS	
RURAL ELECTRIFICATION CORPORATION LIMITED	4.56
TOTAL TAXABLE BONDS	4.56
TAXFREE BONDS	
POWER FINANCE CORPORATION LIMITED	4.27
TOTAL TAXFREE BONDS	4.27



II. Cash Component in form of Security Deposit of ₹ 17.26 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Flexi Fixed Deposits	
Flexi Fixed Deposits with HDFC Bank	17.26
TOTAL Flexi Fixed Deposits	17.26

III. Cash component in form of Margins of ₹555.15 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
FIXED DEPOSIT WITH BANKS	
BANK OF INDIA	6.64
BANK OF MAHARASHTRA	0.86
STATE BANK OF MYSORE	0.82
STATE BANK OF TRAVANCORE	18.85
YES BANK LIMITED	2.55
TOTAL FIXED DEPOSIT	29.72
Flexi Fixed Deposits	
BANK OF INDIA	4.65
HSBC BANK	1.00
ICICI BANK	52.27
IDBI BANK	7.48
INDUSIND BANK	11.39
KOTAK MAHINDRA	5.12
STAN CHART BANK	242.07
UNION BANK	5.33
AXIS BANK	58.73
CANARA BANK	5.96
CITIBANK	27.86
HDFC BANK	67.58
TOTAL Flexi Fixed Deposits	489.45
MUTUL FUND	
BIRLA SUN LIFE CASH PLUS - DIRECT - GROWTH	25.00
JPMORGAN INDIA LIQUID FUND - DIRECT - GROWTH	0.16
RELIANCE LIQUID FUND - CASH PLAN - DIRECT - GROWTH	0.49
TATA MONEY MARKET FUND - DIRECT - GROWTH	10.03
TEMPLETON INDIA TMA - DIRECT - GROWTH	0.30
TOTAL MUTUL FUND	35.98



B) Futures & Options Segment:

I. Cash component in form of Interest Free Security Deposit of ₹116.00 Crores earmarked as under:

Particulars	Amount (₹ In Crores)
FIXED DEPOSIT WITH BANKS	
ALLAHABAD BANK	3.67
BANK OF INDIA	0.77
CORPORATION BANK	2.00
INDIAN BANK	10.05
STATE BANK OF MYSORE	4.80
STATE BANK OF TRAVANCORE	15.00
UNION BANK OF INDIA	4.95
YES BANK LIMITED	54.10
TOTAL FIXED DEPOSIT WITH BANKS	95.34
Flexi Fixed Deposits	
AXIS BANK	4.96
CANARA BANK	2.95
ICICI BANK	12.75
Total Flexi Fixed Deposits	20.66

II. Cash component in form of Security Deposit of ₹ 33.39 Crores earmarked as under:

Particulars	Amount (₹ In Crores)
Flexi Fixed Deposits	
FLEXI FIXED DEPOSIT BANK OF INDIA	18.46
FLEXI FIXED DEPOSIT HDFC BANK	9.07
FLEXI FIXED DEPOSIT ICICI BANK	5.86
Total Flexi Fixed Deposits	33.39

III. Cash component in form of Margins of ₹517.49 Crores is earmarked as under:-

Particulars	Amount (₹ In Crores)
FIXED DEPOSIT WITH BANKS	
ALLAHABAD BANK	12.99
BANK OF INDIA	0.65
BANK OF MAHARASHTRA	1.00
IDBI BANK LTD.	17.00
STATE BANK OF PATIALA	0.63
STATE BANK OF TRAVANCORE	71.54
YES BANK LIMITED	49.71
TOTAL FIXED DEPOSIT WITH BANKS	153.52
Flexi Fixed Deposits	
HDFC BANK	192.56
Total Flexi Fixed Deposits	192.56



Particulars	Amount (₹ In Crores)
MUTUL FUND	
BARODA PIONEER LIQUID FUND - PLAN B - DIRECT - GROWTH	0.11
BIRLA SUN LIFE CASH PLUS - DIRECT - GROWTH	0.15
DSP BLACKROCK LIQUIDITY FUND - DIRECT - GROWTH	0.17
JPMORGAN INDIA LIQUID FUND - DIRECT - GROWTH	0.17
LIC NOMURA MF LIQUID FUND - DIRECT - GROWTH	0.11
PRINCIPAL CASH MANAGEMENT - DIRECT PLAN - GROWTH	25.02
RELIANCE LIQUID FUND - CASH PLAN - DIRECT - GROWTH	5.51
TEMPLETON INDIA TMA - DIRECT - GROWTH	140.17
TOTAL MUTUL FUND	171.41

C) Retail Debt Market Segment :

Cash component in form of Cash Deposit of ₹ 1.45 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Flexi Fixed Deposits	
FLEXI FIXED DEPOSITS WITH HDFC BANK	1.45
TOTAL RDM DEPOSITS	1.45

D) CURRENCY DERIVATIVE SEGMENT :

I. Cash component in form of Interest Free Security Deposit of ₹38.75 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
FIXED DEPOSIT WITH BANKS	
ALLAHABAD BANK	8.09
AXIS BANK LIMITED	5.00
TOTAL FIXED DEPOSIT WITH BANKS	13.09
Flexi Fixed Deposits	
HSBC BANK	0.10
IDBI BANK	0.41
KOTAK MAHINDRA	0.58
SBI	0.25
STAN CHART BANK	0.51
UNION BANK	0.48
AXIS BANK	1.64
BANK OF INDIA	1.04
CANARA BANK	0.33
CITIBANK	0.87
HDFC BANK	9.46
Total Flexi Fixed Deposits	15.66
MUTUL FUND	
BARODA PIONEER TREASURY ADVANTAGE FUND PLAN B - GROWTH	10.00
TOTAL MUTUL FUND	10.00



II. Cash component in form of CDS Security Deposit of ₹ 7.05 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Flexi Fixed Deposits	
HDFC BANK LTD	4.49
Total Flexi Fixed Deposits	4.49
Bank Balances	
ICICI	2.56
Total SD	7.05

III. Cash component in form of CDS Margins of ₹ 25.71 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Flexi Fixed Deposits	
AXIS BANK	0.07
HDFC BANK	0.46
HSBC	0.3
KOTAK MAHINDRA	0.35
STAN CHART BANK	0.44
Total Flexi Fixed Deposits	1.62
MUTUL FUND	
JPMORGAN INDIA LIQUID FUND - DIRECT - GROWTH	10.00
TATA LIQUID FUND DIRECL PLAN - GROWTH	4.09
TEMPLETON INDIA TMA - DIRECT - GROWTH	10.00
TOTAL MUTUL FUND	24.09

E) Securities Lending & Borrowing

I. Cash component in form of Interest Free Security Deposit of ₹ 12.00 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Bank Balnces	
AXIS BANK	0.10
BANK OF INDIA	0.10
CANARA BANK	0.05
HSBC BANK	0.12
ICICI BANK	0.80
IDBI BANK	0.10
STAN CHART	0.10
STAN CHART BANK	0.10
Total Bank Balnces	1.48
FIXED DEPOSIT WITH BANKS	
ALLAHABAD BANK	1.41
TOTAL FIXED DEPOSIT WITH BANKS	1.41
Flexi Fixed Deposits	
AXIS BANK	0.53



Particulars	Amount (₹ In Crores)
BANK OF INDIA	0.24
HDFC BANK	3.56
HSBC	0.10
IDBI BANK	0.15
KOTAK MAHINDRA	0.13
Total Flexi Fixed Deposits	4.71
TAXABLE BONDS	
POWER FINANCE CORPORATION LIMITED	4.40
TOTAL TAXABLE BONDS	4.40

II. Cash component in form of SLB Margins of ₹ 34.98 Crores is earmarked as under:

Particulars	Amount (₹ In Crores)
Bank Balnces	
ICICI BANK	0.02
Total Bank Balnces	0.02
Flexi Fixed Deposits	
BANK OF INDIA	0.89
CANARA BANK	0.04
CITIBANK	0.21
HDFC BANK	28.41
KOTAK MAHINDRA	0.00
STAN CHART BANK	0.20
UTI BANK	5.21
Total Flexi Fixed Deposits	34.96

- 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	National Commodity Clearing Limited upto (28-may-2013)	Fellow Subsidiary
4	NSE.IT Limited	Fellow Subsidiary's Subsidiary
5	DotEx International Limited	Fellow Subsidiary's Subsidiary
6	India Index Services & Products Limited	Fellow Subsidiary's Subsidiary
7	NSE Infotech Services Limited	Fellow Subsidiary's Subsidiary
8	NSE.IT (US) Inc.	Fellow Subsidiary's Subsidiary's Subsidiary



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

Name of the Related Party	Nature of Transactions	Year ended 31.03.2014	Year ended 31.03.2013
National Stock Exchange of India Ltd.	• Clearing and Settlement charges received	84.98	81.00
	• Usage charges paid	7.61	6.93
	• Reimbursement paid for expenses on staff on deputation	11.02	12.19
	• Reimbursement paid for other expenses incurred	24.03	25.98
	• Space & Infrastructure Usage Charges paid	5.65	6.23
	• Dividend paid	146.25	202.50
	• Outstanding balance – (Credit) / Debit	(22.93)	(18.53)
NSE.IT Ltd.	• Repairs & Maintenance – Clearing & Computer systems	0.53	0.61
	• Outstanding balance – (Credit) / Debit	(0.12)	(0.05)
National Commodity Clearing Ltd.	• Software usage charges received	-	0.56
	• Sale of Assets (Previous year ₹ 18,000/-)	-	0.00
	• Outstanding Balance (Credit)/ Debit	-	0.12
NSE Infotech Services Limited	• Repairs & Maintenance – Clearing & Computer systems	7.71	6.27
	• Outstanding balance – (Credit) / Debit	(1.66)	(1.83)
NSE Strategic Investment Corporation Limited	• Investment in Preference Share Capital	0.39	0.02
	• Investment in Equity Share Capital	0.39	0.02
	• Outstanding balance – (Credit) / Debit	-	-
	• Investment in Preference Share Capital	0.41	0.02
	• Investment in Equity Share Capital	0.41	0.02



- 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 31.03.2014	Year ended 31.03.2013
Net Profit attributable to Shareholders (₹ In Crores)	186.51	179.21
Weighted Average number of equity shares issued (No. in Crores)	4.5	4.5
Basic earnings per share of ₹ 10/- each (in ₹)	41.45	39.82

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.

- 27 Prior period items for previous year includes :

Particulars	₹ Crores
Fines & penalties of prior years transferred to NSE IPFT	32.76
Others	0.03
Total	32.79

- 28 During the 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: ₹6.69 Crores (Previous Year : ₹ 6.69 Crores)
- On account of disputed demand of Income tax ₹ 7.40 Crores (Previous Year : ₹6.60 Crores)

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

For and on behalf of the Board of Directors

C.M. VASUDEV
CHAIRMAN

CHITRA RAMKRISHNA
Director

Place : Mumbai
Date : April 28, 2014

RAVI NARAIN
Director

R. JAYAKUMAR
Asst. Company Secretary