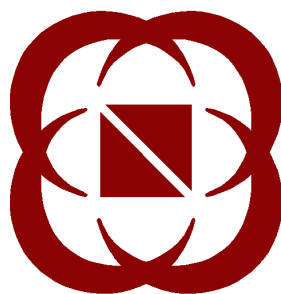


NATIONAL STOCK EXCHANGE
OF INDIA LIMITED



TWENTY-SECOND ANNUAL REPORT
2013-14

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CORPORATE INFORMATION

Board of Directors

Mr. S. B. Mathur	:	Chairman
Mr. Ravi Narain	:	Vice Chairman
Ms. Chitra Ramkrishna	:	Managing Director & CEO
Mr. Abhay Havaladar		
Mr. S. B. Mainak		
Mr. Y. H. Malegam		
Dr. K. R. S. Murthy		
Mr. Prakash Parthasarathy		
Dr. S. Sadagopan		
Mr. Justice B. N. Srikrishna (Retd.)		
Mrs. Pratima M. Umarji		

Management Team

Mr. J. Ravichandran	:	Chief (L&S, GI &SR) & Company Secretary
Mr. R. Sundararaman	:	Chief – New Products, IISL, DotEx & Business Excellence
Mr. Yatrik R. Vin	:	Chief Financial Officer
Mr. Ravi Varanasi	:	Chief – Business Development
Mr. N. Muralidaran	:	Chief – Special Projects
Dr. V. R. Narasimhan	:	Chief – Regulations
Ms. K. Kamala	:	Head – Compliance
Mr. Nirmal Mohanty	:	Head – Research
Mr. Hari K	:	Vice President
Mr. T. Venkat Rao #	:	Head – NSCCL
Mr. Chandrashekhar Mukherjee	:	Head – People Management
Mr. Suprabhat Lala	:	Vice President
Mr. M. Vasudev Rao	:	Vice President
Mr. Mayur Sindhwad	:	Vice President
Mr. Mahesh Haldipur	:	Head – Admin. & Premises
Ms. Nisha Subhash	:	Senior Asst. Vice President
Ms. Rana Usman	:	Senior Asst. Vice President

on deputation to NSCCL

Mr. C.N. Upadhyay	:	Asst. Vice President
Mr. Arup Mukherjee	:	Asst. Vice President
Mr. R. Jayakumar #	:	Asst. Vice President
Mr. Ravindra Mohan Bathula#	:	Asst. Vice President
Mr. Nilesh Tinaikar	:	Asst. Vice President
Mr. Nagendra Kumar SRVS	:	Asst. Vice President
Mr. Vitthal More	:	Asst. Vice President
Mr. Sandip Mehta	:	Asst. Vice President
Mr. Amol Mahajan	:	Asst. Vice President
Ms. Divya Malik Lahiri	:	Asst. Vice President
Ms. Rehana D'Souza	:	Asst. Vice President
Mr. Sanjay Sinha	:	Asst. Vice President
Mr. Sunil Gawde	:	Asst. Vice President
Mr. Huzefa Mahuvawala	:	Asst. Vice President
Mr. Avinash Kharkar	:	Asst. Vice President
Mr. Amit Bhobe#	:	Asst. Vice President
Mr. Bireshwar Chatterjee	:	Asst. Vice President

on deputation to NSCCL

Auditors : M/s. Khandelwal Jain & Co.
Chartered Accountants
12-B, Baldota Bhavan, 5th Floor
Maharshi Karve Road, Churchgate
Mumbai – 400 020

Registered Office : “Exchange Plaza”
Plot No. C-1, Block ‘G’,
Bandra Kurla Complex
Bandra (East), Mumbai – 400 051

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

DIRECTORS' REPORT

To

The Members,

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

1. OPERATIONS AND MAJOR DEVELOPMENTS DURING THE YEAR

1.1 Global rankings - Equity Derivatives Market

1.1.1 Stock Futures

During the year 2013, NSE was ranked as the 3rd largest exchange in respect of contracts traded in stock futures. The details of top 5 exchanges trading stock futures are given in Table 1 below:

Table 1

(In millions)

Sr. No.	Exchange	Contracts traded during 2013
1	Moscow Exchange	303
2	Eurex	179
3	National Stock Exchange India	166
4	NYSE Liffe (Europe)	130
5	Korea Exchange	96

Source: WFE

1.1.2 Index Options

NSE was ranked 1st in the world in respect of contracts traded in index options. The details of top 5 exchanges in index options are given in Table 2 below:

Table 2

(In millions)

Sr. No.	Exchange	Contracts traded during 2013
1	National Stock Exchange India	930
2	Korea Exchange	580
3	Chicago Board Options Exchange	373
4	Eurex	317
5	Bombay Stock Exchange	250

Source: WFE

1.1.3 Index Futures

During the year 2013, NSE was ranked as the 6th largest exchange in the world in index futures. The details of top 10 exchanges in index futures are given in Table 3 as under:

Table 3

(In millions)

Sr. No.	Exchange	Contracts traded during 2013
1	CME Group	573
2	Eurex	327
3	Moscow Exchange	268
4	Osaka SE	265
5	China Financial Futures Exchange	193
6	National Stock Exchange India	102
7	Singapore Exchange	100
8	NYSE Liffe (Europe)	83
9	Hong Kong Exchange	51
10	Korea Exchange	50

Source: WFE

1.1.4 Nifty Index Global rankings

Nifty Index options ranked 1st across the top 20 Index options traded globally during the year 2013. Nifty Index futures ranked 19th across the top 20 Index futures traded globally during the year 2013.

(Source: www.futuresindustry.org rankings based on number of contracts traded or cleared between Jan 13 - Dec 13)

1.1.5 All products

NSE continued to be ranked 4th across all the Derivatives exchanges in the world based on the volume of contracts traded during the year 2013.

(Source: www.futuresindustry.org rankings based on number of contracts traded or cleared between Jan 13 - Dec 13)

1.2 Global rankings-Capital Market

In the Capital Market segment, NSE maintained its world number one ranking based on the number of transactions during the calendar year 2013. The details of top 10 Exchanges are given below in the Table 4 below:

Table 4

(in Thousands)

Sr. No.	Exchange	No. of transactions
1	National Stock Exchange India	1449227.3
2	Shenzhen SE	1289434.9
3	NYSE Euronext (US)	1187799.9
4	Shanghai SE	1153367.0
5	NASDAQ OMX	1151818.0
6	Korea Exchange	1031553.2
7	Japan Exchange Group - Tokyo	599091.5
8	Bombay Stock Exchange	344672.2
9	TMX Group	235551.6
10	BM & FBOVESPA	191596.8

Source: WFE. The sale and purchase of a share are counted as one transaction

1.3 Membership at NSE

40 new members (16 in CM, F&O and CD segments; 13 in CM and F&O segments, 2 in CM segment, 4 in F&O segment, 3 in CD segment and 2 in Debt segment) were registered during the Financial Year 2013-14.

The Exchange also granted additional segment membership to 38 members during the Financial Year 2013-14.

Table 5 showing membership details for the Financial Year 2013-14

Particulars	CM segment	WDM/Debt segment	F&O segment	CD segment	Composite membership (CM, F&O, CDS, WDM and Debt)	Total members
SEBI registered trading members	77	3	7	73	1,298	1,458
Members registered in additional segments	0	0	5	34		
Registered Sub-brokers	29,870	Nil	Nil	Nil		
Authorised persons	38,900	Nil	62,844	12,438		
Surrender of membership	33	1	29	29		

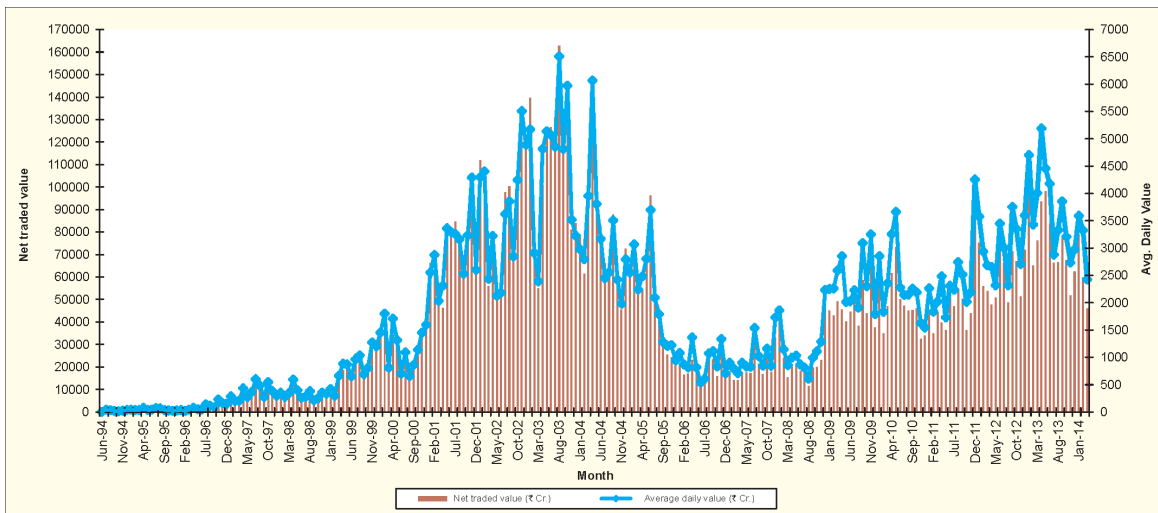
Till March 31, 2014, a total of 235 members were enabled in the first dedicated debt trading segment.

1.4 Wholesale Debt Market (WDM) Segment

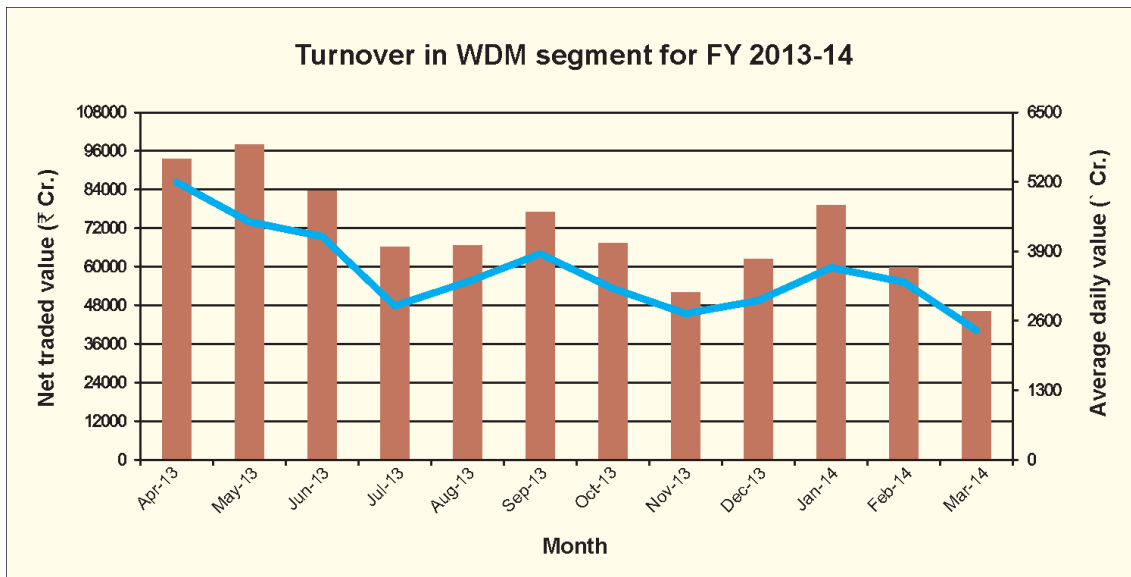
The WDM segment provides a trading platform for trading of a wide range of fixed income securities. This includes government securities, treasury bills and bonds issued by public sector undertakings (PSUs) and non-traditional instruments like floating rate bonds, zero coupon bonds, index bonds, structured products, corporate debentures, state government loans, SLR and non-SLR bonds issued by financial institutions, units of mutual funds and Supra Institutions (Foreign institutions). There were 5952 securities available for trading as on March 31, 2014 all belonging to listed category.

The turnover on WDM segment increased in the financial year 2013-14. The turnover increased to ₹ 8,51,433.61 crores in 2013-14 from ₹ 7,92,213.76 crores in 2012-13 registering an increase of 7.48%. The average daily turnover increased to ₹ 3,503.84 crores in 2013-14 from ₹ 3,273.61 crores in 2012-13.

The business growth on the WDM segment of the Exchange is presented in Figure 1.



Turnover in WDM segment for FY 2013-14 is presented in Figure 2 as under:-



The transactions in dated government securities account for a substantial share in the WDM segment with 41.49% in 2013-14. Market capitalisation of the WDM segment has witnessed a constant increase in the number of securities available for trading on this segment. Total market capitalisation of the securities available for trading on WDM segment stood at ₹ 51,28,733.33 crores as on March 31,2014.

Table 6: Trades in WDM segment

Particulars	2013-14	2012-13
Number of trades	21,143	26,974
Average monthly number of trades	1,762	2,248
Average daily number of trades	87	111
Average Trade Value (₹ in crores)	40.27	29.37
Average Daily Turnover (₹ in crores)	3,503.84	3,273.61
Turnover (₹ in crores)	8,51,433.60	7,92,213.76
Number of active scrips	1,585	1,421
Number of active members	30	34

1.4.1 Securities Profile

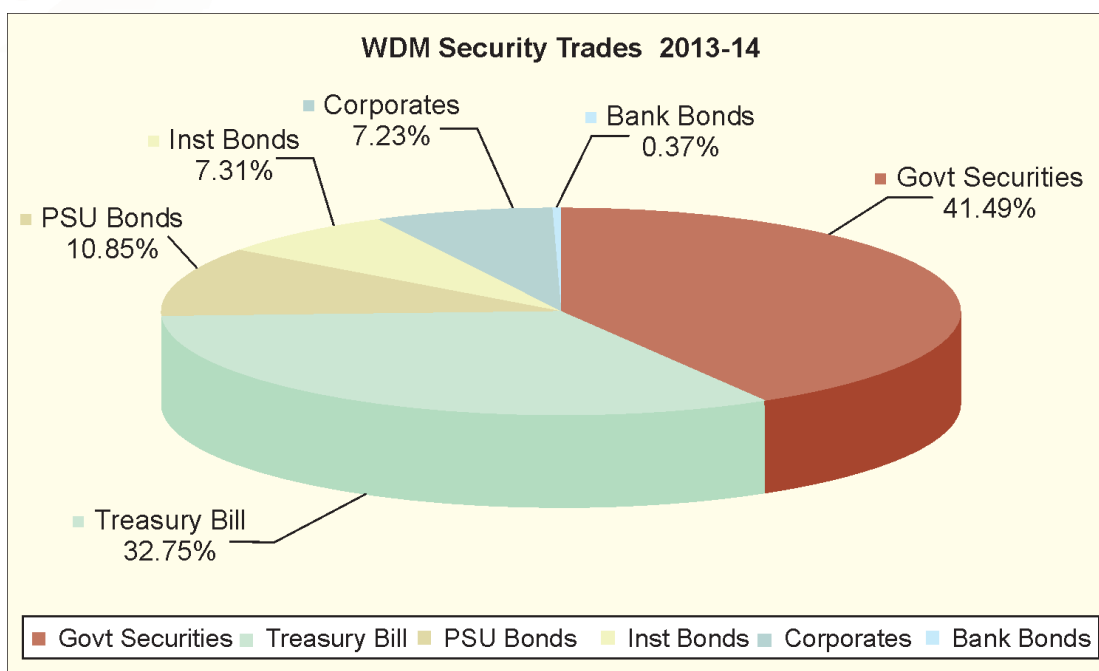
The turnover of Government securities in the WDM segment decreased by 15.47% during 2013-14. Its share in total turnover decreased from 52.75% in 2012-13 to 41.49% in 2013-14. The share of Treasury Bills increased from 22.71% in 2012-13 to 32.75% in 2013-14. The turnover of Non Government securities in WDM segment increased by 12.85% during 2013-14. During 2013-14, the share of Non Government Securities in total turnover increased to 25.76% as compared to 24.54% in 2012-2013.

Table 7 and Figure 3 represent security-wise distribution of turnover.

Table 7: Security-wise Distribution of Turnover

Securities	2013-14		2012-13	
	Turnover (₹ in crores)	% of Turnover	Turnover (₹ in crores)	% of Turnover
Government Securities	3,53,256.88	41.49	4,17,927.13	52.75
T-Bills	2,78,814.49	32.75	1,79,901.81	22.71
PSU Bonds	92,378.60	10.85	72,142.57	9.11
Institutional Bonds	62,267.50	7.31	55,727.42	7.03
Bank Bonds	3,162.70	0.37	2,360.90	0.30
Corporate Bonds	61,553.44	7.23	64,153.93	8.10
Total	8,51,433.61	100.00	7,92,213.76	100.00

Figure 3: Security wise Distribution of Turnover



1.4.2 Issuances in WDM

A total of 1,304 securities were listed during the financial year 2013-14. As at end of March 2014, 5,952 securities were available for trading on the WDM segment. Details of Issuance in WDM are provided in Table 8.

Table 8: Issuance in WDM

Financial Year	No. of New Securities Listed	Total No. of Securities (at year end)	Market Capitalisation (at year end ₹ in Crores)
2004-05	1,299	3,097	14,61,734.37
2005-06	564	3,177	15,67,573.81
2006-07	661	3,252	17,84,800.57
2007-08	856	3,566	21,23,346.28
2008-09	1,026	3,954	28,48,315.50
2009-10	959	4,140	31,65,929.48
2010-11	1,080	4,479	35,94,877.15
2011-12	1,508	5,148	42,72,736.48
2012-13	1,707	5,782	49,28,331.79
2013-14	1,304	5,952	51,28,733.33

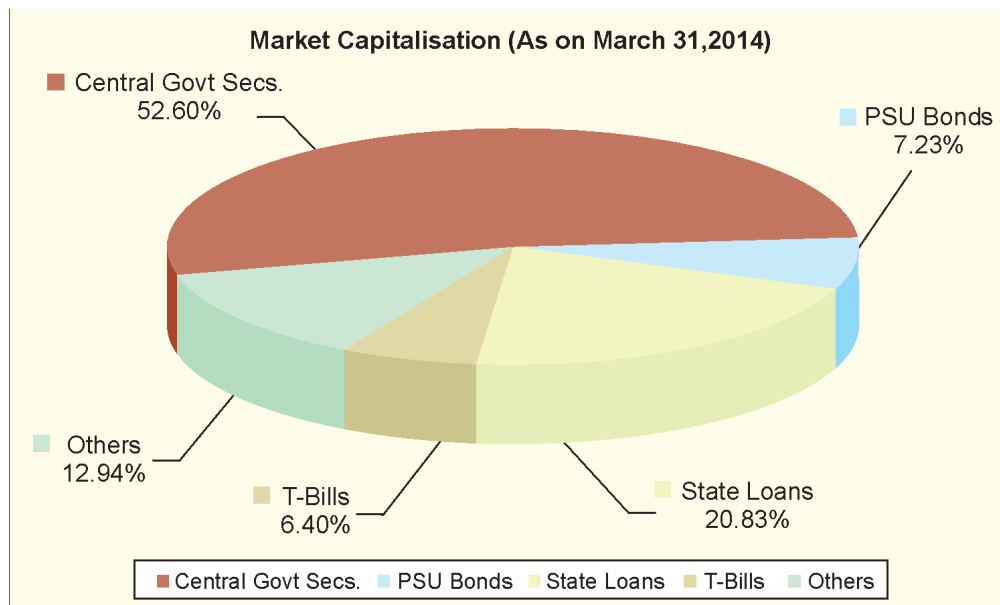
1.4.3 Market Capitalisation

Total Market capitalisation of the securities available for trading in WDM segment increased to ₹ 51,28,733.33 crores in 2013-14 from ₹ 49,28,331.79 crores in the previous year registering a growth of 4.07%. The Central Government securities accounted for the largest share of the market capitalisation with 52.60% while Non-Government Securities accounted for 20.17%. The composition of market capitalisation of various securities on WDM is presented in Table 9.

Table 9: Market Capitalisation of WDM segment

Securities	As on March 31, 2014		As on March 31, 2013	
	Market Capitalisation (₹ in crores)	% of total	Market Capitalisation (₹ in crores)	% of total
Central Government Securities	26,97,539.47	52.60	27,69,001.54	56.19
PSU Bonds	3,70,991.64	7.23	3,05,606.25	6.20
State Loans	10,68,114.52	20.83	9,04,142.96	18.35
T-Bills	3,28,407.40	6.40	2,98,487.58	6.06
Others	6,63,680.31	12.94	6,51,093.45	13.20
Total	51,28,733.34	100.00	49,28,331.78	100.00

Figure 4: Market Capitalisation of WDM segment



1.4.4 Corporate Bond Market

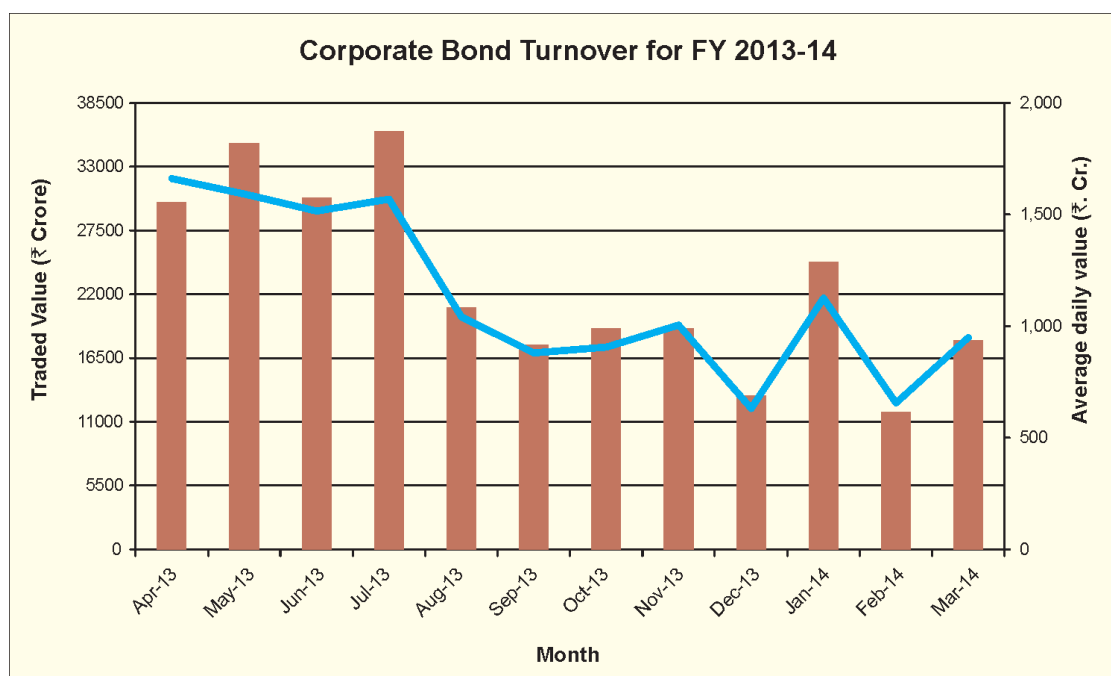
Currently for reporting trades in Corporate bonds, Exchanges provide two platform namely NEAT WDM and Report CBT. The average daily traded value reported through corporate bond for 2013-14 was ₹ 1,134.64 crores (NEAT WDM & Report CBT) as compared to ₹ 1,000.46 crores for 2012-13 with an average of around 86 trades being reported on a daily basis as compared to 87 trades for 2012-13.

Turnover of Corporate Bond is presented in Table 10 and Figure 5.

Table 10: Corporate Bond Turnover

Corporate Bond Turnover	2013-14	2012-13	% Change
Total Turnover (₹ Crores)	2,75,716.56	2,42,112.03	13.88
Average Daily Turnover (₹ Crores)	1,134.64	1,000.46	13.41
Total Number of Trades	20,812	21,144	(1.57)
Average Daily Trades	86	87	(1.15)

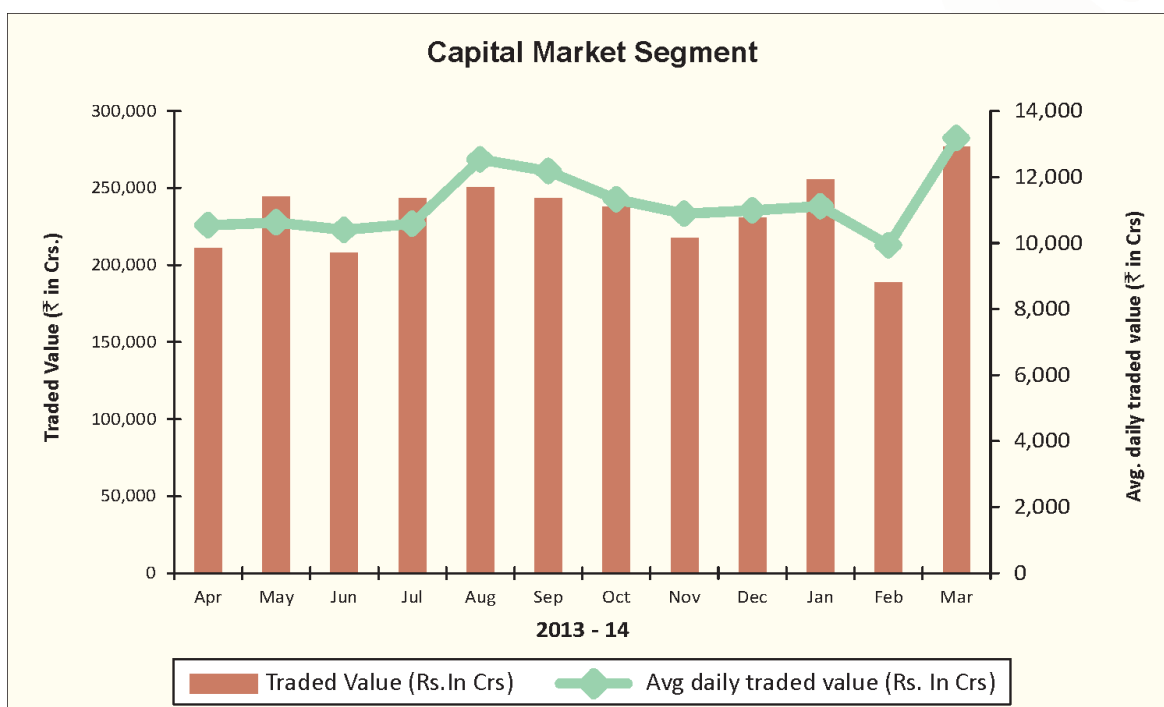
Figure 5: Corporate Bond Turnover for FY 2013-2014



1.5 Capital Market (CM) segment

The total turnover of CM segment in the year 2013-14 is ₹ 28,08,488 crores as compared to ₹ 27,08,279 crores in the year 2012-13, showing an increase of 3.70%. The average daily traded value in 2013-14 is ₹ 11,189 crores as compared to ₹ 10,833 crores in 2012-13.

As on March 31, 2014, the number of listed companies available for trading was 1,631 compared to 1,617 as on March 31, 2013. In current year, Exchange allowed trading facility in 2 securities in permitted to trade category.

Figure 6: Month-wise Turnover and Average Daily Turnover in CM segment


The changes in turnover statistics over the preceding year are presented in Table No. 11

Table No. 11: Turnover Statistics on CM segment

Sr. No.	Details	2013-14	2012-13	% Rise / (Fall) in 2013-14
1	Total Number of trades (in lakhs)	14,432	13,605	6.08
2	Total no. of shares traded (in lakhs)	15,33,716	16,59,160	(7.56)
3	Total Turnover (₹ Crores)	28,08,488	27,08,279	3.70
4	Market Capitalisation at the end of year (₹ Crores)	72,77,720	62,39,035	16.65
5	Turnover of CNX Nifty Securities (₹ Crores)	15,79,587	14,01,763	12.69
6	Total number of listed companies	1,631	1,617	0.87

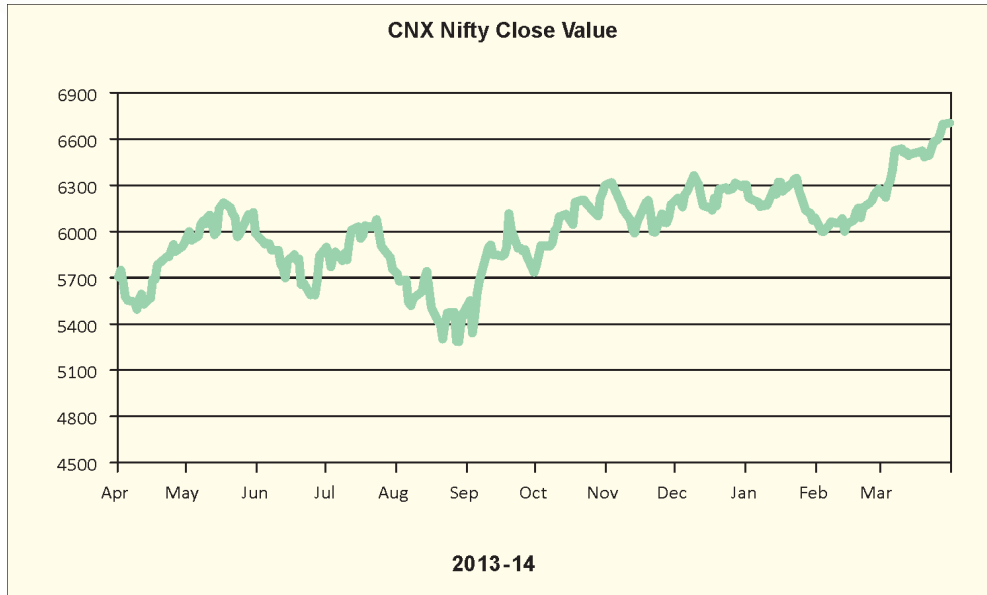
1.5.1 Index movement

CNX Nifty saw upward movement of 17.98 % moving from 5,682.55 to 6,704.20 over the financial year 2013-14.

During the year 2013-14, the CNX Nifty touched a high of 6,730.05 on March 31, 2014 and low of 5,118.85 on August 28, 2013. Movement of CNX Nifty is shown in Figure 7.

The turnover of CNX Nifty securities was ₹ 15,79,587 crores in the year 2013-14 as compared to ₹ 14,01,763 crores. The contribution of CNX Nifty securities turnover to total turnover during the year 2013-14 was 56.24% compared to 51.75% in the year 2012-13.

Figure 7: CNX Nifty movement

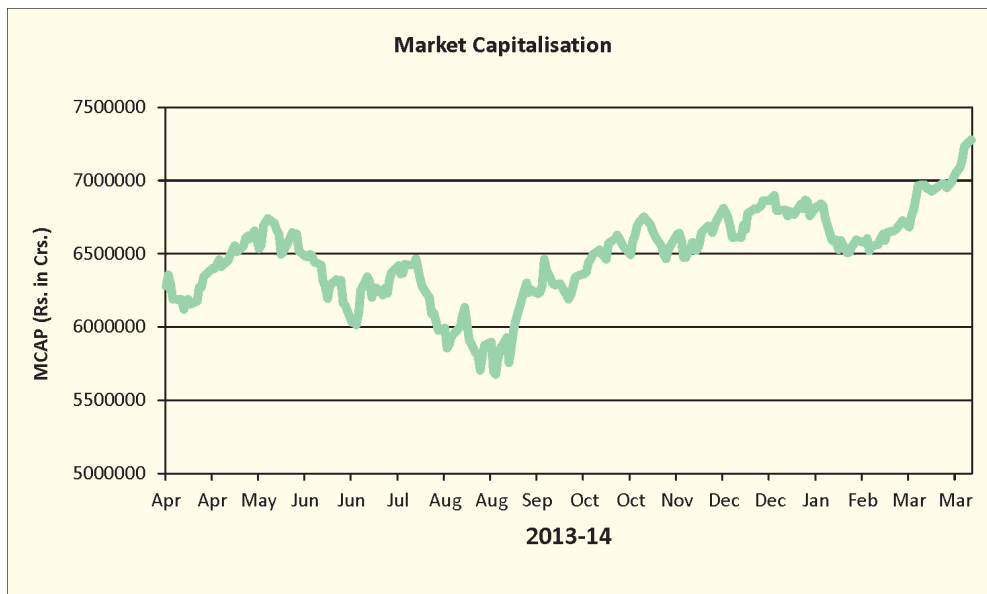


1.5.2 Market Capitalisation

The market capitalisation of securities available for trading on CM segment has increased by 16.65% during 2013-14 from ₹ 62,39,035 crores as on March 28, 2013 to ₹ 72,77,720 crores as on March 31, 2014. Out of total market capitalisation of ₹ 72,77,720 crores as on March 31, 2014, ₹ 43,240 crores was contributed by newly listed securities. The market capitalisation growth is shown in Figure 8.

During the year, the market capitalisation of CNX Nifty increased by 23% and CNX Nifty Junior increased by 16%.

Figure 8 - Market Capitalisation during year 2013-14

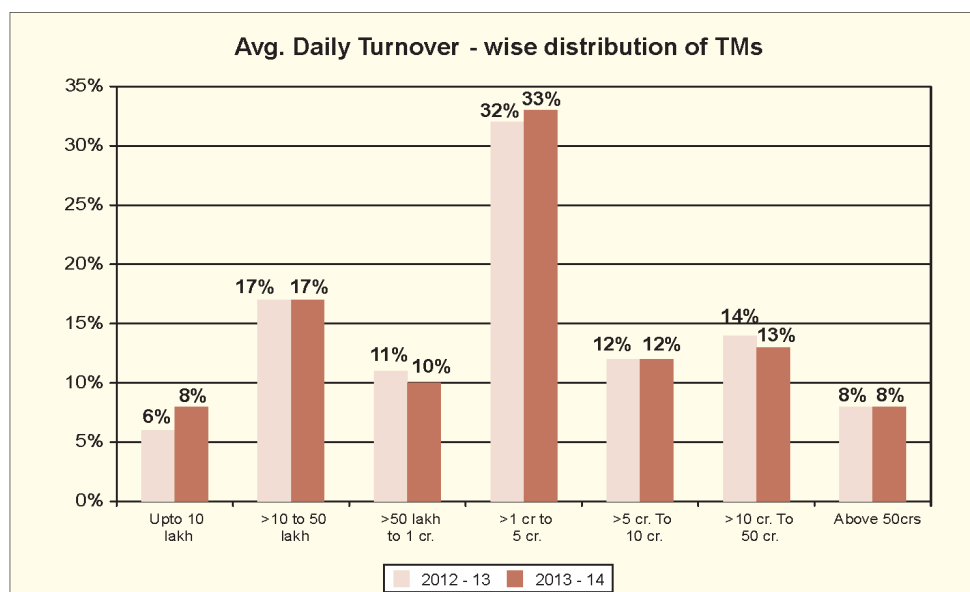


1.5.3 Distribution of Turnover

Turnover-wise distribution of trading members

About 66% of the trading members had an average daily turnover of ₹ 1 crore or more in 2013-14. In 2013-14, around 21% of the trading members have daily turnover more than ₹ 10 crores.

Figure 9 - Average Daily Turnover-wise Distribution of Trading Members



1.5.3 New Developments during the year

In year 2013-14, various new developments have been initiated by the Exchange. The details of the same are given below:-

May 2013-Toll Free number for trading queries

In an endeavor to enhance trading experience and to improve operational convenience, the Exchange has started the dedicated Toll Free number.

July 2013- Dissemination of LIX Index on trading system in Capital Market Segment

The Exchange incorporated LIX 15 index on trading system for on-line dissemination w.e.f July 08, 2013.

July 2013- Dissemination of real time Net Asset Value (NAV)

NAV of GS Nifty BeEs, GS Junior BeEs, GS Bank BeEs, GS Gold BeEs was made available on real time basis in Capital Market segment with effect from July 22, 2013.

October 2013- Index based market-wide circuit breaker mechanism

With effect from October 14, 2013, the index based market-wide circuit filter mechanism was changed as under:

- Index based market-wide circuit filter levels at 10%, 15% and 20% shall be based on the closing index value of NIFTY on the previous trading day, rounded off to the nearest tick size.

- All outstanding orders at the time of market halt, due to breach of index based market-wide circuit filter, shall be cancelled.
- The market shall open, after index based market-wide circuit filter breach, with a pre-open call auction session. The extent of duration of the market halt prescribed vide SEBI circular June 28, 2001, shall be reduced by fifteen minutes for pre-open call auction session

November 2013-User Order Value & Branch Order Value Limit

Members were required to set definite limits for User Order Value Limit (UOVL) and Branch Order Value Limit (BOVL) for each user and branch as a risk containment measure.

December 2013-Trading System Availability

The trading environment was made available from 7.00 am onwards on every trading day for users to login and check connectivity.

January 2014-Change in Periodic call auction session for illiquid securities

With effect from February 03, 2014, all unmatched orders at the end of each periodic call auction session shall be carried forward to the next session at the limit price specified at the time of order entry. After the end of last periodic call auction session for the day, all outstanding orders shall be cancelled.

March 2014 Daily simulated trading session in the Capital Market Segment

The Exchange has introduced daily simulated trading session with a view to facilitate members to obtain approvals for fixes to bugs in the CTCL software, changes undertaken to the software /systems pursuant to a change prescribed by the exchange and software purchased from a software vendor that has already been tested in the mock environment.

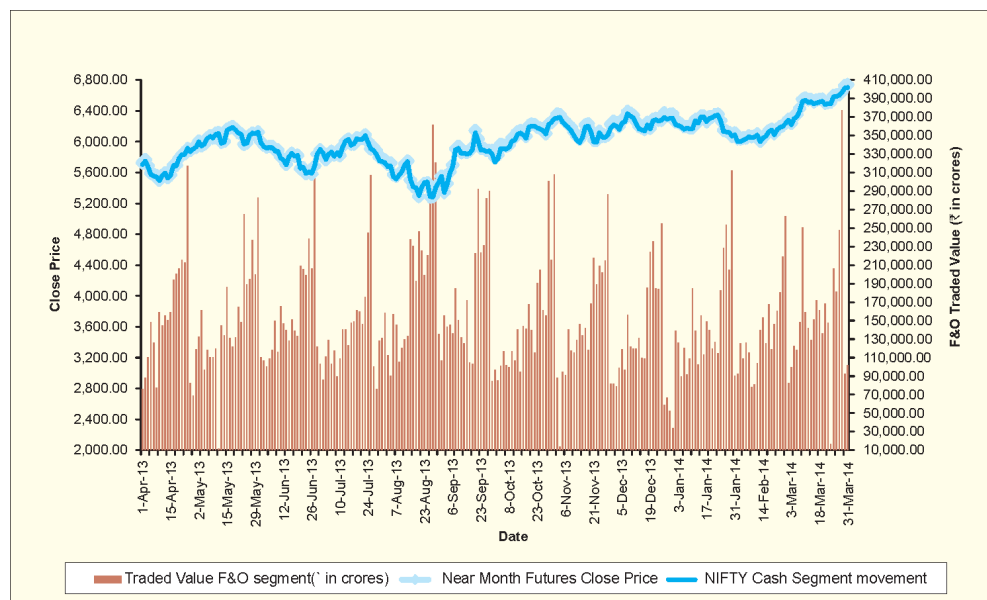
March 2014 Dissemination of CPSE Index on trading system in Capital Market segment

The Exchange incorporated CPSE index on trading system for on-line dissemination w.e.f March 18, 2014.

1.6 Futures and Options segment

The financial year 2013-14 witnessed a significant increase of 21% in volumes and an increase in number of contracts traded by 14% vis-à-vis 2012-13 and in daily average open interest, it decreased by 15.85% over previous year in the F&O segment. The average contribution of proprietary category increased to 48.22 % in 2013-14 from 45.98% in 2012-13.

1.6.1 Comparison of the close prices of the NIFTY Near Month Futures Contract (F&O segment) with the underlying movement of the NIFTY Index (Cash segment) along with the Daily Traded value of the F&O segment (Figure 10):



Note: Special trading sessions on May 11, 2013, November 03, 2013 (Muhurat Trading) and March 22, 2014

1.6.2 Records achieved in the F&O segment during 2013-14 (Table 12):

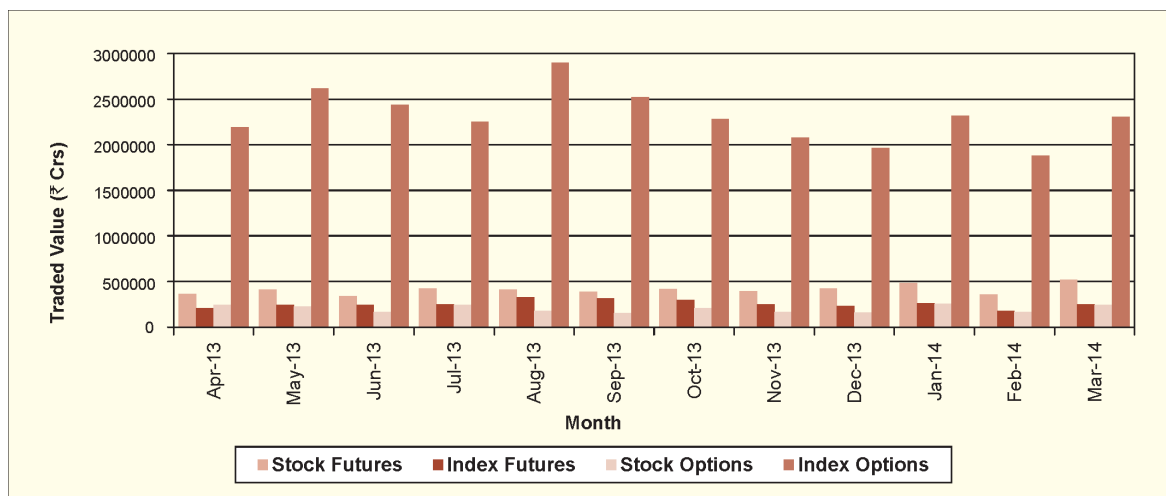
Category	Traded Value (₹ Crores)	Date of Record
Stock Options	28,002	12-Apr-13
No. of trades	46,54,340	28-Aug-13
No. of contracts traded	1,40,95,463	28-Aug-13

It may be observed that during 2013-14, new records were set in Stock options, number of trades and number of contracts traded.

1.6.3 (a) Basic Statistics of the F&O Segment (Table 13):

Particulars	Apr 13 to Jun 13	July 13 to Sep 13	Oct 13 to Dec 13	Jan 14 to Mar 14	2013-14	2012-13	% Change
Traded Value (₹ in crores)							
Daily Average	1,54,045	1,64,696	1,43,428	1,46,637	1,52,237	1,26,639	20.21
Number of Contracts							
Daily Average	52,39,431	58,61,776	47,30,661	46,30,909	51,17,228	45,44,046	12.61
Open Interest (₹ in crores)							
End of day averages	1,43,128	1,48,766	1,39,846	1,42,395	1,43,538	1,70,581	-15.85
% of Open interest to Daily Average Traded value	93	90	98	97	94	135	

1.6.4 (b) A graphical presentation of monthly product-wise contribution is given below (Figure 11):

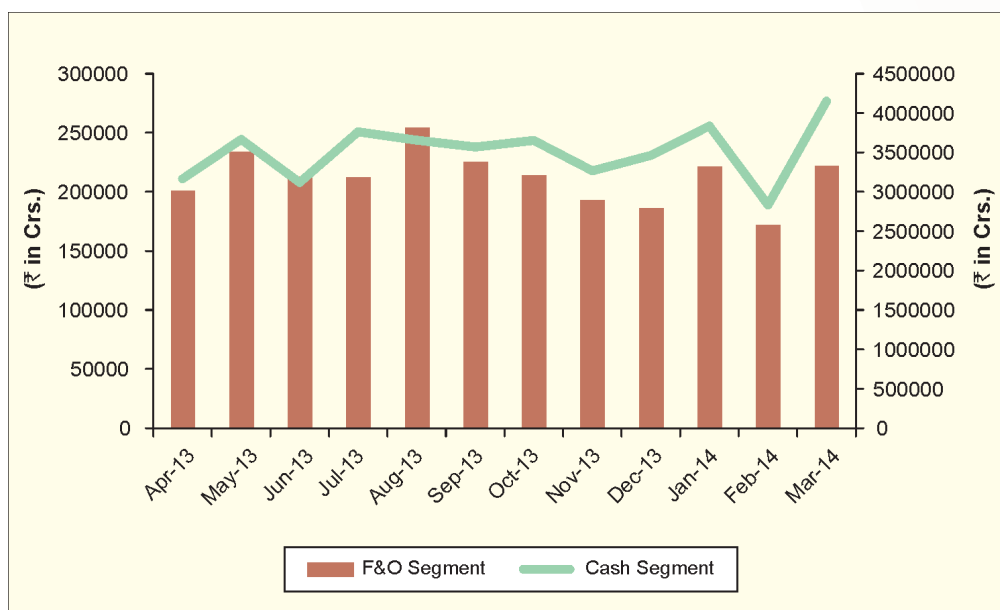


Among all products, Index Options continued to dominate the total turnover with their contribution observed at 72.67% in 2013-14.

1.6.5 Institutional Retail & Proprietary Investors – Turnover Analysis (Table 14):

Sr. No.	Year	Institutional		Retail		Proprietary	
		Average Gross Traded Value (₹ Crores)	Percentage Contribution	Average Gross Traded Value (₹ Crores)	Percentage Contribution	Average Gross Traded Value (₹ Crores)	Percentage Contribution
1	2012-13	9,09,623	17.31	19,29,249	36.71	24,16,630	45.98
2	2013-14	1,050,969	16.50	22,79,202	35.79	30,38,397	47.71

It may be observed that the average contribution of proprietary category has increased in the year 2013-14 as compared to 2012-13.

1.6.6 Comparative analysis of the Traded Value in the F&O segment with the Cash segment (Figure 12):


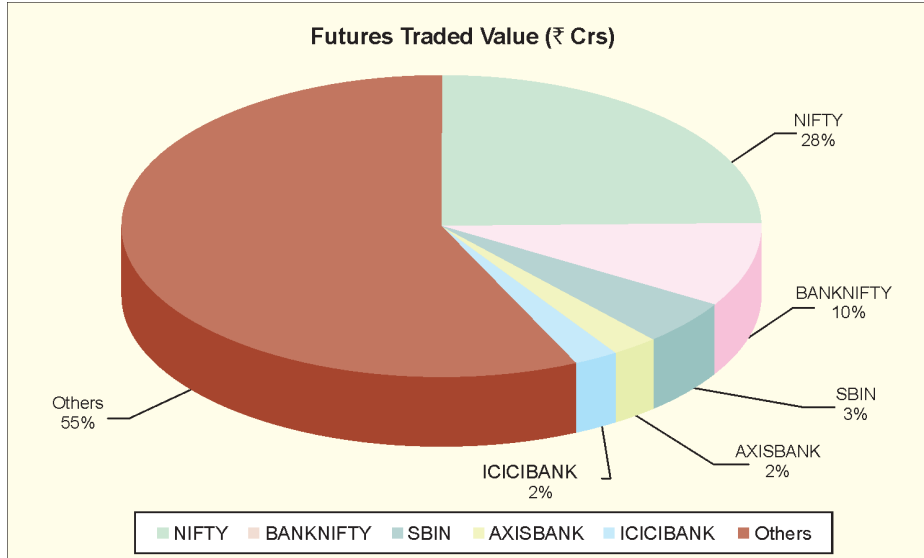
The ratio of F&O segment turnover to cash segment turnover was 14 for the year 2013-14 as compared to 12 for 2012-13.

1.6.7 Product-wise Basic Statistics (Table 15):

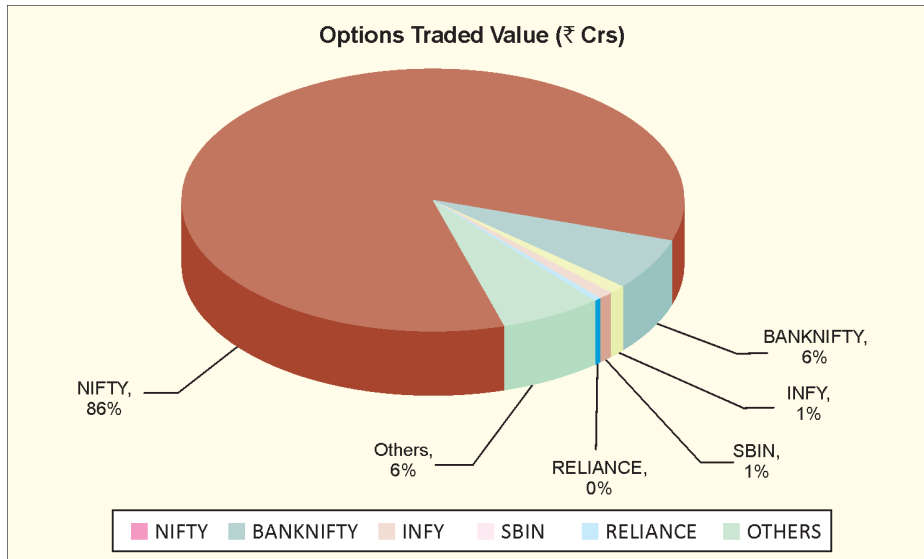
Category	Product	Apr 13 to Jun 13	Jul 13 to Sep 13	Oct 13 to Dec 13	Jan 14 to Mar 14	2013-14	2012-13	% Change
Daily Average Traded Value (₹ Crores)	Stock Futures	17,753	19,467	19,972	21,686	19,718	16,963	16.24
	Index Futures	11,123	14,262	12,662	11,127	12,292	10,149	21.12
	Stock Options	10,058	9,108	8,692	10,526	9,600	8,034	19.49
	Index Options	1,15,112	1,21,859	1,02,103	1,03,298	1,10,627	91,492	20.91
Daily Average No. of Contracts	Stock Futures	6,18,902	7,47,015	6,96,812	6,53,318	6,78,941	5,93,220	14.45
	Index Futures	3,76,429	5,14,667	4,22,009	3,64,553	4,19,404	3,85,945	8.67
	Stock Options	3,40,501	3,33,385	2,93,085	3,10,291	3,19,420	2,68,186	19.10
	Index Options	39,03,599	42,66,709	33,18,755	33,02,747	36,99,463	32,96,695	12.22
Average OI Value (₹ Crores)	Stock Futures	34,646	33,562	38,822	41,620	37,162	35,223	5.51
	Index Futures	19,083	19,305	21,343	17,972	19,426	18,745	3.63
	Stock Options	15,072	14,363	13,595	16,768	14,950	13,035	14.69
	Index Options	1,10,838	1,08,106	1,05,792	1,04,782	1,07,380	97,483	10.15
Average Number of OI contracts	Stock Futures	12,17,426	12,81,216	11,86,235	11,51,848	12,09,181	12,58,091	-3.89
	Index Futures	6,40,006	6,87,003	5,50,272	4,92,075	5,92,339	7,15,001	-17.16
	Stock Options	5,37,814	5,42,859	3,38,808	3,78,102	4,49,396	4,59,431	-2.18
	Index Options	37,46,097	38,13,557	26,92,835	26,03,640	32,14,032	35,37,936	-9.16
Number of trading Days		63	63	62	63	251	249	

1.6.8 TOP 5 TRADED SYMBOLS (Figure 13)

Futures:



Options:



Note: Index Futures includes India VIX* data.

1.6.9 New Developments during the year 2013-14

- **User Order Value & Branch Order Value Limit:** Members were required to set definite limits for User Order Value Limit (UOVL) and Branch Order Value Limit (BOVL) for each user and branch as risk containment measure.
- **Cancel on Logout (COL) and Kill Switch:** Additional Risk Management features were provided to F&O users wherein all pending orders for the user and the Trading member can be cancelled in case of any eventuality.

- **Introduction of Futures contracts on India VIX in the F&O segment:** India VIX Futures contracts were introduced on February 26, 2014.

Instrument Name	FUTIVX
Symbol of the Underlying	INDIAVIX
Expiry date	Every Tuesday of the Week. In case the Tuesday is a trading holiday, the previous trading day shall be the expiry/last trading day. All contracts shall expire at the normal market closing time on the expiry day or such other time as decided by Exchange.
Contract cycle	Weekly - 3 serial contracts. New futures contracts shall be introduced for every week, after the expiry of the relevant previous week's contracts.
Contract Value	Minimum ₹ 10 lakhs at the time of introduction
Quotation Price	India VIX Index * 100

*"VIX" is a trademark of Chicago Board Options Exchange, Incorporated ("CBOE") and Standard & Poor's has granted a license to NSE, with permission from CBOE, to use such mark in the name of the India VIX and for purposes relating to the India VIX.

1.7 Currency Derivatives segment

The financial year 2013-14 witnessed a decline in currency derivatives (Currency Futures and Options) volumes. The average daily turnover in currency derivatives dropped by 24.24% and stood at ₹16,445 crores in 2013-14 compared to ₹ 21,706 crores in 2012-13.

The daily average number of contracts dipped by 31.46% in 2013-14 and stood at 27,05,707 contracts as compared to 39,47,504 contracts traded in 2012-13.

The daily average open interest also decreased by 39.92% in 2013-14 as compared to what was observed last year during the same period.

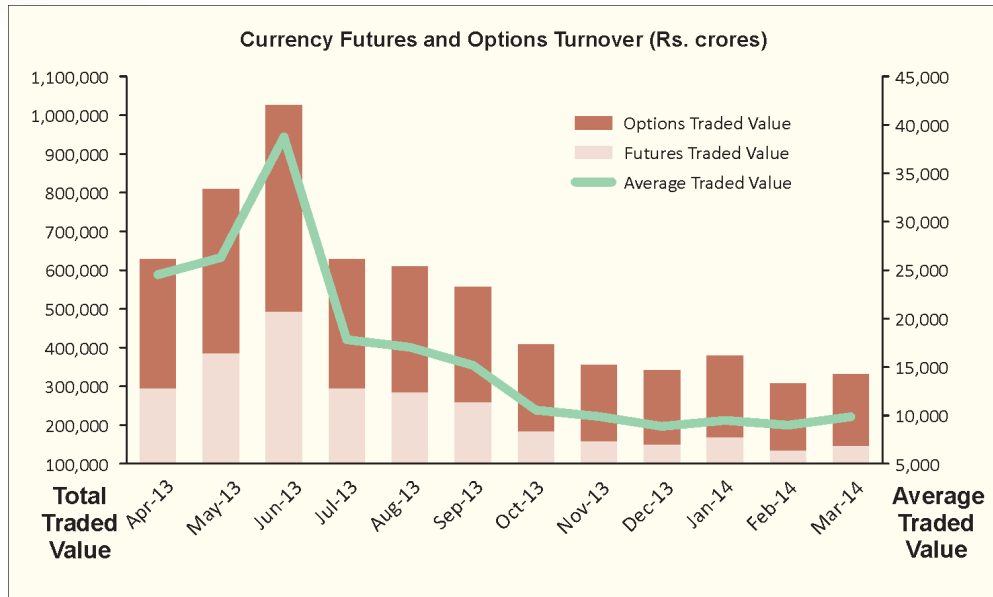
The number of members registered in currency derivative segment has risen to 823 (810 in 2012-13), of which 33 are banks and 3 are Primary dealers.

Currency Futures: Average daily turnover in Currency futures for the financial year 2013-14 decreased by 22.21% and stood at ₹ 12,053 crores as compared to ₹ 15,494 crores seen in 2012-13. Futures trading constituted 73% of the total turnover in the segment. USD-INR currency pair was the most traded futures contracts. The average market share of NSE in currency futures stood at 54.29% in 2013-14.

Currency Options: Average daily turnover in currency options also decreased by 29.29% in 2013-14 at ₹ 4,392 crores compared to ₹ 6,211 crores observed during 2012-13. The average market share of NSE in currency options stood at 65.38% in 2013-14.

Interest Rate Futures: Cash Settled Interest Rate Futures (IRF) contracts were introduced on January 21, 2014. Average daily turnover is ₹ 511.40 crores and daily average open interest is 33,845 contracts.

Figure 14- Currency Futures and Options Turnover



1.7.1 New Developments during the year 2013-14

1. SEBI and RBI introduced revised measures to curtail volatility in view of the turbulent phase of extreme volatility in USD-INR exchange rate

- Margins: Initial and extreme loss margins shall be increased by 100% of the present rates for USD-INR contracts in Currency Derivatives.
- Client level position limits: The gross open position of a client across all contracts shall not exceed 6% of the total open interest or 10 million USD, whichever is lower.
- Non-bank Trading Member position limits: The gross open position of a Trading Member, who is not a bank, across all contracts shall not exceed 15% of the total open interest or 50 million USD whichever is lower.

2. Exchange Traded Cash Settled Interest Rate Futures (IRF)

Instrument	FUTIRC
Symbol of the Underlying	<p>883GS2023 - Futures contracts based on 8.83% Central Government Security having maturity on November 25, 2023</p> <p>716GS2023 - Futures contracts based on 7.16% Central Government Security having maturity on May 20, 2023</p>
Expiry date	Last Thursday of the Month
Contract cycle	Monthly - 3 serial months
Permitted lot size	₹ 2 lakhs face value of GOI securities equivalent to 2000 units.
Settlement	<ul style="list-style-type: none"> • Cash Settled Interest Rate Futures (IRF) on 10-Year Government of India Security introduced on January 21, 2014 • Physically settled IRF contracts discontinued w.e.f. December 27, 2013

- **User Order Value & Branch Order Value Limit:** Members were required to set definite limits for User Order Value Limit (UOVL) and Branch Order Value Limit (BOVL) for each user and branch as risk containment measure.
- **Cancel on Logout (COL) and Kill Switch:** Additional Risk Management features were provided to Currency Derivatives users wherein all pending orders for the user and the Trading member can be cancelled in case of any eventuality.
- **Trade Execution Range:** Orders shall be matched and trades shall take place only if the trade price is within the reference price and execution range.

Execution range is the range on both sides of the reference price as given below:

Reference Price (₹)	% of Reference Price	Minimum absolute Range (₹)
0.0025 to 0.50	-	0.05
> 0.50	10%	-

- There is no change to the existing applicable operating ranges for valid order entry and all orders that are within the operating range shall be accepted as is being done currently.
- Any incoming order, if it results in execution of a trade outside the reference price and execution range, such an order (full or partial as the case may be) shall be automatically cancelled by the Exchange.
- This facility is made applicable for mid and far month options contracts only.

1.8. Debt Segment

NSEIL has launched the Country's first dedicated debt trading platform in May 2013. Further, the Exchange has introduced reporting of negotiated trades and anonymous trading in single debt platform. The Debt segment provides an opportunity to retail investors to invest in corporate bonds on a liquid and transparent exchange platform, to help Institutions, who are holders of corporate bonds, an ideal platform to buy and sell at optimum prices and to help Corporates to get adequate demand, when they are issuing the bonds.

There are three platforms in the Debt segment, the retail platform, the Institutional platform and the Negotiated platform. In retail platform, the lot sizes are low as one bond for retail investors, while institutions can trade in lots sizes of 10 lakhs (Institutional odd lot) and its multiples and 5 crore (Institutional normal lot) and its multiples. While publicly placed corporate bonds are being listed for trading in the retail platform, the privately placed corporate bonds are being listed on the Institutional platform. Negotiated platform is provided to report the negotiated trade by member as well as direct trades by non-members.

2. SERVICES TO INVESTORS

During the Year 2013-14, the Exchange dealt with 6,818 investor complaints against trading members and companies and facilitated 920 arbitration and appellate arbitration cases.

With a view to enhance access and reach to investors, the Exchange commenced the Investor Services Centres at three more cities at Bangalore, Pune and Jaipur.

The Exchange totally has eleven Investor Service Centres at Mumbai, Delhi, Chennai, Kolkata, Ahmedabad, Hyderabad, Indore, Kanpur, Bangalore, Pune and Jaipur to facilitate query resolution, complaint resolution and to provide arbitration facilities. The Exchange intends to open more centres in coming years. The Exchange has empaneled 90 Arbitrators and 90 IGRP members across 11 centres.

The Exchange has also introduced the mechanism of interim relief to investors against their admissible claim during pendency of their claim before arbitrators or court as per SEBI guidelines. Further, the Exchange also sends to respective investors their trade related information through an SMS and e-mail at the end of each day, whose details of mobile number and e-mail are uploaded to the Exchange. Facility of Trade verification is also provided to investors on the Exchange website.

Investor education and awareness programs

During the year, the Exchange conducted 1,054 investor awareness programs covering 131 locations wherein more than 72,000 investors participated. The Exchange also conducted Investothons at Pune, Baroda, Bangalore, Delhi, Jaipur and Mumbai.

Inspection

With a view to monitor and improve compliance level of the members, the Exchange conducted 1,652 inspections covering 597 members for the year 2013-14 of which 1,080 cases have been decided.

Member Education

The Exchange conducts various compliance training programmes for the members with a view to educate and sensitise members regarding compliance requirements. The Exchange conducts compliance visits to verify level of compliance of new members. During the year, the Exchange conducted 33 compliance visits. To update the compliance knowledge of the members, the Exchange conducted 80 educational programs across regions and 1,607 participants attended the same.

In order to enhance the Members' understanding of the compliance requirements and address any compliance related queries, the Inspection department has a dedicated Talisma Team. During the FY 2013-14, a total of 4,642 queries were responded by the team satisfactorily.

3. NSE'S RESEARCH INITIATIVES IN 2013-14

3.1 Tie up with IGIDR for Corporate Governance Research Initiative

The National Stock Exchange of India (NSE) and the Indira Gandhi Institute of Development Research (IGIDR) entered into a research partnership called the "Corporate Governance Research Initiative".

3.2 Quarterly Briefings under the aegis of the NSE Centre for Excellence in Corporate Governance (NSE CECG)

To project NSE as thought leader in corporate governance and engage with our listed companies on important governance issues, the NSE Centre for Excellence in Corporate Governance (NSE CECG) was established in 2012-13. Under the aegis of NSE CECG, four issues of Quarterly Briefing were released and circulated among Directors of all NSE listed companies and top SEBI officials.

3.3 NSE –NYU Conference in Capital Markets

Under the NSE-NYU research partnership called the "Initiative on the Study of Indian Capital Markets", the first annual international conference in capital markets was held in July, 2013.

3.4 Dr. R. H. Patil Memorial Lecture

The second Dr. R. H. Patil Memorial Lecture was organised by the Indian Economic Association (IEA) as part of its annual conference and was supported by NSE.

3.5 Seminars and Panel Discussion

In 2013-14, the Economic Policy and Research (EPR) department continued to organise seminars and panel discussions by eminent people on securities market, corporate governance and macroeconomic issues. There were also presentations on the state of the Indian economy.

3.6 Publications of NSE

Indian Securities Market Review (ISMR) and the NSE Fact book are two NSE publications which are prepared on an annual basis. In addition, NSE had come out with the edited transcript of two panel discussions organized by NSE.

4. FINANCIAL RESULTS AND APPROPRIATION OF PROFITS

The working of the Company during the year has resulted in a net profit after tax of ₹ 1,019.28 crores as per particulars given in Table 16 below:-

Table 16

Particulars	2013-14 (₹ in crores)	2012-13 (₹ in crores)
Income	1,669.77	1,648.11
Expenditure (excluding Depreciation)	471.67	450.15
Profit before depreciation, prior-period adjustment and tax	1,198.10	1,197.96
Depreciation	76.97	77.03
Profit before prior period adjustments	1,121.13	1,120.93
Add/(Less): Prior period adjustment	(5.65)	(0.17)
Profit before exceptional item	1,115.48	1,120.76
Add: Profit on sale of shares of subsidiaries	227.34	36.38
Profit before tax	1,342.82	1,157.14
Provision for tax	323.54	279.53
Profit after tax	1,019.28	877.61
Surplus brought forward from previous year	466.55	227.36
Excess Corporate Dividend Tax for last year transferred back	-	29.20
Amount available for appropriation	1,485.83	1,134.17
Appropriations		
Provisional appropriation towards NSCCL SGF	474.22	-
General Reserve	105.00	430.00
Proposed Dividend	306.00	225.00
Corporate Dividend Tax	32.89	12.62
Balance carried to Balance Sheet	567.72	466.55

5. DIVIDEND

In view of the above results, the Directors recommend payment of dividend of ₹ 68/- per share for the year 2013-14.

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

SEBI notified Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporation) Regulations, 2012 [SCR(SECC) Regulations, 2012] on June 20, 2012 inter alia containing provisions relating to regulation, recognition, ownership and governance in stock exchanges.

In accordance with SCR (SECC) Regulations 2012, every recognized stock exchange is required to transfer twenty five percent of its annual profits every year to a fund of the recognised clearing corporation(s) which clears and settles trades executed on that stock exchange to guarantee settlement of trades. Subsequently, the Securities and Exchange Board of India (SEBI) in its Press Release No.66/2012 dated June 21, 2012, has stated that an expert Committee is being formed which will inter-alia "look into the norms for adequacy of the core corpus of the Settlement Guarantee Fund (SGF)/Trade Guarantee Fund (TGF) and its sourcing, including transfer of profits by stock exchanges to SGF/TGF in the long run". Pending the report of the Expert Committee, no transfer of profits to the Settlement Guarantee Fund in terms of the Regulations has been made. However, as a matter of prudence, during the year the company has made a provisional appropriation of ₹ 219.40 crores, being twenty –five percent of profit after tax for financial year 2012-13 out of the opening balance of the profit & loss account as on April 01, 2013 and ₹ 254.82 crores being twenty –five percent of profit after tax for the financial year 2013-14 out of the current profits. Accordingly, total provisional appropriation amounting to ₹ 474.22 crores has been shown under the head- Short Term provisions in the Balance Sheet.

7. TRANSFER OF STRATEGIC INVESTMENTS

In January 2013, NSEIL promoted a public limited company, NSE Strategic Investment Corporation Limited, in which NSEIL and NSCCL hold 99.90% and 0.10% of the paid up share capital respectively, inter alia, to make or hold all strategic investments in the equity shares and/or other securities of NSE Group companies and other companies. During the year under review, NSEIL transferred to NSE Strategic Investment Corporation Limited its investments in equity shares held in NSE. IT Limited, DotEx International Limited and NSDL e- governance Infrastructure Limited and equity shares and 10% Optionally Convertible Redeemable Preference Shares (OCRPS) held in Power Exchange India Limited.

During the year under review, NSEIL subscribed to 39,00,81,231 equity shares of ₹ 10/- each and 39,00,81,231 6% Non- cumulative Compulsory Convertible Preference Shares of ₹ 10/- each in NSE Strategic Investment Corporation Limited.

8. SUBSIDIARY COMPANIES

8.1 National Securities Clearing Corporation Limited (NSCCL)

CM 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 de-materialised mode. Per settlement figures in value terms in the current year are as follows:

The average value of securities handled per settlement was ₹ 3,292.17 crores in 2013-14 compared to ₹ 3,190.02 crores in 2012-13. The average funds pay-in per settlement was ₹ 1,087.36 crores in 2013-14 compared to ₹ 1,004.14 crores in 2012-13. 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 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.

F&O Segment: The period April 2013 - March 2014 witnessed an increase in the total value of settlement 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 volumes on NSE during this period was ₹ 3,77,262.52 crores, witnessed on March 27, 2014 with total of 1,13,44,846 contracts being traded. As on March 31, 2014, the Settlement Guarantee Fund in F&O segment stood at ₹ 25,363.47 crores.

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

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.

Mutual Fund Service System (MFSS): As on March 31, 2014, 33 mutual fund houses with 5652 schemes were enabled under the revised MFSS scheme. 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 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.

Corporate Debt Instruments: 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 stands 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. During the financial year 2013-14, NSCCL settled 25 repo trades valuing ₹ 1,962.20 crores as compared to 33 repo trades valuing ₹ 723.20 crores settled in the previous year.

During the F.Y. 2013-14, NSCCL earned net profit after tax of ₹ 186.51 crores as compared to net profit after tax

of ₹ 179.21 crores during FY 2012-13. The Board of NSCCL has accordingly recommended a dividend of ₹ 25/- per equity share to its shareholders in respect of FY 2013-14.

8.2 NSE Strategic Investment Corporation Limited (NSICL)

NSE Strategic Investment Corporation Limited (NSICL) was incorporated to, inter alia, make or hold all strategic investments in the equity shares and/or other securities of NSE Group companies and other companies. The paid up share capital of NSICL as on March 31, 2014 is ₹ 825.99 crores which is being held by National Stock Exchange of India Limited (NSEIL) and National Securities Clearing Corporation Limited (NSCCL) in the ratio of 99.90 and 0.10 respectively. During the year under review, NSICL had acquired (i) the equity shares held by NSEIL in NSE.IT Limited, NSDL e-governance Infrastructure Limited and DotEx International Limited; (ii) the equity shares and 10% Optionally Convertible Redeemable Preference Shares (OCRPS) held by NSEIL in Power Exchange India Limited, (iii) equity shares held by CRISIL Limited in India Index Services & Products Limited, and (iv) equity shares in Computer Age Management Services Pvt. Ltd. (CAMS).

CAMS is one of two significant Registrar & Transfer Agents (RTAs) in the mutual fund space. It has about 60% market share. The acquisitions will enable NSEIL and CAMS together to pitch for emerging opportunities abroad in the stock exchange and mutual fund space and with its expertise in processing and related technology, CAMS could also be helped to explore other BPO options available in India and abroad. NSE could potentially use the physical centres of CAMS to market its products, investor outreach, education initiatives and broker servicing. CAMS could also give NSE an online and offline platform to expand the business to non-traded order collection products in future like savings products. A stable alliance between NSE and CAMS along with a significant equity stake by NSEIL through its investment subsidiary in CAMS will be beneficial for both in ensuring growth in order collection for mutual fund and other financial products and eventually the investors at large.

During the period ended on March 31, 2014, NSICL earned a profit of ₹ 72.29 lakhs as compared to loss of ₹ 209.49 lakhs incurred during the FY 2012-13. Due to meager profits earned during the financial year ended March 31, 2014, the Board of NSICL did not recommend any dividend to the holders of 6% Non-cumulative Compulsorily Convertible Preference Shares and equity shares of the Company for the year ended March 31, 2014.

8.3 India Index Services and Products Limited (IISL)

During the financial year 2013-14, IISL granted licenses to six domestic and eight international clients for launching exchange traded funds, active funds, index funds and structured products on IISL's indices. Currently, there are around 19 index funds and 23 ETFs linked to IISL's indices.

IISL is planning to expand its reach by offering products of different asset classes such as Fixed income and Commodities and offer services to additional client segment which shall create long term value for the Company and ensure long term growth sustainability of the Company. ETF industry in India is expected to grow and recent success of CPSE ETF shall help in boosting confidence in the industry. During the year, Insurance Regulatory & Development Authority (IRDA) has come up with new guidelines with respect to investment by insurance companies in equity ETFs. This move by insurance regulator may bring significant AUMs in ETFs in India. IISL shall develop indices, which shall be used as an underlying to develop ETFs satisfying the investment guidelines revised by the insurance regulator. IISL shall focus on developing new indices (Equity, Fixed Income, Commodity and Hybrid) and offer the new & existing indices to existing and prospective clients. IISL shall also explore opportunities for providing index construction/consultancy services to identified international Exchanges.

During the year 2013–14, IISL earned profit of ₹ 1,963.74 lakhs as compared to a profit of ₹ 1,687.53 lakhs during 2012–13. The Board of IISL has therefore recommended a dividend of ₹ 64/- per equity share to its shareholders in respect of the financial year 2013-14.

8.4 NSE Infotech Services Limited (NSETECH)

Technology is a key differentiator and a strategic driver for NSE and as strategic partner NSETECH continues to deliver and maintain technology products and services for NSE.

Transformation through New Technology

Currency derivatives trading system has been re-architected and moved to the new generation trading platform to make the throughput capacity of currency derivatives equivalent to the equity derivatives platform and bring down the latency.

Latency: Multiple initiatives were undertaken (and underway) to have better monitoring & control over latency numbers and continuously reduce the transaction latency at NSE. This has helped us reduce our trading latency in Currency and Equity Derivatives systems from 2.5 milliseconds to around 800 microseconds in Currency and under 1 millisecond in Equity derivatives. This has been possible with several initiatives like Corvil implementation, Trading Network re-engineering, Hardware upgrade, Net layer optimisation, Index circuit filter changes and other fine-tunings.

NTP Time Sync appliances were successfully installed and configured at BKC, Colo and BCP sites for all systems (including broker systems) to be synchronised on time up to microsecond granularity.

Multicast Tick by Tick (TBT) has been rolled out in production to provide same latency levels to all connections.

In the “**NSE Private Cloud**” project initiative, the team has managed to successfully migrate about 389 setups from Physical servers to VM thus reducing total physical server count by 314 servers.

Online Data Store went live in the quarter Jan-Mar’14 completing the migration of the surveillance application from the Oracle Platform to the GreenPlum Appliance. This project helped consolidate the data and infrastructure between Surveillance and Data warehouse. In addition, it improved the turnaround time for a number of intra-day and end of day business reports.

Growth through New Products And Services

NSE Bond Futures Launch (NBF II) was launched on 21st Jan 2014, a new product based on underlying GOI 10-year bonds -- the 8.83% 2023 bond and the 7.16% 2023 bond was implemented in the currency derivatives segment. The product is cash settled.

Futures on India VIX product was launched on 26th Feb 2014 in the F&O segment of Trading System. India VIX is a volatility index based on the index options prices of NIFTY and is computed using the best bid and asks quotes of the out-of-the-money near and mid-month NIFTY options contracts which are traded on the F&O segment of NSE.

New Debt Segment was launched on 13th May 2013 to provide a liquid and transparent trading platform for debt related products like corporate bonds, government securities, etc.

Online Collateral was deployed across all segments to streamline several manual activities carried out by the Collateral department and made straight through. Responses to requests made by CMs/TMs for collateral additions and releases which were earlier in batch mode with turnaround being more than an hour in some cases was brought down to seconds.

Single Click was introduced to improve operational efficiency; changes were carried out to clearing and risk management systems to incorporate “Single Click” operations in NSCCL for T-day end of day processing across all segments. “Single Click” changes for Settlement operations for SLB and Cash settlement were deployed to production in Dec’13 and Jan’14 respectively.

Operations Strengthening

IT Operations – Dedicated Operations team was carved out across the organisation. This was to ensure that processes across the organisation are streamlined, automated and standardised using best practices from ITIL.

IT Operations Maturity – Assessment was carried out to baseline our current state of processes related to operations. Industry standard ITIL was used as a benchmark, and recommendations adopted for exchange business were made. Program was launched to address key processes, tools and people gaps.

An **independent QC function** was created to do independent testing of critical software with an aim to certify (or reject) releases from quality perspective.

SDLC Process Improvement was introduced to identify improvement opportunities for achieving goal of zero tolerance for production defects (Code & Configuration) including all three dimensions - People, Process and Tools.

Risk Management & Regulatory Compliance

BCP Readiness & Monthly Drills strengthening – As part of battle readiness on people, process and technology, a monthly drill is carried out every first Saturday of the month. Quarterly BCP external mock drills were conducted from DR site. Live session was conducted from DR site covering Trading, Clearing and Internal System applications. BCM activities were also conducted regularly.

GRC (Governance Risk and Compliance) Framework: This was rolled out to facilitate identification, analysis, treatment and tracking to closure of risk items under Information Technology. Monthly dashboards highlighting open items, movements, trends etc. are now published and issues are getting tracked to actions. The team was strengthened to ensure enhanced focus on GRC activities. Following new IS control related systems were rolled out – PIMS- Privileged Identity Management system which controls access granted to administrators etc. and DLP - Data Leakage Prevention system.

During the financial year 2013–14, NSETTECH earned net profit after tax of ₹ 6.63 lakhs, as compared to net profit after tax of ₹ 41.38 lakhs during 2012-13. As the profit is required to augment operational needs of the Company, the Board of NSETTECH did not recommend any dividend to its shareholders for the financial year 2013-14.

8.5 NSE.IT Limited (NSE.IT)

Continuing its foray in the information technology and online examinations space, NSE.IT has been striving hard to battle against various political, socioeconomic and market related adverse factors, particularly for mid-sized

IT companies like NSE.IT. Moreover, the political and economic conditions of the US and European markets have also contributed to the slowdown of NSE.IT, the Company, the Indian IT industry and the overall economy in general. Despite the above, the Company has managed to achieve a modest but a progressive consolidated turnover of ₹ 129 crores.

In the online examination space, NSE.IT continued to undertake online examinations in its 224 centers all across the country including in the far flung areas such as Assam, and is in the process of opening up two new centers at Itanagar in Arunachal Pradesh and Gangtok in Sikkim thus making its mark across the length and breadth of the county, covering 28 states and 3 Union Territories. During the year, NSE.IT bagged its first international client in the online assessments category and continued to provide online assessments services to its existing clients. NSE. IT expects to leap into various new initiatives such as self service mode examination portal, Remote Proctoring and Proctor less examination in the current year. NSE.IT has successfully completed BVCI re-certification with “zero NCs.” for its online centers and has also obtained CMMi level 3 certification in this year and is moving leaps and bounds for CMMi level 5 during this year.

Some of the major milestones achieved by NSE.IT during the year are as under:-

- i. Implementation of various new technologies in the area of low latency, Complex Event Processing (CEP), MS Sharepoint 2013 for delivering Intranet solutions, etc
- ii. Enhancement of Algorithmic Trading solution in the market.
- iii. New initiative around Mobility– developed a project using native iOS(Objective C) for Apple’s iPad as an extension of the solution created for STR.
- iv. Entered into Teaming Agreement with NCDEX for jointly offering e-Auction solution for Indian market.
- v. Built a new application Tea Council System for Quality Control of Tea Exports and Imports
- vi. Establishment of Performance testing practice initiative helped in making major in-roads into customers and also support internal projects like Online Assessment and STR
- vii. ISO 27001 re-certification achieved for system and Infosec compliance.
- viii. Quality Initiatives: NSE.IT has setup a Business Excellence and Transformation (BET) team to spearhead quality initiative in the organisation. Software Products & Services was re-certified with ISO 9001:2008 by BSI UK.

During the financial year 2013-14, NSE.IT earned net profit after tax of ₹ 14.04 crores as compared to the net profit after tax of ₹ 8.59 crores in the previous year. The Board of NSE.IT has recommended a dividend of ₹ 4.50 per equity share to its shareholders in respect of the financial year 2013-14.

8.6 DotEx International Limited

8.6.1 Infofeed Business

During the year, DotEx has launched several new services considering the interest of the market participants.

8.6.2 NOW (NEAT on Web) Platform

During the year, DotEx started providing the following additional facilities through NOW platform viz., National

Bond Futures (NBF2) trading facility, India VIX Futures trading facility, NSDL Depository Integration and Payout facility. The above initiatives have resulted in NOW maintaining the user base and trading turnover through NOW platform during the financial year 2013-14.

DotEx continues to levy usage charges in respect of NOW terminals for accessing exchanges other than NSE on monthly basis.

8.6.3 Know Your Client (KYC) Registration Agency [KRA]

As on March 31, 2014, 819 SEBI registered intermediaries are recognised by DotEx, around 12 Lakh existing KYC records and 1.11 Lakh New KYC records have been uploaded with DotEx KRA and approximate 9.82 Lakh records consisting of both existing as well as new KYC have been processed. Physical KYCs have been returned to the intermediaries. New features have been introduced in the DotEx KRA system viz., interoperability among all the KRAs, provision of facility of uploading NSE-UCC file to the intermediaries to upload KYC records in single file, E-Bill facility, etc..

DotEx, being a SEBI registered KRA, was also awarded the project for Central KYC Registry initiated by Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI). The project aims to consolidate and validate personal identity data, and generate Unique KYC ID for clients and make it available to the complete Financial Services industry. A pilot of the software platform for the Central KYC Registry based on the securities market KYC format has been launched in May 2013 and demonstrated to CERSAI in August 2013. CERSAI has written to some Financial Institutions to participate in the software pilot. However, Financial Institutions await an official communication from their regulators for participation in the Central KYC project. The Ministry of Finance, Department of Financial Services (DFS) has advised that a Common KYC Templates for Central KYC Registry will be finalised in consultation with all regulators and the Ministry of Finance, with RBI taking a lead role in the same.

During the year 2013-14, DotEx earned a profit of ₹ 6,345.50 lakhs as compared to a profit of ₹ 990.50 lakhs during 2012-13. The Board of DotEx has recommended a dividend of ₹ 27/- per equity share to its shareholders in respect of the financial year 2013-14.

8.7 National Commodity Clearing Limited

During the year, the strategic investment in the form of equity shares (65%) held by NSE in National Commodity Clearing Limited was sold/ transferred to NCDEX and the transfer was effected on July 19, 2013.

9. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Following developments have taken place in Human Resources / Industrial Relations front in the Financial Year 2013-14.

- i. **Talent Management and Development:** During the Financial Year 2013-14, NSEIL has focused on the implementation of the Talent Management Study undertaken in the previous financial years. The training needs for each employee was based on the competency framework. In line with the Business Strategy, company has continued to focus on the functional and behavioral training based on the individual and the organisational need. Career Plans were developed and implemented for the employees at the level of Asst. Vice President to Manager. NSE has been extensively working on the Executive Coaching initiative for the executives at the Strategic and Tactical Band. Monthly coaching and feedback sessions are conducted

to give them developmental feedback. 360 degree feedback was conducted for the employees at the level of Chief Managers. NSE has revamped the performance management system so as to include mid-year review process for all the employees. All the employees were imparted training to help them understand and align with the revamped performance management system. NSE has also implemented Job rotations as per the career path framework.

- ii. **Employee Engagement Study / Perception Study:** Based on the previous Employee Engagement study and action plan thereof, NSE has implemented the initiatives as per the action plan. One such initiative rolled out called "Pragati" - A flagship mentoring program for all the employees. Human Resources team has also conducted various perception studies at regular intervals to gauge the employee perception levels and has taken various steps to maintain or improve the perception levels as per the market benchmark. NSE has conducted an employee engagement study this Financial Year and are working on the implementation of the action plans. NSE is continuing to implement the various Employee Engagement Initiatives initiated in the previous financial years to raise the engagement levels of the employees across. Some of them are NSE's participation in Standard Chartered, Mumbai marathon 2014, employee's participation in the investothon, zumba, Kick boxing, employee appreciation corner, coffee day express outlet, dental awareness and check up camp, cancer awareness program, employee assistance program, Talk to me initiative with the HR Head and various Staff Welfare initiatives so as to build synergy among the various teams. To get direct feedback from the employees, NSE has also initiated a formal feedback mechanism called "Good to Great".
- iii. **People soft:** NSE has initiated the implementation of People soft - ERP system in all the areas of Human resources management.
- iv. **Employee Relations:** The employee relations scenario has been harmonious throughout the period under consideration.

The employee strength as on March 31, 2014 was 500.

10. CORPORATE GOVERNANCE

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

National Stock Exchange of India Limited (NSEIL) 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 has become mutatis mutandis applicable to a recognised Stock Exchange. However, NSEIL has always been involved in good governance practices and endeavours continuously to improve upon the same. A report on corporate governance for the financial year 2013-14 is accordingly furnished as part of the Annual Report for the information of all its stakeholders. The certificate from a Practising 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.

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

12. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

Your Company, being part of an integral part of society, recognises its corporate social responsibilities and has been engaged in various CSR initiatives. Several energy efficiency measures have been taken to reduce the consumption of energy and promote use of renewable energy. The details of various energy conservation measures taken by your Company are given under the heading 'Conservation of energy, technology absorption and foreign exchange earnings/outgo' in the Directors' Report. Further following activities were carried out towards CSR:

- i. Societal and CSRFG- the internal Focus Group of NSE deals with Sustainability issues of NSE.
- ii. The group has since organised various activities such as environment awareness building programs, exposure visits on environmental issues, etc. with the help of NGO partners like BNHS, organising blood donation camps, promoting social entrepreneurship by facilitating sale of articles produced by different NGOs, etc.. Besides, different eco-friendly activities like Wind Power generation, Rain Water Harvesting, Use of Solar Energy, Solid Waste Management through promoting Vermicomposting out of the waste from NSE premises etc., have also been undertaken.
- iii. Enactment of Companies Act 2013 also makes it mandatory to undertake CSR activities. In attempt to improve the scope and activities of CSR, the group decided to engage with domain experts. With this intention, the group approached TATA Institute of Social Sciences (TISS) CSR Hub. The TISS CSR Hub has been assisting corporates in strategising and implementing CSR activities. Accordingly, a MoU was signed between NSE and TISS CSR Hub on 29th October 2013 for first phase. CSR FG has also thought on promoting practise of voluntarism among the employees. The group has also initiated process of exploring such opportunities.
- iv. A Corporate Social Responsibility Committee consisting of Mr. Ravi Narain, Mrs. Pratima Umarji, Mr. Prakash Parthasarathy, Dr. KRS Murthy and Ms. Chitra Ramkrishna was already constituted 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.
- v. Under the technical guidance of the TISS, the CSR Policy is framed.
- vi. Primary Education and Elder Care (especially for differently abled) are identified initially as focus areas. To begin with, geographical focus areas for undertaking CSR activities are to be identified in and around the areas where NSE has establishments for spending the amount earmarked for CSR activities. Moreover, it would also give NSE logistical proximity to control and monitor the spend and assess end user benefits.
- vii. TISS has shared some of the NGO profiles and their proposals/ concept papers. NSE has also initiated process of studying different NGOs and their proposal to initiate partnership. Besides this, NSE is also exploring the NGOs for partnership. The NGOs and proposals identified by the NSE will also be scrutinised by TISS before NSE initiates engagement.

13. DIRECTORS

As per the provisions of Securities Contracts Regulation (Stock Exchanges and Clearing Corporations) Regulations, 2012, the governing board of every recognised stock exchange shall include (a) shareholder directors;

(b) public interest directors; and (iii) managing director. Mr. S B Mathur, Chairman of the Board, Mr. Y. H. Malegam, Dr. KRS Murthy, Dr. S. Sadagopan, Mr. Justice B. N. Srikrishna (Retd.) and Mrs. Pratima Umarji fall under 'Public Interest Directors' category. Mr. S.B. Mainak, Mr. Prakash Parthasarathy, Mr. Abhay Havaladar and Mr. Ravi Narain fall under Shareholder Directors category. Ms. Chitra Ramkrishna is the Managing Director & CEO of the Company. Mr. Justice B. N. Srikrishna (Retd.) was appointed as Public Interest Director with effect from August 02, 2013.

Mrs. Shyamala Gopinath ceased to be a Director of the Company with effect from February 20, 2014. The Board wishes to place on record its sincere appreciation and gratitude for her valuable contribution made during her tenure as Public Interest Director.

Mr. Prakash Parthasarathy retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment subject to approval of SEBI.

The Board recommends the re-appointment of Mr. Prakash Parthasarathy as Director on the Board of NSEIL by the members subject to approval of SEBI.

14. 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 the Company at the end of the financial year i.e., 31st March, 2014 and of the profit of the Company 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 the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors had prepared the annual accounts on a going concern basis.

15. AUDIT COMMITTEE

The Audit Committee comprises three Directors namely Mr. Y. H. Malegam, Mr. Ravi Narain and Dr. S. Sadagopan as its members. Mr. Y.H.Malegam is the Chairman of the Audit Committee. The Committee met four times during the year i.e., on May 23, 2013, August 02, 2013, November 14, 2013 and January 24, 2014. The details of the attendance of members of the Audit Committee at their meetings held on the above dates are given in Table 17 hereunder:-

Table 17

Name	Number of meetings held during the year	Number of meetings attended
Mr. Y. H. Malegam	4	4
Mr. Ravi Narain	4	4
Dr. S. Sadagopan	4	3

16. AUDITORS

Currently, M/s. Khandelwal Jain & 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. Khandelwal Jain & 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. Khandelwal Jain & Co., Chartered Accountants 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.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO**a) Conservation of Energy, 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, particulars required to be disclosed 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.

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

- i. Audit done on the Carbon and Water Foot Print of Exchange Plaza.
- ii. Construction of 'Tire-IV compatible Data Centres to ensure that the 'Power Utilisation Effectiveness' (PUE) of new Data Centre does not exceed the benchmarked PUE.
- iii. Participation in 'Demand Response Event' program conducted by M/s. Tata Power Co. (TPC) wherein the Company reduces power consumption at Exchange Plaza for 2 hours in a given time slot of a day as directed by TPC.
- iv. Executing the Wind Power Project of the capacity of 6.25 MW to set off around 65 % of energy consumption at Exchange Plaza building.
- v. As an alternative to the conventional Heating Ventilation and Air Conditioning System (HVAC), NSE has the 'Thermal Energy Storage' for air-conditioning system during the peak hours.
- vi. For effective and efficient operations of the Services especially the Air Handling Units (AHUs), NSE has the 'Building Management System'.
- vii. NSE has Motion/Occupancy Sensors installed in the lighting systems in the general staff areas.
- viii. NSE has 'Lighting Transformers' for regulated voltage of Lighting System.

- ix. 'Electronic Ballast and Compact Fluorescent Lamps' are used in Lighting System.
- x. NSE has 'Automatic Power Factor Control Units' to step up power factor of the building.
- xi. NSE has 'Solar Power Plant' to cater the part of lighting load at Exchange Plaza.
- xii. NSE has 'Rain Water Harvesting System' to harvest the rain water in the periphery of Exchange Plaza.
- xiii. NSE has the 'Vermiculture Plant' installed wherein compostable material like food waste collected from canteen, paper & cardboard are collected and post processing in the Vermiculture Unit, the manure is generated which is used for Gardening purposes.
- xiv. NSE has the 'Sewerage Treatment Plant' to reuse building's domestic and flushing water (i.e. after treatment) for its Cooling Towers associated with HVAC System and for Gardening purposes every day.

b) Foreign Exchange earnings / outgo during the year under review:

The foreign exchange earnings during the year were ₹ 0.42 crores whereas the foreign exchange outgo during the year was ₹ 13 crores.

- 18. Statement of Particulars of Employees covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is annexed.
- 19. Your Directors are grateful for the support and co-operation extended by the Government of India, Securities and Exchange Board of India and Reserve Bank of India. Your Directors would like to place on record their sincere appreciation of support provided by the shareholders and also their deep appreciation of the contribution made by employees at all levels to the continued growth of the Company.

For and on behalf of the Board of Directors

Place: Mumbai

S.B. Mathur

Date: May 06, 2014

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	Ms. Chitra Ramkrishna B. Com, FCA	51	Managing Director & CEO	44560048	20090699	29	October 15, 1994	Dy. Manager, Industrial Development Bank of India
2	Mr. J. Ravichandran B. Com, B.L.,FCS	53	Chief -(L&S, GI & SR) & Company Secretary	21824997	10446183	28	August 12, 1994	Dy. Secretary & Manager (Legal), Raymond Synthetics Limited
3	Mr. R. Sundararaman B. Sc., CAIIB, AICWA, FRM	51	Chief - BE , New Products, IISL & Dotex	14313628	7206082	31	March 13, 1995	Grade 'B' Officer, Industrial Development Bank of India
4	Mr. Yatrik Vin M.Com, AICWA	47	Senior Vice President - F & A	10593829	5641578	27	February 21, 2000	Manager (Finance & Accounts), Godrej & Boyce Mfg. Co. Ltd.
5	Mr. Ravi Varanasi B. Sc., ACA	51	Chief - Business Development	11617129	7165250	27	July 3, 1995	Sr. Dy. Manager, Vysya Bank
6	Mr. R Nandakumar* B. Com., Grad. CWA, MBA, CAIIB, FIII	48	Chief - Operations	11704275	7133034	27	March 15, 1995	Staff Officer (Finance), Unit Trust of India
7	Mr. Umesh Jain* B.Tech.	44	Chief - Technology	11870946	7290572	14	September 3, 2012	President, Yes Bank Limited
8	Mr. N Muralidaran M. Sc.,MBA	53	Chief - Special Projects	10209516	7602658	31	April 1, 2013	Chief Executive Officer, NSE Infotech Sevices Ltd.
9	Dr.V. R. Narasimhan @ M. Com., ACS, MBA, Ph.D	57	Chief - Regulatory Affairs	9079989	6262198	30	May 30, 2013	Sr. Vice President, Kotak Mahindra Bank Limited
10	Ms. Kamala K B.Com, FCA	48	Head - Compliance	9719348	5331546	24	March 16, 2006	Vice President (Risk Mgmt. & Ops.), IL&FS Investsmart Limited
11	Mr. Hari K. AICWA, ACS	47	Vice President	9713162	5954827	23	May 29, 1995	Cost Accountant, KCP Ltd.
12	Mr. Suprabhat Lala B. Sc.	47	Vice President	6724557	4418575	24	October 1, 2001	Sr. Vice President, Geojit Securities Ltd.
13	Mr. Chandrashekhar Mukherjee, B. Com., PGPM & IR	50	Head - People Management	8200877	5404399	21	April 9, 2010	Associate Vice President Bennett Coleman & Company Ltd.

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			
14	Mr. Nirmal Mohanty M.A., MBA	55	Head - EPR	7018348	4719943	27	April 1, 2009	Principal / Vice President, Infrastructure Development Finance Company Limited
15	Mr.M Vasudev Rao B. Com., LL.B, FCS	46	Vice President	6413582	4172331	18	November 1, 2012	Associate Vice President Bennett Coleman & Company Ltd.
16	Mr. Kashinath Katakdhond @ B.E., MBA, GEMBA (US)	45	Head - Projects	3895336	2880810	19	September 12, 2013	Sr. Vice President, Citigroup

Notes :

- 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.
- Besides the above, variable pay pertaining to FY 2012-13 amounting to ₹ 21,57,537 in respect of Mr. Umesh Jain was disbursed during FY 2013-14.
- Ms. Chitra Ramkrishna was appointed as Managing Director & CEO for a period of five years with effect from April 1, 2013.
- Other employees are in permanent employment of the company on contractual basis governed by the employment terms & conditions and service rules. Employees whose names have been marked with @ were employed with the company for part of the year.
- None of the employees mentioned above is a relative of any Director.
- Employees, in respect of whom Section 217 (2A) applies but are on deputation to subsidiary company and in respect of whom the remuneration is recovered are shown under statement prepared under Section 217 (2A) of that subsidiary company to avoid duplication. Employees whose names have been marked with * is also on deputation to subsidiary company(ies) and in respect of whom the proportionate remuneration recovered from the subsidiary company(ies) is shown in the statement prepared under Section 217 (2A) of that subsidiary company(ies).
- 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.
- 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. National Stock Exchange of India Limited (NSEIL) is a public limited company, incorporated under the Companies Act, 1956 whose securities are not listed on any of the stock exchanges. NSEIL is also a recognised stock exchange under Securities Contracts (Regulation) Act, 1956. Therefore, NSEIL is additionally 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 company has become *mutatis mutandis* applicable to a recognised Stock Exchange. However, NSEIL has always been involved in good governance practices and endeavours continuously to improve upon the same. In continuation of its pursuit to establish good corporate governance practice and for the information of its stakeholders, NSEIL is furnishing this Report for the financial year ended on 31st March, 2014.

I. Board of Directors

A. Composition of the Board

The Board consists of 11 Directors of which 4 Directors represent Shareholders, 6 are Public Interest Directors, who are chosen from among eminent persons or experts in the field of Law, Finance, Accounting, Taxation, Information Technology, Economics, Commerce, management, etc. and 1 Executive Director. None of the Directors of the Company are inter-se related with each other.

With the approval of SEBI, the Company has appointed Mr. S.B. Mathur, 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 four times during the year on May 27, 2013, August 14, 2013, November 14, 2013 and January 28, 2014 respectively. The maximum gap between any two meetings was less than 4 months.

Directors' Attendance Record and Directorships Held

As mandated by the Clause 49, Directors are neither members of more than ten Board level Committees nor are they Chairman of more than five such Committees in which they are members. Table 1 gives the details of the composition of the Board, attendance and details of Committee Membership and Committee Chairmanships.

(1) Details of Directors along with the Directorship(s) and Chairmanship(s)/Membership(s) of Committees in other companies for the year 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)/ Chairmanship(s)*	Other Committee Membership(s)**	Other Committee Chairmanship(s)**
		Held	Attended				
Mr. S. B. Mathur, Chairman	Public Interest Director	4	4	Y	12	4	4
Ms. Chitra Ramkrishna, Managing Director & CEO	Executive Director	4	4	Y	7	2	2
Mr. Ravi Narain, Vice Chairman	Shareholder Director	4	4	Y	13	7	2
Mrs. Shyamala Gopinath	Public Interest Director	4	3	N	-*	-*	-*
Mr. Y.H. Malegam	Public Interest Director	4	4	Y	5	-	3
Mr. Abhay Havaladar	Shareholder Director	4	4	N	1	1	-
Mr. S.B. Mainak	Shareholder Director	4	2	N	3	1	-
Dr. K. R. S. Murthy	Public Interest Director	4	4	N	2	1	1
Mr. Prakash Parthasarathy	Shareholder Director	4	4	N	2	-	-
Mrs. Pratima Umarji	Public Interest Director	4	3	N	-	-	-
Dr. S. Sadagopan	Public Interest Director	4	2	N	4	1	-
Mr. Justice B.N. Srikrishna (Retd.)	Public Interest Director	3	2	N	1	-	-

Y= Yes; N=No

Notes

1. Mr. Justice B.N. Srikrishna (Retd.) was appointed as Public Interest Director with effect from August 02, 2013.

Mrs. Shyamala Gopinath ceased to be a Director of the Company w.e.f. February 20, 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.

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

Since inception, the Company has been following the principle of separation of the role of Chairman and the Chief Executive Officer. Mr. S. B. Mathur is the Non-Executive Chairman of the Board. Ms. Chitra Ramkrishna is the Managing Director & Chief Executive Officer of the Company and is entrusted with the day to day management of the affairs of the Company. The Managing Director carries out her functions subject to superintendence, control and management of the Board of Directors of the Company.

B. Responsibilities of the Board

The Company conducts an orientation programme for new Directors covering various operations of the Exchange so as to familiarise themselves with the various functions being carried out by the Exchange. The Company also provides training in various fields such as operation, risk management, compliance, etc. to every Public Interest Director each year. Every director inducted on the Board is well known in the financial services industry and has the ability to understand basic financial statements and information and related documents/papers.

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

- Annual operating plans and capital and revenue budgets and updates
- Quarterly financial results.
- Status report on the Exchange operations and operations of different segments.
- Minutes of the meetings of Audit Committee and other committees of the Board including minutes of the meeting of the Board of material subsidiary company.
- Details of joint ventures, acquisitions of companies or collaboration agreements, etc.
- Details of foreign exchange exposures and the steps taken to limit the risk of adverse exchange rate movements.
- Details of significant transactions and arrangements entered into by material unlisted subsidiary.
- Review of market surveillance.
- Other information, which is required to be placed before the Board as per clause 49 of the Listing Agreement, is taken to the Board as and when the event occurs.

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

C. Code of Conduct

A code of conduct for Public Interest Directors and Key Management Personnel of the Company is framed. They have affirmed compliance with the Code of Conduct. As per the requirement of Clause 49, the code of conduct, has been hosted on the website of the Company.

D. Independent Directors

(1) 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.

(2) Tenure

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

(3) Freedom to Independent Directors

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

E. Remuneration of Directors

In order to align compensation levels with market levels and at the same time attract, retain and motivate Directors of the quality required to run the company successfully, the compensation being paid to Managing Director is periodically reviewed and revised. The composition of remuneration includes both fixed and variable components.

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

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

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

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

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

The details of remuneration paid to Managing Director & CEO during FY 2013-14 are given in the following table:-

(Rs. in crores)

Name & Designation	Salary & Allowances	Perquisites in cash or in kind	Contribution to PF and other Funds	Total
Ms. Chitra Ramkrishna, Managing Director & CEO	3.30	0.59	0.57	4.46

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

Name	Board meetings		Committees' meetings		Total
	No. of meetings attended	Amount (₹)	No. of meetings attended	Amount (₹)	
Mr. S. B. Mathur, Chairman	4	80,000	25	5,00,000	5,80,000
Mr. Ravi Narain, Vice Chairman	4	80,000	19	3,80,000	4,60,000
Mrs. Shyamala Gopinath	3	60,000	11	2,20,000	2,80,000
Mr. Y. H. Malegam	4	80,000	21	4,20,000	5,00,000
Mr. Abhay Havaladar	4	80,000	4	80,000	1,60,000
Mr. S. B. Mainak	2	40,000	1	20,000	60,000
Dr. K. R. S. Murthy	4	80,000	37	7,40,000	8,20,000
Mr. Prakash Parthasarathy	4	80,000	-	0	80,000
Mrs. Pratima Umarji	3	60,000	36	7,20,000	7,80,000
Dr. S. Sadagopan	2	40,000	7	1,40,000	1,80,000
Mr. Justice B. N. Srikrishna (Retd.)	2	40,000	2	40,000	80,000

II. Committees of the Board

1) Audit Committee

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

The Audit Committee reviews the reports of the internal auditors and operational auditors. The role of Audit Committee of NSEIL, 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 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 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. Y. H. Malegam, Mr. Ravi Narain and Dr. S. Sadagopan as its members. Mr. Y.H.Malegam is the Chairman of the Audit Committee. The Committee met four times during the year i.e., on May 23, 2013, August 2, 2013, November 14, 2013 and January 24, 2014 respectively. The details of the attendance of members of the Audit Committee at their meetings held on the above dates are given hereunder:-

Name	Number of meetings held during the year	Number of meetings attended
Mr. Y. H. Malegam	4	4
Mr. Ravi Narain	4	4
Dr. S. Sadagopan	4	3

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

All members of the Audit Committee have requisite accounting and financial management expertise. The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 26th September, 2013 to answer shareholders queries, if any.

2) Nomination & Remuneration Committee

The Compensation Committee has been vested with the powers and authority for overseeing performance evaluation and recommending compensation package for employees including Managing Directors. As per SEBI Regulations, the Compensation Committee shall consist of majority of Public Interest Directors and shall be chaired by a Public Interest Director. Further as per requirements of the Companies Act, 2013, the Company is required to constitute a Nomination and Remuneration Committee (NRC). 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. S. B. Mathur, Mr. Y.H. Malegam, Dr. K R S Murthy, Mrs. Pratima Umarji and Mr. Ravi Narain with Mr. Y.H. Malegam as its Chairman for the purpose of discharging its functions required under both Companies Act, 2013 and under SEBI requirements. The Committee meets as and when the need arises to discharge its functions.

3) Stakeholders Relations Committee

The Committee besides discharging the function of approving share transfers and deciding on any matter incidental to or connected with the transfer, also discharges the functions of redressal of shareholder grievances like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc.

The Committee comprises of Mr. Y. H. Malegam, Mr. S. B. Mathur, Mr. Ravi Narain and Ms. Chitra Ramkrishna. Mr. Y.H. Malegam is the Chairman of the Committee. The Committee meets as and when the need arises to discharge its functions.

4) Risk Assessment and Review Committee

The Committee carries out the identification and assessment of existing risk and also recommend risk minimisation procedures & reporting system thereof on an ongoing basis. The Committee comprises three Directors viz., Mr. Y. H. Malegam, Mr. Ravi Narain and Dr. S. Sadagopan as its members. Mr. Y.H. Malegam is the Chairman of the Risk Assessment and Review Committee. The Committee meets as and when the need arises to discharge its functions.

5) In addition to Committees covered specifically in detail, the Company also has following Committees, namely:

(i) SEBI mandated Committees

1. Membership Selection Committee
2. Disciplinary Action Committee
3. Defaulters Committee
4. Standing Committee on Technology
5. Sub-committee for monitoring compliance of suggestions given in SEBI Inspection Reports
6. Investor Services Committee
7. Public Interest Directors Committee
8. Arbitration Committee
9. Ethics Committee
10. Independent Oversight Committee of the Governing Board for Member regulation

11. Independent Oversight Committee of the Governing Board for Listing function
 12. Independent Oversight Committee of the Governing Board for Trading and Surveillance function
 13. Advisory Committees
 14. Committee to decide on Compulsory Delisting
- (ii) Other Functional Committees
1. Committee for Declaration of Defaults
 2. Technology Budget Committee
 3. Committee for Approval of Acquisition of Premises
 4. Business Development Committee
 5. Pricing Committee
 6. Corporate Social Responsibility Committee
 7. Premises Advisory Committee
 8. Membership Recommendation Committee
 9. Sub-broker Recognition Committee

III. Subsidiary Companies

Clause 49 defines a “material non-listed Indian subsidiary” as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year.

NSEIL has one ‘material non-listed Indian subsidiary’ i.e National Securities Clearing Corporation Limited (NSCCL). A statement of all significant transactions and arrangements entered into by NSCCL is periodically brought to the attention of the Board of Directors of NSEIL.

IV. Auditors

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

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

V. Secretarial 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 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 on a quarterly basis.

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 the preparation of Financial Statements.

NSEIL follows 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. Management Discussion and Analysis

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

VIII. CEO/ CFO certification

The CEO and CFO certification of the financial statements for the financial year 2013-14 is enclosed at the end of the report.

IX. Shareholders

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

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

B. Communication with Shareholders

As required under the Listing Agreement all the data related to quarterly and annual financial results, shareholding pattern, Board meetings, general meetings, etc., is provided on the web-site of NSE within the time frame prescribed in this regard. The Exchange disseminates all material information to its shareholders through periodical communications.

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 or Shareholders' grievances

The Company has already constituted a Stakeholders Relations Committee to look into and redress shareholders and investors complaints. During the year, the Company did not receive any grievances from its shareholder(s) in respect of transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc.

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
21 st Annual General Meeting	September 26, 2013	10.00 a.m	Exchange Plaza, Bandra-Kurla Complex Bandra (East) Mumbai- 400 051	<ul style="list-style-type: none"> Re-appointment of Auditors under Section 224A Alteration of Articles of Association of the Company
Extra-ordinary General Meeting	January 17, 2013	10.00 a.m.	Exchange Plaza, Bandra-Kurla Complex Bandra (East) Mumbai- 400 051	-
20 th Annual General Meeting	September 27, 2012	11.00 a.m	Exchange Plaza, Bandra-Kurla Complex Bandra (East) Mumbai- 400 051	<ul style="list-style-type: none"> Re-appointment of Auditors under Section 224A
19 th Annual General Meeting	September 28, 2011	11.30 a.m	Exchange Plaza, Bandra-Kurla Complex Bandra (East) Mumbai- 400 051	<ul style="list-style-type: none"> Re-appointment of Auditors under Section 224A

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

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

Distribution of Shareholding as on 31st March, 2014:

Category	No. of shareholders in each category	% of the category	No. of shares held	% to the total paid up equity capital
Individuals	5	7.46	4,71,429	1.05
Corporates-Listed	4	5.97	6,87,200	1.53
Corporates-Unlisted	11	16.42	49,60,168	11.02
Financial Institutions/Banks	11	16.42	1,28,87,302	28.64
Insurance Companies	7	10.45	82,53,500	18.34
Venture capital fund	3	4.48	16,35,246	3.63
Foreign holding	26	38.81	1,61,05,155	35.79
Total	67	100.00	4,50,00,000	100.00

Top 10 Shareholders as on 31st March, 2014

Sr. No.	Name of the shareholder	No. of shares held	Percentage of shareholding
1	Life Insurance Corporation of India	47,28,500	10.51
2	State Bank of India	45,87,500	10.19
3	IFCI Limited	24,97,750	5.55
4	IDFC Limited	23,96,410	5.33
5	Stock Holding Corporation of India Limited	22,50,000	5.00
6	GA Global Investments Limited	22,50,000	5.00
7	GS Strategic Investments Limited	22,50,000	5.00
8	SAIF II SE Investments Mauritius Limited	22,50,000	5.00
9	Aranda Investments (Mauritius) Pte. Ltd.	22,50,000	5.00
10	IDBI Bank Limited	22,49,153	4.998

As per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the Exchange is required to ensure that at least 51% of the equity share capital is held by public. The Exchange ensures compliance thereof.

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 in Clause 49 of the Listing Agreement read with Regulation 35 of Securities Contracts(Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, NSEIL has, obtained a certificate regarding the compliance of conditions of Corporate Governance therein from a Practicing Company Secretary. The same is given as an Annexure to the Directors' Report.

I. Compliance with the non-mandatory requirements of Clause 49 of the Listing agreement

In addition to the above, NSEIL also complies with non-mandatory requirements of Clause 49 like maintaining a Chairman's office at the company's expense, reimbursement of expenses incurred by Chairman in performance of his duties, tenure for Directors, requisite qualifications and experience for independent directors, remuneration committee, dissemination of financial results to the shareholders on a quarterly basis, unqualified financial statements, etc.

J. Whistle Blower Policy.

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East), Mumbai 400051

We have examined all relevant records of **National Stock Exchange of India 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 Stock Exchange. 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: 6th May, 2014
Place: Thane

MANAGEMENT DISCUSSION & ANALYSIS

Economic & Business environment

Indian economy witnessed another challenging year in Fiscal 2014 consequent to which slowdown effect was observed across the board, with no specific sector of the economy remaining unaffected. Also, during the year 2013-14 global economic uncertainties continued to prevail and as a fallout, global activities appeared to have moderated on slower growth in the US, the UK and Japan, continuing sluggishness in the Euro area and a subdued pick-up in emerging and developing economies, restrained by the uncertain external demand environment as well as by localised cyclical and structural constraints. Growth slowdown, and persistent inflation remained to the fore during 2013-14. As a result, headline GDP growth has fallen to 4.5% during Calendar Year 2013 from 5.0% a year ago and 6.2% in Calendar Year 2012, largely on account of slower than expected growth in agricultural sector accompanied by de-growth in industry GDP.

Real GDP growth continued to be modest during Calendar Year 2013 with some strengthening of activity in services such as trade, transport and communication, financing services. Despite some positive movement in more recent data, industrial activity continues to be a drag on the economy, with reduction in both consumption and investment demand reflected in the contraction of output of consumer durables as well as capital goods. The estimated growth in the agriculture sector increased to around 3.6 per cent from around 1.8 per cent from previous year on account of good kharif harvest. Similarly, due to weaker IIP numbers, the Industrial growth continued to slowdown to an estimated 1.2 per cent as compared to 2.5 per cent for the previous year. The deceleration in the services sector growth, which has been the mainstay of high growth in the recent past, had dragged down overall economic activity. The estimated growth in the service sector showed a nominal increase to around 6.9 per cent from around 6.6 per cent for previous year.

The steady narrowing of the trade deficit over the year has shrunk the current account deficit (CAD) to 0.9 per cent of GDP in Q3 of 2013-14. For the year as a whole, the CAD is expected to be about 2.0 per cent of GDP. Most recently, however, export growth has slowed, partly because of slowdown in demand in partner countries as well as a softening of prices of exports of petroleum products offset by a reduction in the price of oil and gold import. In February, there was a turnaround in portfolio flows as investors largely priced in the effects of taper by the US Fed and responded to the economic and geo-political development in emerging markets with re-allocations. With sustained inflows in the form of portfolio flows, foreign direct investment (FDI) and external commercial borrowings, external financing conditions turned comfortable. During the year 2013-14, FIIs have pumped in net amount of ₹ 79,709 crores in the equity market. The cumulative FII net investment from November 1992 to March 31, 2014 stood at US \$ 141.68 billion. However, the forex reserves of country marginally increased by 3.51 per cent from US\$293.37 billion as on March 28, 2013 to US \$ 303.67 billion at end of March 28, 2014.

Further, during 2013-14 the Indian securities industry also experienced number of technological and regulatory developments. In addition, demand for new products and services, particularly new asset classes and need for faster and more cost efficient trade execution increased substantially.

Outlook

Strong innate economic fundamentals, India continues to be the highly attractive destination for investment globally. Indian economy is expected to sustain a growth rate of around 5.5 per cent in the year 2014 as compared to 2.58 per cent for the world economy. Further, the provisional estimates for the year 2014-15 indicate fiscal deficit of 4.10 per cent of the GDP, down from 4.70 per cent for the year 2013-14. Also, as a natural fall out of the fiscal consolidation the savings and capital formation within the economy would begin to rise rapidly. This would have a significantly positive impact on the capital markets. Additionally, various policy level steps are also expected to fetch positive effect on the growth of the Indian Capital market.

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

Risks and concerns

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

Internal control systems and their adequacy

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

Financials

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 & Companies Act, 2013, including revised Schedule VI, Generally Accepted Accounting Principles (GAAP) in India and as per the applicable Accounting Standards laid down by the Institute of Chartered Accountants of India. A well-known and reputed firm of Chartered Accountants performs the audit and they have confirmed that our practices are as stringent and complete as internationally. Consolidated Financial statements have also been presented.

Financial performance (2013-14)

During the year 2013-14, the total revenue has increased by around 1.32% from ₹ 1,648.11 crores for the year 2012-13 to ₹ 1,669.78 crores for the year 2013-14.

The total expenditure for the year 2013-14 was ₹ 548.65 crores as compared to ₹ 527.18 crores for the year 2012-13, an increase of around 4.07% over the previous year.

The total Profit Before tax for the year 2013-14 was ₹ 1,342.82 crores as against ₹ 1,157.14 crores for the year 2012-13, an increase of around 16.05% over the previous year.

The total Provision for tax (including deferred tax) for the year 2013-14 was ₹ 323.54 crores as against ₹ 279.53 crores for the year 2012-13.

The total Profit after tax for the year 2013-14 was ₹ 1,019.28 crores as against ₹ 877.61 crores for the year 2012-13, an increase of around 16.14% over the previous year.

Operating Revenues

Transaction charges

During the year, there was a increase of around 13.61% in the income from Transaction charges from ₹ 726.79 crores for the year 2012-13 to ₹ 825.72 crores for the year 2013-14. The average daily turnover on the Exchange during the year 2013-14 was ₹ 11,203 crores in Cash Market (CM segment) as against ₹ 10,881 crores for the year 2012-13 indicating a rise of around 3%. In F&O segment the average daily turnover (billable) for the year 2013-14 was ₹ 33,167 crores as against ₹ 27,810 crores for the year 2012-13 indicating a rise of around 19.26%. In Currency Derivatives Segment the average daily turnover (billable) for the year 2013-14 was ₹ 12,083 crores as against ₹ 15,473 for the year 2012-13 indicating a de-growth of around 21.91 %.

Listing Fees

There is modest increase of 4.24% under this head of income. Revenue under this head of income had increased at ₹ 34.79 crores for the year 2013-14 against ₹ 33.38 crores for the year 2012-13. The Exchange as of March 31, 2014 had 1688 listed companies. The total market capitalisation of these companies as of March 31, 2014 stood at around ₹ 73 lakhs crores.

Book Building Fees

The total book building fees during the year 2013-14 decreased at ₹ 3.90 crores for the year 2013-14 from ₹ 4.24 crores for the year 2012-13.

Interest & Other Investment income

During the year 2013-14, the total investment income decreased from ₹ 594.25 crores for the year 2012-13 to ₹ 536.82 crores for the year 2013-14, Mainly on account of dividend from subsidiary companies for the year 2013-14 decreased from ₹ 209.40 crores to ₹ 150.75 crores.

NSE's Certification in Financial Markets (NCFM)

The income from NCFM activity stood at ₹ 20.48 crores for the year 2013-14. Also, the total number of candidates taking examination during the year 2013-14 was around 1,50,000.

Other Operating Revenues

During the year 2013-14, the other operating revenues decreased by around 8.43% from ₹ 212.04 crores for the year 2012-13 to ₹ 194.17 crores for the year 2013-14.

Other Income

During the year 2013-14, other income remained at ₹ 53.88 crores for the year 2013-14 as against ₹ 53.02 crores for the year 2012-13.

Expenditure

IT & Telecom expenses

Technology is the backbone of our business and also the key differentiator. The Exchange continued to invest in the state of the art technology in different areas of its business keeping clear focus on its cost efficiency. During the year, the total IT & Telecom expenses for the year 2013-14 marginally decreased from ₹ 171.80 crores for the year 2012-13 to ₹ 164.68 crores for the year 2013-14.

Other expenses

During the year 2013-14 other expenses had increased at ₹ 150.10 crores for the year 2013-14 as against ₹ 128.74 crores for the year 2012-13.

Clearing & Settlement charges

National Securities and Clearing Corporation Limited (NSCCL), a wholly owned subsidiary of the Exchange, carries out the clearing and settlement of the trades executed in the CM, F&O and CD segments. Consequent to the increase in income from transaction charges, the clearing & settlement charges for the year 2013-14 paid to NSCCL, increased by around 4.91% i.e. from ₹ 72.09 crores in FY 2012-13 to ₹ 75.63 crores in FY 2013-14.

Employee cost

The Exchange recognises the value of its human capital deployed at all levels. To continue to provide best in class services to its members and other market participants it is essential for the Company to attract and retain the best talent available. In this direction, the Company continues to take various initiatives to follow HR best practices and also keeps benchmarking it with other forward looking organisations. During the year 2013-14, the Company has taken number of HR initiatives in the areas of employee developments and training, harnessing knowledge and skill levels as well as various staff welfare measures etc. During the year 2013-14, the total employee strength remained stable as compared to the year 2012-13 and the employee related expenses stood at ₹ 81.27 crores which was ₹ 77.52 crores for the year 2012-13. For the year 2013-14, the total employee cost as a percentage to total income was 4.87% and as a percentage of expenditure was 14.81% which is comparable to the industry standards.

Depreciation

Depreciation decreased by around 0.08% from ₹ 77.03 crores for the year 2012-13 to ₹ 76.97 crores for the year 2013-14.

Financial Statement as on March 31, 2014

Share Capital

The total paid up capital of the Company as on March 31, 2014 is ₹ 45 crores divided in to 4,50,00,000 equity shares of ₹ 10 each.

Reserves & Surplus

The total Reserves & Surplus as on March 31, 2014 is ₹ 4,309.22 crores comprising of Share Premium of ₹ 40 crores, Investor Compensation reserves ₹ 10 crores, staff welfare reserves of ₹ 1.50 crores, General reserve of ₹ 3,690 crores and balance in P&L A/c of ₹ 567.72 crores.

Thus the total Net worth of the Company as on March 31, 2014 is ₹ 4,354.22 crores and the book value is ₹ 967.60 per share.

Deposits from members (Unsecured)

The total deposits from members as on March 31, 2014 stood at ₹ 1,066.57 crores as against ₹ 1,099.93 crores as on March 31, 2013.

Fixed Assets

Total Gross Block as on March 31, 2014 was ₹ 1,024.93 crores. Total Accumulated depreciation up to March 31, 2014 was ₹ 553.81 crores. Net fixed Assets (including Capital W.I.P) were ₹ 487.24 crores. As part of the total investments in technology areas, during the year 2013-14 the total additions to fixed assets were ₹ 75.82 crores mainly pertaining to the Trading systems, Computer system, telecom equipment's and computer software. Total deletions at cost were at ₹ 25.27 crores.

Investments

The prudential policy of the Company permits to invest both long term and short term surplus funds in to deposits of highly rated banks, bonds issued by the Central / State governments, institutions and various corporates and into the debt oriented schemes of high performing mutual funds. As on March 31, 2014 the total non-current investments were ₹ 1,515.26.00 crores as against ₹ 343.00 crores as on March 31, 2013, increase of ₹ 1,172.25 crores. Current investments were ₹ 715.41 crores as on March 31, 2014 as against ₹ 1,147.13 crores as on March 31, 2013, decrease of ₹ 431.73 crores.

Other Non-Current and Current Assets

Total other assets (non-current and current) as on March 31, 2014 stood at ₹ 4,088.37 crores comprising of interest accrued on investments and Fixed Deposits amounting to ₹ 316.19 crores, Trade Receivables amounting to ₹ 150.26 crores and cash and bank balances in current and Fixed Deposits and certificates of deposits amounting to ₹ 3,459.03 crores and Loans advances of ₹ 137.66 crores.

Other Non-Current and Current Liabilities

Total other liabilities (non-current and current) as on March 31, 2014 stood at ₹ 1,376.51 crores mainly comprising of dues from subsidiary companies ₹ 2.50 crores, security deposits as per listing agreement amounting to ₹ 54.34 crores, Securities Transaction Tax of ₹ 144.01 crores, provision for leave encashment of ₹ 9.25 crores, Provisional appropriation towards NSCCL SGF ₹ 474.22 and other current liabilities amounting to ₹ 692.19 crores.

Taxation

The total Provision for tax (including deferred tax) for the year 2013-14 was ₹ 323.54 crores as against ₹ 279.53 crores for the year 2012-13. Though the present Indian Corporate tax rate is 33.99% comprising of base rate and surcharge and cess, due to investments into various debt schemes of mutual funds the effective tax rate works out to 23.83%

Event occurring after the balance sheet date

There are no transactions of material nature that have occurred after March 31, 2014 which could have any impact on the financial performance of the Company for the year 2013-14.

CEO - CFO CERTIFICATION

To,

The Board of Directors

National Stock Exchange of India Limited

We, Chitra Ramkrishna, Managing Director & CEO and Yatrik Vin, Senior Vice President (F&A) of the National Stock Exchange of India Limited hereby certify to the Board that -

- a. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2014 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mumbai
May 6, 2014

Chitra Ramkrishna
Managing Director & CEO

Yatrik Vin
Sr. Vice President (F&A)

INDEPENDENT AUDITORS' REPORT

To the Members of National Stock Exchange of India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **National Stock Exchange of India 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") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 (Auditor's Report) Order, 2003 ("the Order"), as amended, 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, 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 Act.

For Khandelwal Jain & Co.,

Chartered Accountants

Firm's Registration Number: 105049W

(Narendra Jain)

Partner

Membership Number: 048725

Place: Mumbai

Date: May 6, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of Independent Auditors' Report to the members of **National Stock Exchange of India Limited** ("the Company") for the year ended March 31, 2014. We report that:

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) The Company has physically verified the fixed assets in accordance with a programme of verification which in our opinion provides for physical verification of all fixed assets at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification.
- c) No substantial part of fixed assets of the Company has been disposed off during the year.
- ii) a) 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 Act.
- b) 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 Act.
- iii) In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for purchase of fixed assets and for rendering of services. During the course of our audit, we have not observed any major weakness in the internal control systems.
- iv) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the Company has not entered into any contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- v) The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made thereunder.
- vi) In our opinion, the Company has an internal audit system which is commensurate with the size of the Company and the nature of its business.
- vii) We are informed that no cost records are required to be maintained by the Company under Section 209(1)(d) of the Companies Act, 1956.
- viii) a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and any other statutory dues wherever applicable.
- b) According to the information and explanations given to us, the dues of sales-tax, income-tax, customs, wealth-tax, service tax, securities transaction tax, excise duty, cess which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Sr. No.	Name of the Statute	Nature of the Dues	Period to which amount relates (Financial year)	Amount (₹ in Crores)	Forum where dispute is Pending
1.	Income Tax Act, 1961	Income Tax	1995-1996	0.08	High Court, Mumbai
			1999-2000	0.34	High Court, Mumbai
			2002-2003	0.55	High Court, Mumbai
			2007-2008	0.002	Income Tax Appellate Tribunal, Mumbai
			2008-2009	0.19	Income Tax Appellate Tribunal, Mumbai
			2010-2011	2.20	Commissioner of Income Tax (Appeal), Mumbai
2.	Wealth Tax Act, 1957	Wealth Tax	2000-2001	0.11	Income Tax Appellate Tribunal, Mumbai - Wealth Tax Bench
3.	Finance (No.2) Act, 2004-Chapter VII	Securities Transaction Tax	2006-2007	1.57	Income Tax Appellate Tribunal, Mumbai
			2007-2008	0.97	Income Tax Appellate Tribunal, Mumbai
			2008-2009	0.48	Income Tax Appellate Tribunal, Mumbai
4.	Chapter V of Finance Act, 1994	Service Tax	2004-2005 To 2008-2009	28.10	Commissioner of Service Tax, Mumbai
			2010-2011	0.001	Commissioner of Central Excise (Appeal), Mumbai
			2011-2012	0.001	Commissioner of Central Excise (Appeal), Mumbai
			2008-2009 To 2011-2012	11.09	Commissioner of Service Tax, Mumbai
5.	The Competition Act, 2002	Penalty	2007-2008 to 2009-2010	55.00	Competition Appellate Tribunal

- ix) The Company did not have any accumulated losses at the end of the financial year, nor had it incurred any cash loss during the financial year or in the immediately preceding financial year.
- x) The Company has not taken any loan from banks or financial institutions and the Company has not issued any debentures.
- xi) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xii) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xiii) The Company has not taken any term loans during the year.
- xiv) According to the information and explanations given to us and on an examination of the Balance Sheet of the Company, we report that, on an overall basis, funds raised on short term basis have prima facie, not been used during the year for long term investment.
- xv) The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xvi) The Company has not issued any Debentures during the year and there were no debenture outstanding at the year-end.
- xvii) The Company has not raised any money by public issue during the year.
- xviii) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on the Company or by the Company has been noticed or reported during the course of our audit.
- xix) The other clauses 4(ii), 4(xiii) and 4(xiv) of para 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order 2004, are not applicable to Company.

For **Khandelwal Jain & Co.,**

Chartered Accountants

Firm's Registration Number: 105049W

(Narendra Jain)

Partner

Membership Number: 048725

Place: Mumbai

Date: May 6, 2014

BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Notes	As at 31.03.2014 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)
Equity and liabilities			
1 Shareholder's funds			
a Share Capital	2	45.00	45.00
b Reserves and surplus	3	4,309.22	4,103.05
		4,354.22	4,148.05
2 Non-current liabilities			
a Deposits (Unsecured)	4	1,036.34	1,077.44
b Deferred tax liabilities (net)	5	8.98	5.37
c Other long-term liabilities	6	8.57	33.49
d Long-term provisions	7	3.74	0.19
		1,057.63	1,116.49
3 Current liabilities			
a Deposits (Unsecured)	4	30.23	22.49
b Trade payables	6	-	-
c Other current liabilities	6	501.38	372.81
d Short-term provisions	7	862.82	308.24
		1,394.43	703.54
TOTAL		6,806.28	5,968.08
Assets			
1 Non-current assets			
a Fixed assets	8		
Tangible assets		438.41	430.17
Intangible assets		32.71	37.32
Capital work-in-progress		10.38	15.80
Intangible assets under development		5.74	10.97
		487.24	494.26
b Non-current investments	9	1,515.26	343.00
c Long-term loans and advances	10	78.12	73.43
d Other non-current assets	11		
i) Non-current bank balances		612.36	686.69
ii) Others		51.80	19.28
		2,744.78	1,616.66

Particulars	Notes	As at 31.03.2014 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)
2 Current assets			
a Current investments	12	715.41	1,147.13
b Trade receivable	13	150.26	122.10
c Cash and bank balances	14	2,846.66	2,763.74
d Short-term loans and advances	10	59.54	46.33
e Other Current assets	11	289.63	272.12
		4,061.50	4,351.42
TOTAL		6,806.28	5,968.08

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For KHANDELWAL JAIN & CO.,
Chartered Accountants

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

NARENDRA JAIN
Partner
Membership No.:48725

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

Place : Mumbai
Date : May 6, 2014

J. RAVICHANDRAN
Chief (L&S, GI&SR) & Company Secretary

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

Particulars	Notes	For the year ended 31.03.2014 (₹ in Crores)	For the year ended 31.03.2013 (₹ in Crores)
Income			
Revenue from operations	15	1,079.07	1,000.84
Other income	16	590.71	647.27
Total Revenue (I)		1,669.78	1,648.11
Expenses			
Employee benefits expenses	17	81.27	77.52
Clearing & Settlement charges		75.63	72.09
Other expenses	18	314.78	300.54
Depreciation and amortisation expenses	8	76.97	77.03
Total Expenses (II)		548.65	527.18
Profit before prior-period adjustments & exceptional item		1,121.13	1,120.93
Add/(Less) : Prior-period adjustments	19	(5.65)	(0.17)
Profit before exceptional item		1,115.48	1,120.76
Add : Profit on sale of shares of Long Term Equity Investment	33	227.34	36.38
Profit before tax		1,342.82	1,157.14
Less : Provision for tax			
Current tax		320.00	281.00
Income Tax for earlier years		(0.07)	0.51
Deferred tax		3.61	(1.98)
Total tax expenses		323.54	279.53
Profit after tax		1,019.28	877.61
Earning per share (FV ₹ 10 each)			
Basic (₹)	20	226.51	195.02
Diluted (₹)	20	226.51	195.02
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For KHANDELWAL JAIN & CO.,
Chartered Accountants

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

NARENDRA JAIN
Partner
Membership No.:48725

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

Place : Mumbai
Date : May 6, 2014

J. RAVICHANDRAN
Chief (L&S, GI&SR) & Company Secretary

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

	2013-2014 (₹ in Crores)	2012-2013 (₹ in Crores)
A) CASHFLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	1,342.82	1,157.14
Add : Adjustments for :		
- Depreciation	76.97	77.03
- Adjustments to the carrying amount of current investments	0.07	0.26
- Provision for Doubtful Debts	0.04	-
- Loss on sale /discard of assets (Net)	0.60	0.80
- Prior-period adjustments (Net)	5.65	0.17
- Wealth Tax	0.20	0.20
Less : Adjustments for :		
- Interest income on short term investments	(35.47)	(42.65)
- Interest income on long term investment	(65.52)	(23.50)
- Interest income on Bank deposit	(232.01)	(269.96)
- Interest income on Certificate of deposits	(14.06)	(10.06)
- Interest income on Inter Corporate deposits	(0.96)	(1.74)
- (Profit)/Loss on sale of shares of Subsidiaries (exceptional item)	(227.34)	(36.38)
- (Profit)/Loss on sale/redemption of long term investments	(0.49)	(1.14)
- (Profit)/Loss on sale/redemption of short term investments	(21.04)	(11.19)
- Amortisation of Premium / Discount on Govt/Debt Securities	(1.80)	(1.94)
- Dividend received from Subsidiaries and associate companies	(159.52)	(217.41)
- Dividend received - Others	(6.95)	(15.61)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	661.18	604.02
Adjustments for :		
Trade Receivable	(28.16)	16.35
Loans & Advances	(15.39)	(10.07)
Liabilities & Provisions	117.39	(51.79)
Other Current Assets	15.33	(39.63)
CASH GENERATED FROM OPERATIONS	750.34	518.88
Prior-period adjustments (Net)	(5.65)	(0.17)
Direct Taxes paid (Net of Refunds)	(340.35)	(280.40)
NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	404.34	238.31
B) CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/Capital work-in-progress	(83.55)	(126.73)
Sale of Fixed Assets	1.14	1.34
Advance received against sale of shares	-	1.57
Interest received	282.67	280.40
Dividend received from Subsidiaries and associate companies	159.52	217.41
Dividend received - Others	6.95	15.61
(Increase)/Decrease in Fixed deposit & Certificate of deposits	(248.51)	192.13
(Increase)/Decrease in Investment	(491.50)	(429.98)
NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	(373.27)	151.75

	2013-2014 (₹ in Crores)	2012-2013 (₹ in Crores)
C) CASHFLOW FROM FINANCING ACTIVITIES		
Proceed of deposit from trading members/applicant	31.93	-
Refund of deposit from trading members/applicant	(42.00)	-
Refund of Equipments deposits (Net)	(23.29)	(20.14)
Dividend paid	(225.00)	(180.00)
Dividend distribution tax paid	(12.62)	-
NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	(270.98)	(200.14)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(239.91)	189.92
CASH AND CASH EQUIVALENTS : OPENING BALANCE [includes Certificate of deposits with banks of ₹ 238.49 crores (Previous Year ₹ 48.71 crores)]	266.09	76.17
CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE [includes Certificate of deposits with banks of ₹ NIL (Previous Year ₹ 238.49 crores)]	26.18	266.09
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	(239.91)	189.92

Notes to Cash Flow Statement :

- Cash and cash equivalent represent cash, bank balances and certificate of deposits with original maturity of less than three months.
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.
- Previous period / year's figures have been regrouped/ reclassified wherever necessary to correspond with the current period classification / disclosure.

As per our report of even date attached

For and on behalf of the Board of Directors

 For KHANDELWAL JAIN & CO.,
Chartered Accountants

 S. B. MATHUR
Chairman

 RAVI NARAIN
Vice Chairman

 NARENDRA JAIN
Partner
Membership No.:48725

 CHITRA RAMKRISHNA
Managing Director & CEO

 Y. H. MALEGAM
Director

 Place : Mumbai
Date : May 6, 2014

 J. RAVICHANDRAN
Chief (L&S, GI&SR) & Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014**1 Summary of significant accounting policies :****a) 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 respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), the provisions of the Companies Act, 2013 (to the extent notified) and the relevant provisions of the Companies Act, 1956 (to the extent applicable). The financial statements have been prepared on an accrual basis and under the historical cost convention.

b) Use of estimates

The preparation of financial statements in conformity with India GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Revenue Recognition

(i) Revenue is being recognised as and when there is reasonable certainty of ultimate realisation.

(ii) Provision for Doubtful debts and Bad Debts.

(a) In respect of members who have been declared as defaulter or expelled during the year by the company all amounts remaining to be recovered till the date of being declared defaulter or expelled are written off as bad debts. All subsequent recoveries are accounted for in the year of receipt

(b) 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.

d) Fixed Assets

Fixed Assets are stated at historical cost less accumulated depreciation. Historical cost is inclusive of freight, duties, taxes, cost of installation, interest upto the date of installation and other incidental expenses incurred towards acquisition and installation of fixed assets.

e) Depreciation

(i) Depreciation on assets is provided, using the straight line method, pro-rata to the period of use of assets, at the rates specified in Schedule XIV to the Companies Act, 1956 or based on the estimated useful life of the assets, whichever is higher. Where there is a revision of the estimated useful life of an asset, the unamortized depreciable amount is charged over the revised remaining useful life.

The details of the estimated useful life of the assets where the depreciation is provided at the rate higher than the specified in Schedule XIV of the Companies Act, 1956 are as follows:

Assets	Estimated Useful Lives
Computer Systems – Office Automation	3 years
Computer Systems – Others	4 years
Telecommunication Systems	4 years
Trading & Clearing Systems	4 years
Electrical Equipments & Installations	15-21 years
Furniture & Fixtures	5-16 years
Office Equipments	4-21 years
Vehicles	3-5 years

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

- (ii) Leasehold land is amortised over the period of lease.
- (iii) Computer Software is amortized over a period of 4 years.

f) **Computer software**

- (i) Cost of development and production of software is capitalised,
- (ii) Cost towards software development incurred till the time software is put to use is capitalised, and
- (iii) Standard packaged software products are written off in the year of purchase.

g) **Impairment of Assets**

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit & Loss in the year in which assets are identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of recoverable amount.

h) **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 paid/discount received at the time of acquisition of Government / Debt securities is amortised 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 is adjusted towards the cost of investment. Income on investments is accounted for on accrual basis.

i) **Foreign currency transactions**

- (i) Transactions denominated in foreign currency are recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currency at the year end are translated at the year end rate except for those covered by forward cover contracts which are translated at contracted rates.
- (iii) Any income or expense on account of exchange difference between the date of transaction and settlement or translation is recognised in the profit and loss account as income or expense. The

premium or discount on forward exchange contract are amortised and recognized in the profit and loss account over the period of contract.

j) **Employee Benefits**

- (i) **Provident Fund:** The Company has established National Stock Exchange of India Limited Employee Provident Fund Trust to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively. Company's contribution to the provident fund for all employees, are charged to revenue. In case of any liability arising due to short fall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company.
- (ii) **Superannuation:** Superannuation benefits for employees designated as chief managers and above are covered by group policies with the Life Insurance Corporation of India. Company's contribution payable for the year is charged to revenue. There are no other obligations other than the annual contribution payable.
- (iii) **Gratuity:** The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The Company provides for the defined benefit with respect to gratuity liability based on the present value of defined benefit obligation as reduced by the fair value of plan assets as per the actuarial valuation calculation.
- (iv) **Other Long term benefits:** Liability on account of other long term benefits such as Leave encashment, medical reimbursement and Leave Travel Allowance is made on the basis of actuarial valuation at the end of the year.
- (v) **Short term employee benefits** are charged to revenue in the year in which the related service is rendered.

k) **Taxation**

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. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates.

Deferred tax assets are recognised only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

l) **Provisions, Contingent liabilities and Contingent assets**

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

2 Share Capital

	31.03.2014 (₹. in Crores)	31.03.2013 (₹. in Crores)
Authorised 5,00,00,000 (Previous Year 5,00,00,000) Equity Shares of ₹ 10 each.	50.00	50.00
Issued, Subscribed and Paid-up 4,50,00,000 (Previous year 4,50,00,000) Equity shares of ₹10 each fully paid up.	45.00	45.00
Total	45.00	45.00

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

The Board of directors, in their meeting on May 6, 2014, proposed a dividend of ₹ 68/- 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 ₹ 306/- 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 ₹ 50/-. The dividend appropriation for the year ended March 31, 2013 amounted to ₹ 225/- crores excluding Dividend Distribution Tax.

In the event of liquidation of the company, the holders of 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.

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

	31.03.2014		31.03.2013	
	No.	% holding	No.	% holding
Life Insurance Corporation of India	4,728,500	10.51%	4,728,500	10.51%
State Bank of India	4,587,500	10.19%	4,587,500	10.19%
Infrastructure Development Finance Company Limited	2,497,750	5.55%	2,947,990	6.55%
IFCI Limited	2,396,410	5.33%	2,497,750	5.55%

3 Reserve and surplus

	31.03.2014 (₹. in Crores)		31.03.2013 (₹. in Crores)	
Share premium				
As per last balance sheet		40.00		40.00
Investor compensation reserve				
As per last balance sheet		10.00		10.00
Less : Expenses Transferred from Profit & Loss account		-		-
Add : Transferred from surplus balance in the statement of profit & loss account		10.00		10.00
Staff welfare reserve				
As per last balance sheet		1.50		1.50
Less: Expenses incurred Transferred from profit & loss account		-		-
Add : Transferred from surplus balance in the statement of profit & loss account		1.50		1.50
General reserve				
As per last balance sheet		3,585.00		3,155.00
Add : Transferred from surplus balance in the statement of profit & loss account		105.00		430.00
		3,690.00		3,585.00
Surplus/(deficit) in the statement of profit and loss				
Balance as per last financial statements		466.55		227.36
Less: Provisional appropriation towards NSCCL SGF in respect of previous year (Refer Note 34)		219.40		-
Profit for the year		1,019.28		877.61
Excess provision of Dividend Distribution Tax reversed		-		29.20
Less : Appropriations				
Provisional transfer to NSCCL SGF in respect of current year		254.82		-
Transfer to general reserve		105.00		430.00
Proposed dividend		306.00		225.00
Tax on proposed dividend		32.89		12.62
Transfer to Staff welfare reserve		-		-
		567.72		466.55
Total reserves and surplus		4,309.22		4,103.05

4 Deposits (Unsecured)

	Non-current		Current	
	31.03.2014 (₹. in Crores)	31.03.2013 (₹. in Crores)	31.03.2014 (₹. in Crores)	31.03.2013 (₹. in Crores)
Deposits from trading members	1,019.56	1,056.29	26.91	1.29
Deposits from applicants for membership	-	-	3.06	2.03
Deposits towards equipments	16.78	21.15	0.26	19.17
Total	1,036.34	1,077.44	30.23	22.49

5 Deferred Tax liabilities (net)	31.03.2014 (₹. in Crores)		31.03.2013 (₹. in Crores)	
Deferred Tax Liabilities				
Related to depreciation and other expenditure	18.25		13.34	
Related to other items	0.11	18.36	0.11	13.45
Total (A)				
Less : Deferred Tax Assets				
Related to disallowance u/s 43B	7.47		6.29	
Related to other items	1.91	9.38	1.79	8.08
Total (B)				
Net Deferred Tax liabilities (A-B)		8.98		5.37

6 Other Liabilities	Long - term		Short - term	
	31.03.2014 (₹. in Crores)	31.03.2013 (₹. in Crores)	31.03.2014 (₹. in Crores)	31.03.2013 (₹. in Crores)
Trade payables	-	-	-	-
Others				
Deposit - premises	3.18	28.10	25.37	1.52
Deposit - STT	5.39	5.39	-	-
Liability for expenses (Refer note 27)	-	-	54.20	47.51
Creditors for Capital expenditure	-	-	12.84	22.53
Subsidiary Companies	-	-	2.50	6.59
Security deposit - Listing agreement	-	-	54.34	53.12
Unpaid matured deposits	-	-	0.07	0.07
Other deposits	-	-	1.76	1.21
Income received in advance	-	-	23.44	17.66
Securities Transaction Tax payable	-	-	144.01	71.45
Statutory dues payable	-	-	20.28	14.81
Defaulters Fund pending claims	-	-	58.53	53.36
Deposits of defaulters members - SEBI	-	-	0.17	0.16
Advance received against sale of shares	-	-	-	1.57
Other liabilities	-	-	103.87	81.25
	8.57	33.49	501.38	372.81
Total	8.57	33.49	501.38	372.81

7 Provision

	Long - term		Short - term	
	31.03.2014 (₹. in Crores)	31.03.2013 (₹. in Crores)	31.03.2014 (₹. in Crores)	31.03.2013 (₹. in Crores)
Provision for employee benefits				
Medical benefits	-	-	1.21	0.94
Provision for Leave Travel allowance	-	-	2.87	2.59
Provision for gratuity	3.74	0.19	1.88	5.12
Provision for Leave encashment	-	-	9.25	7.65
	3.74	0.19	15.21	16.29
Other Provisions				
Wealth Tax (Net of Advances)	-	-	1.43	1.38
Income Tax (Net of Advances)	-	-	33.07	52.88
Fringe Benefit Tax (Net of Advances)	-	-	-	0.07
Provisional appropriation towards NSCCL SGF (Refer note 34)	-	-	474.22	-
Proposed dividend	-	-	306.00	225.00
Corporate dividend tax	-	-	32.89	12.62
	-	-	847.61	291.95
Total	3.74	0.19	862.82	308.24

8 FIXED ASSETS (Note No 1d, 1e, 1f, 1g)

(₹ in Crores)

SR NO	DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		As On April 01, 2013	Additions 2013-2014	Deductions 2013-2014	As On March 31, 2014	Total Upto March 31, 2013	For The Year	Deductions / Amortisations 2013-2014	Total Upto March 31, 2014	As On March 31, 2014	As On March 31, 2013
	<u>Tangible Assets</u>										
1	Land	34.37	-	-	34.37	-	-	-	-	34.37	34.37
2	Leasehold Land	107.61	-	-	107.61	22.53	1.30	23.82	23.82	83.78	85.09
3	Building	174.92	-	-	174.92	26.29	2.85	29.14	29.14	145.78	148.64
4	Trading Systems	162.75	11.92	3.65	171.02	143.13	11.63	3.65	151.11	19.90	19.61
5	Computer Systems Office Automation	12.35	2.22	3.01	11.56	10.41	1.56	3.00	8.97	2.60	1.92
6	Computer Systems Others	82.01	33.87	4.22	111.66	49.78	16.96	3.96	62.78	48.88	32.25
7	Telecommunication Systems	122.00	5.49	7.00	120.49	87.83	15.33	6.85	96.31	24.18	34.15
8	Office Equipments	50.81	6.78	3.46	54.13	27.80	4.69	2.92	29.57	24.56	22.98
9	Electrical Equipment & Installations	53.06	1.94	1.95	53.05	15.54	2.68	1.34	16.88	36.17	37.52
10	Furniture & Fixtures	31.85	6.51	1.08	37.28	18.25	1.79	0.96	19.09	18.18	13.62
	TOTAL (A)	831.23	68.73	24.37	876.09	401.56	58.80	22.68	437.68	438.41	430.17
	<u>Intangible Assets</u>										
11	Computer Software	136.16	13.60	0.90	148.86	98.84	18.17	0.86	116.15	32.71	37.33
	TOTAL (B)	136.16	13.60	0.90	148.86	98.84	18.17	0.86	116.15	32.71	37.33
	TOTAL (A + B)	967.89	82.33	25.27	1,024.93	500.40	76.97	23.54	553.83	471.12	467.50
	Previous Year	937.56	129.68	99.35	967.89	520.58	77.03	97.21	500.40	467.49	

9 NON CURRENT INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
I INVESTMENTS IN EQUITY SHARES							
A) QUOTED EQUITY SHARES IN OTHER COMPANIES							
MCX Limited (CY cost is ₹ 40,000)		5,000	10.00	50,000	0.00	1,250,000	1.00
			Sub-Total (i)		0.00		1.00
B) UNQUOTED EQUITY SHARES IN SUBSIDIARY COMPANIES							
NATIONAL SECURITIES CLEARING CORPORATION LTD.		45,000,000	10.00	450,000,000	5.64	45,000,000	5.64
NSE.IT LTD.		10,000,010	10.00	100,000,100	-	10,000,010	10.00
DOTEX INTERNATIONAL LTD.		12,000,000	10.00	120,000,000	-	12,000,000	0.69
NSE STRATEGIC INVESTMENT COPORATION LTD		412,608,681	10.00	4,126,086,810	412.61	22,527,450	22.53
			Sub-Total (ii)		418.25		38.86
IN ASSOCIATE COMPANIES							
NATIONAL SECURITIES DEPOSITORY LTD.		10,018,000	10.00	100,180,000	61.49	10,018,000	61.49
NSDL E-GOVERNANCE INFRASTRUCTURE LTD.		10,018,000	10.00	100,180,000	-	10,018,000	35.42
POWER EXCHANGE INDIA LTD		15,000,030	10.00	150,000,300	-	15,000,030	15.00
BFSI SECTOR SKILL COUNCIL OF INDIA (Section 25 company)		10,000,000	1.00	10,000,000	1.00	-	-
			Sub-Total (iii)		62.49		111.91
IN OTHER COMPANIES							
NATIONAL COMMODITY & DERIVATIVE EXCHANGE LTD.		5,067,577	10.00	50,675,770	15.20	5,067,577	15.20
			Sub-Total (iv)		15.20		15.20
			Total (I)		495.94		166.97

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
II INVESTMENTS IN PREFERENCE SHARES							
UNQUOTED PREFERENCE SHARES							
IN SUBSIDIARY COMPANY							
6% NON-CUMULATIVE COMPULSORILY CONVERTIBLE PREFERENCE SHARES (NCCCPs) OF NSE STRATEGIC INVESTMENT COPORATION LTD	27-Mar-22	22,477,500	10.00	224,775,000	22.48	22,477,500	22.48
	1-Jan-23	57,506,436	10.00	575,064,360	57.51		
	1-Sep-22	54,065,880	10.00	540,658,800	54.07		
	19-Feb-23	211,336,155	10.00	2,113,361,550	211.34		
	21-Jul-22	9,010,980	10.00	90,109,800	9.01		
	27-Jun-22	31,538,430	10.00	315,384,300	31.54		
	30-Sep-22	26,623,350	10.00	266,233,500	26.62		
IN ASSOCIATE COMPANY							
10% OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES OF POWER EXCHANGE OF INDIA LIMITED		5,000,000	10	50,000,000	-	5,000,000	5.00
				Total (II)	412.56		27.48
III QUOTED BONDS							
TAX FREE BONDS							
8.20% NATIONAL HIGHWAYS AUTHORITY OF INDIA	25-Jan-22	37,086	1,000	37,086,000	3.71	37,086	3.71
8.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	23-Feb-22	32,626	1,000	32,626,000	3.26	32,626	3.26
9.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	28-Feb-15	100	1,000,000	100,000,000	-	100	10.25
6.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	8-Mar-15	1,000	100,000	100,000,000	-	1,000	10.00
6.05% INDIAN RAILWAY FINANCE CORPORATION LIMITED	20-Dec-15	500	100,000	50,000,000	5.00	500	5.00
8.20% POWER FINANCE CORPORATION LIMITED	1-Feb-22	92,718	1,000	92,718,000	9.33	92,718	9.34
7.18% INDIAN RAILWAY FINANCE CORPORATION LIMITED	19-Feb-23	150,000	1,000	150,000,000	15.00	150,000	15.00
8.35% INDIAN RAILWAY FINANCE CORPORATION LTD TAX FREE 21-NOV-2023	21-Nov-23	100	1,000,000	100,000,000	10.00	-	-

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
8.46% RURAL ELECTRIFICATION CORPORATION LIMITED - NON CONVERTIBLE BONDS - 2028	29-Aug-28	50	1,000,000	50,000,000	5.00	-	-
8.46% NATIONAL HOUSING BANK - SERIES V - 2028	30-Aug-28	50	1,000,000	50,000,000	5.00	-	-
8.35% INDIAN RAILWAY FINANCE CORPORATION LTD TAX FREE 21-NOV-2023	21-Nov-23	50	1,000,000	50,000,000	5.00	-	-
			Sub-Total (i)		61.31		56.56
TAXABLE BONDS							
11.25% POWER FINANCE CORPORATION LIMITED	28-Nov-18	100	1,000,000	100,000,000	10.80	100	10.97
9.66% POWER FINANCE CORPORATION LIMITED	15-Apr-17	100	1,000,000	100,000,000	-	100	10.13
9.70% POWER FINANCE CORPORATION LTD	15-Dec-18	50	1,000,000	50,000,000	-	50	5.16
8.33% UNION BANK 19 MAY 2016	19-May-16	100	1,000,000	100,000,000	10.00	-	-
9.25% RURAL ELECTRIFICATION CORPORATION LIMITED - SR 109 - 27 AUG 2017	27-Aug-17	100	1,000,000	100,000,000	10.16	-	-
9.43% INDIAN RAILWAY FINANCE CORPORATION LTD - TXB - 23 MAY 2018	23-May-18	150	1,000,000	150,000,000	15.09	-	-
8.80% POWER GRID CORPORATION OF INDIA LIMITED - 13 MAR 2023	13-Mar-23	500	1,000,000	500,000,000	50.35	-	-
9.70% EXPORT IMPORT BANK OF INDIA 21-NOV-2018	21-Nov-18	150	1,000,000	150,000,000	15.10	-	-
8.80% POWER GRID CORPORATION OF INDIA LIMITED - 13 MAR 2023	13-Mar-23	250	1,000,000	250,000,000	24.37	-	-
9.50% EXPORT IMPORT BANK OF INDIA SR-Q-16 BOND 09OCT18	9-Oct-18	150	1,000,000	150,000,000	14.91	-	-
8.82% RURAL ELECTRIFICATION CORPORATION LIMITED - SR 114 - 12 APR 2023	12-Apr-23	200	1,000,000	200,000,000	19.47	-	-
8.88% NATIONAL BANK FOR AGRICULTURAL RURAL DEVELOPMENT SR-XIII O 25 SEP 2015	25-Sep-15	100	1,000,000	100,000,000	9.99	-	-
8.84% POWER FINANCE CORPORATION LIMITED - 04 MAR 2023	4-Mar-23	100	1,000,000	100,000,000	10.04	-	-
9.14% INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED - 27 JAN 2016	27-Jan-16	100	1,000,000	100,000,000	10.07	-	-

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
9.33% EXPORT IMPORT BANK OF INDIA 24-OCT-2018	24-Oct-18	50	1,000,000	50,000,000	4.94	-	-
9.33% EXPORT IMPORT BANK OF INDIA 24-OCT-2018	24-Oct-18	50	1,000,000	50,000,000	4.94	-	-
9.38% RURAL ELECTRIFICATION CORPORATION LIMITED 06-NOV-2018	6-Nov-18	100	1,000,000	100,000,000	10.00	-	-
8.95% NABARD TXB 01 JAN 2018	1-Jan-18	2,500	20,000	50,000,000	3.65	-	-
9.81% POWER FINANCE CORPORATION LTD.-TXB BONDS-07-OCT-2018	7-Oct-18	250	1,000,000	250,000,000	25.26	-	-
9.70% EXPORT IMPORT BANK OF INDIA 21-NOV-2018	21-Nov-18	100	1,000,000	100,000,000	10.05	-	-
8.82% RURAL ELECTRIFICATION CORPORATION LIMITED - SR 114 - 12 APR 2023	12-Apr-23	150	1,000,000	150,000,000	14.42	-	-
8.5 % EXPORT IMPORT BANK OF INDIA SR Q07 - TXB - 08-JUL-2023	8-Jul-23	100	1,000,000	100,000,000	9.53	-	-
9.81% POWER FINANCE CORPORATION LTD. SR-109 - TXB - 07-OCT-2018	7-Oct-18	250	1,000,000	250,000,000	25.40	-	-
9.61% RURAL ELECTRIFICATION CORPORATION LIMITED - 03 JAN 2019	3-Jan-19	150	1,000,000	150,000,000	15.05	-	-
7.87% EXPORT IMPORT BANK OF INDIA - 16 MAY 2016	16-May-16	250	1,000,000	250,000,000	24.72	-	-
8.82% RURAL ELECTRIFICATION CORPORATION LIMITED - SR 114 - 12 APR 2023	12-Apr-23	250	1,000,000	250,000,000	25.28	-	-
			Sub-Total (ii)		373.58		26.26
UNQUOTED TAXABLE BONDS							
6 % NATIONAL HIGHWAYS AUTHORITY OF INDIA - TXB - 2017	31-Mar-17	500	10,000	5,000,000	0.50	-	-
					0.50		
			Total (III)		435.39		82.82

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
IV QUOTED DEBENTURES							
9.55% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	7-Sep-15	50	1,000,000.00	50,000,000	5.02	50.00	5.03
9.60% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	18-Jul-15	200	1,000,000.00	200,000,000	20.07	200.00	20.12
9.70% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	16-Apr-15	250	1,000,000.00	250,000,000	-	250.00	25.18
HDFC LIMITED - SR J 026 - 9.58 - NCD - 29 AUG 2015	29-Aug-15	250	1,000,000.00	250,000,000	24.95	-	-
9.78% TATA SONS LIMITED - NCD - 23 JUL 2015	23-Jul-15	50	1,000,000.00	50,000,000	5.04	-	-
8.85% INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED - NCD - 27 JAN 2016	15-Jan-16	200	1,000,000.00	200,000,000	20.03	-	-
9.78% TATA SONS LIMITED - NCD - 23 JUL 2015	23-Jul-15	200	1,000,000.00	200,000,000	20.14	-	-
10.05% HDB FINANCIAL SERVICES LIMITED - NCD 10-FEB-2017	10-Feb-17	150	1,000,000.00	150,000,000	15.00	-	-
9.5553% HDB FINANCIAL SERVICES LIMITED - NCD - 25 SEP 2015	25-Sep-15	100	1,000,000.00	100,000,000	10.06	-	-
9.90 % TATA SONS LIMITED 2016	24-Feb-16	150	1,000,000.00	150,000,000	15.07	-	-
			Total (IV)		135.38		50.32
V QUOTED GOVERNMENT SECURITIES							
8.33% GOVERNMENT SECURITY 2026	9-Jul-26	10,000	10,000.00	100,000,000	-	10,000.00	10.32
8.20% GOVERNMENT SECURITY 2025	24-Sep-25	5,000	10,000.00	50,000,000	-	5,000.00	5.09
8.72% AP SDL 06 FEB 2023	6-Feb-23	2,500,000	100.00	250,000,000	25.96	-	-
8.83% GOVERNMENT OF INDIA - 25 NOV 2023	25-Nov-23	10,000	10,000.00	100,000,000	10.03	-	-
			Total (V)		35.99		15.41
			GRAND TOTAL (I+II+III+IV+V)		1,515.26		343.00
Notes :							
		As at 31.3.2014 ₹ in Crores		As at 31.3.2013 ₹ in Crores			
(a) Aggregate Book Value - Quoted Investments		606.26		149.55			
(b) Aggregate Market Value of Quoted Investments		603.81		253.75			
(c) Aggregate Book Value - Unquoted Investments		909.00		193.44			

10 Loans and advances

	Long - term		Short - term	
	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Capital advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	5.08	2.90	-	-
(A)	5.08	2.90	-	-
Security deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good	1.72	2.16	-	-
(B)	1.72	2.16	-	-
Loan and advances to related parties				
Unsecured, considered good	-	-	24.89	20.21
(C)	-	-	24.89	20.21
Advances recoverable in cash or kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	24.62	16.57
(D)	-	-	24.62	16.57
Other loans and advances (unsecured, considered good)				
Income Tax paid including TDS (Net of Provisions)	54.75	54.36	-	-
Wealth Tax (Net of Provisions)	0.02	0.02	-	-
Prepaid expenses	3.75	1.19	10.03	9.55
Loans to employees	-	-	-	-
Fringe Benefit Tax (Net of Provisions)	2.21	2.21	-	-
Securities Transaction Tax paid *	10.59	10.59	-	-
(E)	71.32	68.37	10.03	9.55
Total (A+B+C+D+E)	78.12	73.43	59.54	46.33

* Pertains to amounts recovered by tax authorities towards STT, Interest and penalty thereon collectible from few members and ad-hoc STT, interest and penalty thereon which is disputed by the Company. Out of this an amount of ₹5.39 crores is recovered by the Company from the respective members and held as deposit shown under the head other long term liabilities.

	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Loans and advances to related parties pertains to :				
National Securities Clearing Corporation Limited	-	-	23.69	18.52
National Commodity Clearing Limited	-	-	0.00	0.51
National Securities Depository Limited	-	-	0.01	-
Dotex International Limited	-	-	0.82	-
India Index Services & Products Limited	-	-	0.36	1.18
Total	-	-	24.88	20.21

11 Other assets

	Non-current		Current	
	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note no.14)	612.36	686.69	-	-
	612.36	686.69	-	-
Others				
Interest accrued on Investments	-	-	51.93	45.03
Interest accrued on certificate of deposits	-	-	4.08	1.37
Interest accrued on Bank deposits	51.80	19.28	208.39	198.87
Receivable from related party	-	-	1.15	1.83
Other receivables	-	-	24.08	25.02
	51.80	19.28	289.63	272.12
Total	664.16	705.97	289.63	272.12

Other assets to related parties pertains to :

NSE Strategic Investment Corporation Limited	-	-	0.00	0.41
Power Exchange India Ltd.			1.15	1.42

12 CURRENT INVESTMENTS

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
I CURRENT PORTION OF LONG TERM INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)							
A) INVESTMENTS IN EQUITY SHARES IN SUBSIDIARY COMPANIES							
NATIONAL COMMODITY CLEARING LTD.		3,087,500	10.00	30,875,000	-	3,087,500	3.09
			Sub-Total (i)		-		<u>3.09</u>
B) BONDS							
QUOTED TAXABLE BONDS							
6.35% EXPORT-IMPORT BANK OF INDIA	16-Jul-13	1	10,000,000	10,000,000	-	1.00	0.99
9.45% RURAL ELECTRIFICATION CORPORATION LTD	4-Apr-13	184	1,000,000	184,000,000	-	184.00	18.40
9.48% INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED	14-Oct-13	250	1,000,000	250,000,000	-	250.00	25.00
5.75 % NUCLEAR POWER CORPORATION OF INDIA LIMITED	14-Aug-13	200	100,000	20,000,000	-	200.00	1.98
			Sub-Total (ii)		-		<u>46.37</u>
QUOTED TAXFREE BONDS							
6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED	22-Jan-14	6,596	100,000	659,600,000	-	6,596.00	66.09
6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED	20-Mar-14	3,175	100,000	317,500,000	-	3,175.00	31.81
5.25% NUCLEAR POWER CORPORATION OF INDIA LIMITED	23-Mar-14	100	1,000,000	100,000,000	-	100.00	9.90
9.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	28-Feb-15	100	1,000,000	100,000,000	10.12		
6.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	8-Mar-15	1000	100,000	100,000,000	9.99		
			Sub-Total (iii)		20.11		<u>107.80</u>

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
C) DEBENTURES							
QUOTED							
10.15% SUNDARAM FINANCE LIMITED NCD 11-JUN-2014	11-Jun-14	50	1,000,000	50,000,000	5.00	-	-
10.30% TATA CAPITAL FINANCIAL SERVICES LTD - NCD - 23 OCT 2014 - IP 08 NOV	23-Oct-14	30	1,000,000	30,000,000	3.00	-	-
10.30% TATA CAPITAL FINANCIAL SERVICES LTD - NCD - 23 OCT 2014 IP 02 NOV	23-Oct-14	70	1,000,000	70,000,000	7.00	-	-
10.20% MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED - NCD - 23 OCT 2014	23-Oct-14	100	1,000,000	100,000,000	10.00	-	-
9.90% BAJAJ FINANCE LTD - NCD - 24 SEP 2014	24-Sep-14	15	10,000,000	150,000,000	14.97	-	-
0% SUNDARAM FINANCE LIMITED - NCD - 10 NOV 2014	10-Nov-14	200	1,000,000	200,000,000	18.86	-	-
10.4% SUNDARAM FINANCE LIMITED - NCD - 20-JUN-2014	20-Jun-14	46	1,000,000	46,000,000	4.60	-	-
10.4% SUNDARAM FINANCE LIMITED - NCD - 20-JUN-2014	20-Jun-14	4	1,000,000	4,000,000	0.40	-	-
10% TATA MOTORS FINANCE LTD - NCD - 25 NOV 2014	25-Nov-14	250	1,000,000	250,000,000	24.98	-	-
9.90% BAJAJ FINANCE LTD - NCD - 24 SEP 2014	24-Sep-14	20	10,000,000	200,000,000	19.96	-	-
0% MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED - NCD - 04 NOV 2014	4-Nov-14	250	1,000,000	250,000,000	23.61	-	-
0% TATA CAPITAL FINANCIAL SERVICES LIMITED - NCD - 04 NOV 2014	4-Nov-14	150	1,000,000	150,000,000	19.04	-	-
9.80% HDFC 2014 - TXB BONDS - 09-OCT-2014	9-Oct-14	150	1,000,000	150,000,000	14.97	-	-
10.10% MAHINDRA MAHINDRA FINANCIAL SERVICES LTD - NCD - 09-SEP-2014	9-Sep-14	150	1,000,000	150,000,000	14.97	-	-
10.15% TATA CAPITAL FINANCIAL SERVICES LIMITED NCD - 20-JUN-2014	20-Jun-14	150	1,000,000	150,000,000	14.99	-	-
10.20% MAHINDRA MAHINDRA FINANCIAL SERVICES LTD - NCD - 08 JUL 2014	8-Jul-14	75	1,000,000	75,000,000	7.49	-	-
10.05% BAJAJ FINANCE LTD 2015 11-AUG-2014	11-Aug-14	15	10,000,000	150,000,000	14.98	-	-
10.20% MAHINDRA MAHINDRA FINANCIAL SERVICES LTD - NCD - 08 JUL 2014	8-Jul-14	100	1,000,000	100,000,000	9.99	-	-
10.15% TATA CAPITAL FINANCIAL SERVICES LIMITED NCD - 20-JUN-2014	20-Jun-14	250	1,000,000	250,000,000	24.99	-	-

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
10.25% TATA CAPITAL FINANCIAL SERVICES LIMITED - NCD - 14-MAY-2014	14-May-14	50	1,000,000	50,000,000	5.00	-	-
10.05 % BAJAJ FINANCE LIMITED 11-AUG-2014	11-Aug-14	15	10,000,000	150,000,000	14.98	-	-
9.85% BAJAJ FINANCE LIMITED 9.85 NCD 04OCT14	4-Oct-14	10	10,000,000	100,000,000	9.99	-	-
10.20% MAHINDRA MAHINDRA FINANCIAL SERVICES LTD - NCD - 08 JUL 2014	8-Jul-14	50	1,000,000	50,000,000	5.00	-	-
			Sub-Total (iv)		288.78		
			TOTAL (i)		308.89		157.26
II CURRENT INVESTMENTS (valued at lower of cost or fair value)							
DEBENTURES							
A) QUOTED							
0% MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED TAXABLE ZCB MAT 16 MAY 2013	16-May-13	100	1,000,000	100,000,000	-	100	9.88
0.00% TATA CAPITAL FINANCIAL SERVICES LIMITED - 13S CC - NCD - 30 AUG 2013	30-Aug-13	150	1,000,000	150,000,000	-	150	14.44
10.15% L&T FINANCE LIMITED NCD MATURITY 23 MAY 2013	23-May-13	150	1,000,000	150,000,000	-	150	15.00
10.47% - MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED - NCD - 17 JUN 2013	17-Jun-13	200	1,000,000	200,000,000	-	200	20.02
7.55% NATIONAL HOUSING BANK NCD MATURITY 12 JUL 2013	12-Jul-13	50	1,000,000	50,000,000	-	50	4.97
7.70% HINDUSTAN PETROLEUM CORP. LIMITED NCD MATURITY 12 APRIL 2013	12-Apr-13	150	1,000,000	150,000,000	-	150	14.97
8.10% - SUNDARAM FINANCE LIMITED - NCD - 25 JUN 2013	25-Jun-13	50	1,000,000	50,000,000	-	50	4.98
9.55% INFRASTRUCTURE DEVELOPMENT FINANCE CO LTD - NCD - 12 APR 2013	12-Apr-13	50	1,000,000	50,000,000	-	50	5.00
9.75% - SUNDARAM FINANCE LIMITED - NCD - 06 SEP 2013	6-Sep-13	250	1,000,000	250,000,000	-	250	24.96
9.9075% INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED - NCD - 14 JUN 2013	14-Jun-13	250	1,000,000	250,000,000	-	250	25.00
9.84% TATA SONS LTD - NCD - 08 DEC 2014	8-Dec-14	100	1,000,000	100,000,000	10.01	-	-
9.65% HOUSING DEVELOPMENT FINANCE CORP LTD - NCD - 16 AUG 2014	16-Aug-14	50	1,000,000	50,000,000	4.99	-	-
10.30% TATA SONS LTD - NCD - 23 APR 2014	23-Apr-14	250	1,000,000	250,000,000	25.00	-	-
			Sub-Total (i)		40.00		139.22

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
B) MUTUAL FUNDS							
QUOTED							
FIXED MATURITY PLANS							
SUNDARAM FIXED TERM PLAN CQ 370 DAYS GROWTH	4/Apr/13	4,000,000	10.00	40,000,000	-	4,000,000.00	4.00
			Sub-Total (ii)				4.00
UNQUOTED							
LIQUID DIVIDEND PLANS							
SUNDARAM MONEY FUND - DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		19,812,702.74	10.10	200,157,829	-	19,812,702.74	20.01
AXIS LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN		100,070.23	1,000.11	100,081,312	-	100,070.23	10.01
			Sub-Total (iii)				30.02
LIQUID GROWTH PLANS							
PRINCIPAL CASH MANAGEMENT - DIRECT PLAN - GROWTH		80,240.19	1,246.26	-	10.00	-	-
TEMPLETON INDIA TMA - DIRECT - GROWTH		377,867.67	1,907.80	-	72.07	-	-
RELIANCE LIQUID FUND - CASH PLAN - DIRECT - GROWTH		130,973.54	2,061.49	-	27.00	-	-
IDFC CASH FUND - DIRECT - GROWTH		64,212.83	1,557.32	-	10.00	-	-
			Sub-Total (iv)		119.07		
C) DEPOSITS							
UNQUOTED							
HDFC LTD	8-Nov-13	1	163,942,346	163,942,346	-	1.00	16.39
			Sub-Total (v)				16.39

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
D) COMMERCIAL PAPER							
UNQUOTED							
IL&FS FINANCIAL SERVICES LIMITED	16-May-13	300.00	500,000	150,000,000	-	300.00	13.58
INFRASTRUCTURE LEASING AND FINANCIAL SERVICES LTD	27-May-13	300.00	500,000	150,000,000	-	300.00	13.58
ADITYA BIRLA FINANCE LIMITED	7-Jun-13	200.00	500,000	100,000,000	-	200.00	9.08
INDUSTRIAL FINANCE CORPORATION OF INDIA LTD.	28-Jun-13	300.00	500,000	150,000,000	-	300.00	13.62
SUNDARAM FINANCE LIMITED	19-Jul-13	200.00	500,000	100,000,000	-	200.00	9.11
NFRASTRUCTURE LEASING & FINANCIAL SERVICES LTD	22-Jul-13	300.00	500,000	150,000,000	-	300.00	13.67
TATA CAPITAL FINANCIAL SERVICES LIMITED	23-Jul-13	300.00	500,000	150,000,000	-	300.00	13.67
TATA MOTORS FINANCE LIMITED	31-Jul-13	300.00	500,000	150,000,000	-	300.00	13.67
TATA MOTORS FINANCE LIMITED	6-Aug-13	300.00	500,000	150,000,000	-	300.00	13.67
TATA MOTORS FINANCE LIMITED	30-Aug-13	300.00	500,000	150,000,000	-	300.00	13.67
SUNDARAM FINANCE LIMITED	4-Sep-13	300.00	500,000	150,000,000	-	300.00	13.67
SUNDARAM FINANCE LIMITED	10-Jul-13	300.00	500,000	150,000,000	-	300.00	13.87
SUNDARAM FINANCE LIMITED	20-Sep-13	300.00	500,000	150,000,000	-	300.00	13.68
ADITYA BIRLA FINANCE LIMITED	19-Sep-13	500.00	500,000	250,000,000	-	500.00	22.84
POWER FINANCE CORPORATION LIMITED	28-Jun-13	300.00	500,000	150,000,000	-	300.00	14.06
HCL INFOSYSTEMS LIMITED	27-Jun-13	600.00	500,000	300,000,000	-	600.00	27.87
HCL INFOSYSTEMS LIMITED	28-Jun-13	200.00	500,000	100,000,000	-	200.00	9.30
TATA MOTORS FINANCE LIMITED	6-Aug-13	100.00	500,000	50,000,000	-	100.00	4.65
TATA MOTORS FINANCE LIMITED	22-Oct-13	500.00	500,000	250,000,000	-	500.00	22.87
HOUSING DEVELOPMENT FINANCE CORPORATION LTD	28-Aug-13	500.00	500,000	250,000,000	-	500.00	23.25
SUNDARAM FINANCE LIMITED	10-Sep-13	400.00	500,000	200,000,000	-	400.00	18.52
INFRASTRUCTURE LEASING & FINANCIAL SERVICES LTD	14-Jun-13	600.00	500,000	300,000,000	-	600.00	28.47
IL&FS FINANCIAL SERVICES LIMITED	31-May-13	500.00	500,000	250,000,000	-	500.00	23.90
IL&FS FINANCIAL SERVICES LIMITED	2-Sep-13	500.00	500,000	250,000,000	-	500.00	23.37
TATA CAPITAL FINANCIAL SERVICES LIMITED	7-Jun-13	500.00	500,000	250,000,000	-	500.00	23.89

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
L&T FINANCE LIMITED	5-Jun-13	500.00	500,000	250,000,000	-	500.00	23.92
ADITYA BIRLA FINANCE LIMITED	10-Jun-13	500.00	500,000	250,000,000	-	500.00	23.90
ADITYA BIRLA FINANCE LIMITED	30-Jul-13	300.00	500,000	150,000,000	-	300.00	14.18
BAJAJ FINANCE LIMITED	20-Jun-13	300.00	500,000	150,000,000	-	300.00	14.32
BAJAJ FINANCE LIMITED	30-Aug-13	200.00	500,000	100,000,000	-	200.00	9.38
BAJAJ FINANCE LIMITED	30-Aug-13	300.00	500,000	150,000,000	-	300.00	14.08
BAJAJ FINANCE LIMITED	19-Jul-13	200.00	500,000	100,000,000	-	200.00	9.48
BAJAJ FINANCE LIMITED	30-Aug-13	500.00	500,000	250,000,000	-	500.00	23.47
POWER FINANCE CORPORATION LTD	6-Sep-13	500.00	500,000	250,000,000	-	500.00	23.71
GODREJ INDUSTRIES LIMITED	8-May-13	500.00	500,000	250,000,000	-	500.00	24.44
TATA CAPITAL LIMITED	30-Jul-13	500.00	500,000	250,000,000	-	500.00	23.95
HOUSING DEVELOPMENT FINANCE CORPORATION LTD	14-Jun-13	500.00	500,000	250,000,000	-	500.00	24.22
HOUSING DEVELOPMENT FINANCE CORPORATION LTD	6-Sep-13	500.00	500,000	250,000,000	-	500.00	23.72
TATA CAPITAL LIMITED	17-May-13	500.00	500,000	250,000,000	-	500.00	24.44
EXPORT IMPORT BANK OF INDIA	5-Jul-13	800.00	500,000	400,000,000	-	800.00	38.64
SESA GOA LIMITED	21-Oct-13	300.00	500,000	150,000,000	-	300.00	14.11
POWER FINANCE CORPORATION LTD	15-Jul-13	500.00	500,000	250,000,000	-	500.00	24.20
POWER FINANCE CORPORATION LIMITED	15-Apr-13	200.00	500,000	100,000,000	-	200.00	9.93
L&T FINANCE LIMITED	31-May-13	500.00	500,000	250,000,000	-	500.00	24.59
BAJAJ FINANCE LIMITED	22-Jan-15	700.00	500,000	350,000,000	31.89	-	-
TATA MOTORS FINANCE LIMITED	7-Nov-14	500.00	500,000	250,000,000	22.76	-	-
INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED	7-Nov-14	300.00	500,000	150,000,000	13.66	-	-
TATA MOTORS FINANCE LIMITED	26-Sep-14	200.00	500,000	100,000,000	9.39	-	-
TATA MOTORS FINANCE LIMITED	26-Sep-14	300.00	500,000	150,000,000	14.01	-	-
TATA MOTORS FINANCE LIMITED	23-Sep-14	300.00	500,000	150,000,000	13.54	-	-
L&T FINANCE COMPANY LIMITED	7-Oct-14	300.00	500,000	150,000,000	13.72	-	-
TATA MOTORS FINANCE LIMITED	23-Sep-14	200.00	500,000	100,000,000	9.19	-	-

	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
IL&FS FINANCIAL SERVICES LIMITED	17-Sep-14	200.00	500,000	100,000,000	9.03	-	-
IL&FS FINANCIAL SERVICES LIMITED	17-Sep-14	500.00	500,000	250,000,000	22.92	-	-
INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED	6-Aug-14	500.00	500,000	250,000,000	22.52	-	-
TATA CAPITAL FINANCIAL SERVICES LIMITED	19-Aug-14	200.00	500,000	100,000,000	9.25	-	-
SUNDARAM FINANCE LIMITED	19-Aug-14	100.00	500,000	50,000,000	4.62	-	-
BAJAJ FINANCE LIMITED	23-Apr-14	400.00	500,000	200,000,000	19.02	-	-
IL&FS FINANCIAL SERVICES LIMITED	14-Oct-14	500.00	500,000	250,000,000	22.79	-	-
L&T FINANCE COMPANY LIMITED	7-Oct-14	20.00	500,000	10,000,000	0.91	-	-
L&T FINANCE COMPANY LIMITED	7-Oct-14	180.00	500,000	90,000,000	8.22	-	-
			Sub-Total (vi)		247.44		800.24
			Total (II)		406.51		989.87
			GRAND TOTAL (I +II)		715.41		1,147.13

Notes :

	As at 31.3.2014 (₹ in Crores)	As at 31.3.2013 (₹ in Crores)
(a) Aggregate Book Value - Quoted Investments	348.90	297.40
(b) Aggregate Market Value of Quoted Investments	349.56	298.53
(c) Aggregate Book Value - Unquoted Investments	366.51	849.73
(d) Provision for diminution in value of Current Investments	(0.07)	(0.26)

13 Trade receivables

	Non-current		Current	
	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)	31.03.2014 (₹ in Crores)	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 from payment				
Secured, considered good	-	-	2.51	1.61
Unsecured, considered good	-	-	0.52	1.98
	-	-	3.03	3.59
Other debts				
Secured, considered good	-	-	144.95	116.63
Unsecured, considered good	-	-	2.27	1.88
Considered Doubtful	-	-	0.04	-
	-	-	147.27	118.51
Less : Provision for Doubtful Debts			0.04	-
			147.23	118.81
Total	-	-	150.26	122.10

14 Cash and bank balances

	Non-current		Current	
	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Cash and cash equivalents				
Balances with banks :				
On current accounts	-	-	26.17	27.27
Certificate of Deposits with original maturity of less than three months	-	-	-	238.49
Cash on hand	-	-	0.01	0.01
Cheques on hand	-	-	-	0.32
	-	-	26.18	266.09
Other bank balances				
Bank Deposits with original maturity for more than 12 months	610.44	650.36	1,302.18	1,447.69
Earmarked Deposits with original maturity for more than 12 months	1.92	36.33	95.59	46.09
Bank Deposits with original maturity for more than 3 months but less than 12 months	-	-	1,240.53	871.19
Certificate of Deposits with original maturity for more than 3 months but less than 12 months	-	-	139.20	80.39
Earmarked Deposits with original maturity for more than 3 months but less than 12 months	-	-	42.98	52.29
	612.36	686.69	2,820.48	2,497.65
Amount disclosed under non-current assets (note 11)	612.36	686.69		
Total	-	-	2,846.66	2,763.74

15 Revenue from operations

	31.03.2014 (₹ in Crores)		31.03.2013 (₹ in Crores)	
Operating revenues				
Transaction charges	825.72		726.79	
Annual subscription	-		5.71	
Book building Fees	3.90		4.24	
Listing fees	34.79	864.41	33.38	770.12
Other operating revenues				
NCFM Registration & Test enrolment fees	20.48		18.69	
Processing Fees - Listing	6.07		5.78	
Strategic Co-operation fees	-		5.33	
Data Centre charges	43.19		42.62	
Operational expenses recovery	0.82		19.16	
Interest on Bank Deposits	112.32		109.81	
Others	31.78	214.66	29.33	230.72
Total		1,079.07		1,000.84

16 Other income

	31.03.2014 (₹ in Crores)		31.03.2013 (₹ in Crores)	
Interest Income				
On Investment				
Current	35.47		42.65	
Long Term	65.52		23.50	
On Bank Deposits	232.01		269.96	
On Certificate of Deposits	14.06		10.06	
On Inter Corporate Deposits	0.96		1.74	
On Others	0.80	348.82	0.99	348.90
Dividend income				
Long Term :				
from Subsidiary Companies	150.75		209.40	
from Others	8.77	159.52	13.12	222.52
Current		6.95		10.50
Net gain / loss on sale of long term Investment		0.49		1.14
Net gain / loss on sale of current Investment		21.04		11.19
Rent Income		51.44		50.60
Amortisation of Premium / Discount on Govt/Debt Securities		1.80		1.94
Profit on exchange fluctuation		0.20		-
Miscellaneous Income		0.45		0.48
Total		590.71		647.27

17 Employee benefits expenses

	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Salaries, wages and bonus	72.29	66.90
Contribution to provident and other fund (Refer note 21)	4.67	7.46
Staff welfare expenses	4.31	3.16
Total	81.27	77.52

18 Other expenses

	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Rent	3.44	3.96
Transponder charges/License fee for operating VSAT network	-	12.42
License fees for Index	7.10	5.54
Lease line charges	9.45	9.43
Repairs & maintenance		
- To buildings	3.60	2.83
- To computers, trading & telecommunication systems	88.96	87.83
- To others	6.27	6.64
Network Infrastructure Management charges	15.15	7.83
IT management and consultancy charges	19.07	18.79
Web Trading related expenses	17.86	21.82
Insurance	0.96	0.69
Rates & taxes *	9.22	9.04
Advertisement & publicity	14.88	3.66
Legal & Professional fees	19.92	17.95
Payment to auditor (Refer note below)	0.75	0.65
Electricity charges	17.64	14.58
Directors' sitting fees	0.07	0.12
Software expenses	14.19	13.69
Contribution to Investor protection fund trust	5.36	6.11
Investor education expenses	10.48	6.73
SEBI Regulatory Fees	5.48	5.34
Donations/Contributions	1.19	1.39
Provision for doubtful debts	0.04	-
Loss on sale /discard of assets (Net)	0.60	0.80
Loss on exchange fluctuation (net)	-	0.06
Adjustments to the carrying amount of current investments	0.07	0.26
Liquidity enhancement incentive	-	3.16
Other Expenses	43.03	39.25
Total	314.78	300.54

* Includes Municipal Corporation Tax of ₹ 2.39 Crores (Previous Year - ₹ 3.76 Crores) related to earlier years due to revision in taxes by MMRDA.

Note :
Payment to auditor
As auditor :

Audit fees	0.15	0.15
Tax audit fee	0.08	0.05
Limited review	0.12	0.14
In other capacity		
Taxation matters	0.25	0.14
Certification matters	0.05	0.08
Other services	0.10	0.09
Total	0.75	0.65

19 Prior Period Adjustments

	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Expenses		
Network Infrastructure Management charges	4.47	-
Advertisement & publicity	-	1.06
Software expenses	1.01	-
Other Expenses	0.15	0.10
	5.63	1.16
Income		
Income processing fees	-	1.07
Other Income	(0.02)	(0.08)
	(0.02)	0.99
Total	5.65	0.17

20 In accordance with Accounting Standard 20 - "Earning per Share" notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956

	Year ended 31.03.2014	Year ended 31.03.2013
Net Profit attributable to Shareholders (₹ In Crores)	1,019.28	877.61
Weighted Average number of equity shares issued (No. in Crores)	4.50	4.50
Basic earnings per share of ₹ 10/- each (in ₹)	226.51	195.02

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.

21 Disclosure under Revised Accounting Standard 15 on Employee Benefits:

i) **Defined Contribution Plan:** Company's contribution towards superannuation amounting to ₹ 1.61 Crore (Previous Year : ₹ 1.79 Crore).

ii) **Defined Benefit Plan :**

(a) **Provident Fund:** The Company has contributed ₹ 2.35 Crores and ₹ 2.32 Crores towards Provident Fund during the year ended March 31, 2014 and March 31, 2013, respectively As per Implementation Guidance on AS 15 (Revised 2005) Employee Benefits issued by the Accounting Standard Board (ASB), benefit involving employer established provident funds which require interest short fall to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided an actuarial valuation and indicated that the interest shortfall liability is ₹ Nil. Accordingly, no provision is required to be made towards the same.

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

	Current Year	Previous Year
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels	5% p.a.	5% p.a.
c. Discount Rate	9.31%	8.00%
d. Attrition Rate	2.00%	2.00%

(b) **Gratuity:** Company has charged the Gratuity expense to Profit & Loss account based on the actuarial valuation of gratuity liability at the end of the year. The projected unit credit method used to show the position as at March 31, 2014 is as under.

(i) **Assumptions:**

	Current Year	Previous Year
Discount Rate	9.31%	8.25%
Rate of Return on Plan Assets	8.00%	8.00%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%

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

	Current Year	Previous Year
Liability at the beginning of the year	14.27	10.29
Interest cost	1.11	0.94
Current Service Cost	1.09	0.99
Liability transferred in	0.23	-
Benefits Paid	(3.79)	(0.56)
Actuarial (gains) / loss on obligations	(0.58)	2.61
Liability at the end of the year	12.33	14.27

(iii) Table of recognition of Actuarial Gain / Loss

(₹ in Crores)

	Current Year	Previous Year
Actuarial (Gain) / Loss on obligation for the period	(0.58)	2.61
Actuarial (Gain) / Loss on asset for the period	0.05	(0.12)
Actuarial (gains) / loss reconized in Income Statement	(0.53)	2.49

(iv) Tables of Fair value of plan assets:

(₹ in Crores)

	Current Year	Previous Year
Fair Value of plan assets at the beginning of the year	8.97	7.81
Expected return on plan assets	0.62	0.68
Contributions	0.74	0.92
Transfer from other company	0.23	-
Benefits paid	(3.79)	(0.56)
Actuarial gain / (loss) on Plan Assets	(0.05)	0.12
Fair Value of plan assets at the end of the year	6.72	8.97

(v) Actual Return on Plan Assets:

(₹ in Crores)

	Current Year	Previous Year
Expected return on plan assets	0.62	0.67
Actuarial gain/(loss) on plan assets	(0.05)	0.12
Actual Return on plan assets	0.57	0.79

(vi) Amount recognised in the balance sheet

(₹ in Crores)

	Current Year	Previous Year
Fair value of plan assets as at the end of the year	6.72	8.97
Liability as at the end of the year	12.33	14.27
Net liability / (asset) disclosed in the Balance Sheet	5.61	5.30

(vii) Expenses recognised in the statement of profit & loss

(₹ in Crores)

	Current Year	Previous Year
Current Service cost	1.09	1.00
Interest Cost	1.11	0.94
Expected return on plan assets	(0.62)	(0.68)
Actuarial (Gain) or Loss	(0.53)	2.50
Expenses recognised in the statement of profit & loss	1.05	3.76

viii) Balance Sheet Reconciliation

(₹ in Crores)

	Current Year	Previous Year
Opening Net Liability	5.30	2.47
Expense as above	1.05	3.76
Employers Contribution	(0.74)	(0.93)
Amount recognised in the Balance Sheet	5.61	5.30

ix) Category of Assets

(₹ in Crores)

	Current Year	Previous Year
Insurer Managed Funds	6.72	8.97
Total	6.72	8.97

x) Experience Adjustment

(₹ in Crores)

	Current Year	Previous Year
On Plan Liability (Gain) / Loss	0.53	(1.07)
On Plan asset (Loss) / Gain	(0.05)	0.12

- 22 In accordance with Accounting Standard 19 - "Leases" notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956, the details of obligation on long term non - cancellable operating lease in respect of certain vehicles and office premises taken by the Company are as follows.

(₹ in Crores)

Lease obligations	Year ended 31.03.2014	Year ended 31.03.2013
Total of future minimum lease payments		
- Lease rentals paid during the year	2.36	3.64
- Not later than one year	2.35	3.39
- Later than one year and not later than five years	3.93	9.54
- Later than five years	-	0.02

The terms of the Leases range from 3 years to 10 years.

- 23 In the opinion of the management, as the Company's operations comprise of only facilitating trading in securities and the activities incidental thereto within India, the disclosures required in terms of Accounting Standard 17 - "Segment Reporting" notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 are not applicable. However the Company while presenting the consolidated financial statements in the annual report has disclosed the segment information in the consolidated financial statements to the extent applicable as required under Accounting Standard 17 - "Segment Reporting".

24 In compliance with Accounting Standard 18 - "Related Party Disclosures" notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956, 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 Securities Clearing Corporation Limited	Subsidiary Company
2	NSE.IT Limited	Subsidiary Company (upto 29.06.2013) Subsidiary's Subsidiary Company (w.e.f. 30.06.2013)
3	DotEx International Limited	Subsidiary Company (upto 30.12.2013) Subsidiary's Subsidiary Company (w.e.f. 31.12.2013)
4	India Index Services & Products Limited	Subsidiary Company (upto 27.03.2013) Subsidiary's Subsidiary Company (w.e.f. 28.03.2013)
5	National Commodity Clearing Limited	Subsidiary Company (upto 28.05.2013)
6	NSE Infotech Services Limited	Subsidiary Company (upto 27.03.2013) Subsidiary's Subsidiary Company (w.e.f. 28.03.2013)
7	NSE.IT (US) Inc.	Subsidiary's Subsidiary's Subsidiary Company
8	NSE Strategic Investment Corporation Limited	Subsidiary Company (w.e.f. 31.01.2013)
9	Power Exchange India Limited	Associate Company (upto 21.07.2013) Subsidiary's Associate (w.e.f. 22.07.2013)
10	NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	Associate Company (upto 29.09.2013) Subsidiary's Associate (w.e.f. 30.09.2013)
11	National Securities Depository Limited (new)	Associate Company (w.e.f. 01.04.2012)
12	Omnesys Technologies Private Limited	Subsidiary's Associate (upto 11.09.2013)
13	Market Simplified India Limited (formerly known as INXS Technologies Limited)	Subsidiary's Associate
14	BFSI sector skill council of India	Associate Company (w.e.f. 21.05.2013)
15	Computer Age Management Services Private Limited	Subsidiary's Associate (w.e.f. 07.01.2014)
16	Ms. Chitra Ramkrishna - Managing Director & CEO (Previous Year: Dr. Vijay L. Kelkar - Chairman (upto 31.08.2012), Mr. Ravi Narain - Managing Director and Ms. Chitra Ramkrishna - Jt. Managing Director)	Key Management Personnel

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

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2014	Year ended 31.03.2013
National Securities Clearing Corporation Ltd.	Usage charges received	8.14	6.93
	Space and Infrastructure usage charges received	5.61	6.23
	Reimbursement received for expenses on staff on deputation	10.94	12.19
	Reimbursement received for other expenses incurred	29.69	25.98
	Dividend received	146.25	202.50
	Clearing and Settlement charges paid	84.98	81.00
	Closing balance (Credit)/Debit	23.69	18.52
	Investment in Equity Share Capital	5.64	5.64
NSE.IT Ltd.	Reimbursement received for other expenses incurred	0.22	1.25
	Software license procured	-	-
	Software Development Charges paid	0.07	0.57
	Repairs and maintenance – Computer trading , Telecommunication systems	32.29	28.76
	STP charges received	0.01	0.01
	Rent received		0.01
	NCFM Test expenses paid	7.89	7.48
	CTCL Empanelment charges received	0.09	0.07
	IT Mgt. & Consultancy charges paid	3.90	3.76
	Installation commissioning & warranty charges for trading system	0.22	0.20
	Dividend received	2.10	3.70
	Closing balance (Credit)/Debit	(2.19)	(3.74)
	Investment in Equity Share Capital	-	10.00

Name of the Related Party	Nature of Transactions	Year ended 31.03.2014	Year ended 31.03.2013
DotEx International Ltd.	Space and Infrastructure usage charges received	0.95	0.96
	Reimbursement received for expenses on staff on deputation	2.10	3.00
	Reimbursement for expenses incurred	24.24	9.60
	CTCL Empanelment charges received	0.05	0.06
	Amount received towards revenue sharing on account of info feed services	10.56	7.99
	Purchase of asset	-	0.01
	Data Subscription charges paid	-	0.13
	Web trading related expenses	20.06	24.51
	Dividend received	2.40	2.40
	Closing balance (Credit)/Debit	0.82	(1.69)
	Investment in Equity Share Capital	-	0.69
India Index Services & Products Ltd.	License fees paid	7.97	6.23
	Usage charges received	0.84	0.84
	Space and Infrastructure usage charges received	0.54	0.58
	Reimbursement received for expenses on staff on deputation	0.86	1.20
	Reimbursement received for other expenses incurred	9.73	8.13
	Dividend received	-	0.80
Closing balance (Credit)/Debit	0.36	1.18	
National Commodity Clearing Ltd.	Space and Infrastructure usage charges received	0.08	0.56
	Reimbursement received for expenses on staff on deputation	0.09	0.92
	Reimbursement received for other expenses incurred	0.11	0.81
	Closing balance (Credit)/Debit	-	0.51
	Investment in Equity Share Capital	-	3.09

Name of the Related Party	Nature of Transactions	Year ended 31.03.2014	Year ended 31.03.2013
NSE Infotech Services Ltd.	IT Mgt. & Consultancy charges paid	18.74	18.61
	Repairs and maintenance – Computer trading , Telecommunication systems	16.26	18.05
	Rent received	0.23	0.24
	Reimbursement received for expenses incurred	9.37	10.60
	Advance paid		-
	Closing balance (Credit)/Debit	(0.31)	(1.16)
NSE Strategic Investment Corporation Limited	Investment in Non-Cumulative Compulsorily Convertible Preference Shares	390.08	22.48
	Investment in Equity Shares	390.08	22.53
	Sale of equity shares of India Index Services & Products Limited	-	33.35
	Sale of equity shares of NSE Infotech Services Ltd.	-	3.75
	Sale of Equity shares of Power Exchange India Limited	15.00	-
	Sale of Preference shares of Power Exchange India Limited	5.00	
	Sale of Equity shares of Dotex International Limited	122.40	-
	Sale of Equity Shares of NSDL e_ governance Infrastructure Ltd	55.10	-
	Sale of Equity Shares of NSE.IT Ltd	60.00	-
	Reimbursement received for expenses incurred	0.39	2.07
	Closing balance (Credit)/Debit	-	0.41
	Investment in Preference Share Capital	412.56	22.48
	Investment in Equity Share Capital	412.61	22.53

Name of the Related Party	Nature of Transactions	Year ended 31.03.2014	Year ended 31.03.2013
Power Exchange India Ltd.	Investment in equity shares	-	2.00
	Closing balance (Credit)/Debit	1.15	1.42
	Investment in Preference Share Capital	-	5.00
	Investment in Equity Share Capital	-	15.00
NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	Dividend received	5.51	8.01
	Closing balance (Credit)/Debit	0.01	0.01
	Investment in Equity Share Capital	-	35.42
National Securities Depository Limited (new)	Dividend received	2.50	-
	Closing balance (Credit)/Debit	-	-
	Investment in Equity Share Capital	61.49	61.49
Omnesys Technologies Private Limited	CTCL Empanelment charges received	-	0.09
	Closing balance (Credit)/Debit	-	-
BFSI Sector Skill Council of India	Closing balance (Credit)/Debit	-	-
	Investment in Equity Share Capital	1	-
Computer Age Management Services Private Limited	Reimbursement paid for expenses incurred	0.12	-
	Reimbursement received for expenses incurred	0.04	-
	Closing balance (Credit)/Debit	(0.08)	-
Key Management Personnel	Gross remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	4.46	16.60 *
	Housing Loan – Closing Balance [₹ Nil (Prev Year : ₹ 7,211/-)]	-	-
	Interest received on Housing Loan [₹ 69/- (Prev Year : ₹ 1,991/-)]	-	-

* Excludes ₹ 9.97 Crores pertaining to earlier year and payment towards retireals.

25 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 52.67 Crores (Previous year : ₹ 42.88 Crores).

26 Contingent liability:

- (i) Claims against the company not acknowledged as debts: ₹ 11.10 Crores (Previous Year : ₹ 7.87 Crores)
- (ii) Company has received an order passed by the Competition Commission of India, directing the Company to pay a penalty of ₹ 55.50 crores (Previous year ₹ 55.50 crores). The Company has appealed against the said order before the Competition Appellate Tribunal. The Competition Appellate Tribunal has granted the stay against the recovery of said penalty amount pending disposal of the appeal. No provision has been made pending disposal of the appeal.
- (iii) On account of disputed demand of Income Tax: ₹ 53.36 Crores (Previous Year: ₹ 52.98 Crores), disputed demand of Fringe Benefit Tax: ₹ 2.21 Crores (Previous Year: ₹ 2.21 Crores) and disputed demand of Wealth Tax: ₹ 1.94 Crores (Previous Year: ₹ 1.94 Crores). Wealth Tax liability includes ₹ 1.86 Crores (Previous Year: ₹ 1.86 Crores) on account of Tax Department appeals pending disposal before the Bombay High Court. On account of disputed demand of Service Tax: ₹ 39.20 crores (Previous Year: ₹ 39.20 crores) alongwith interest and penalty thereon
- (iv) On account of disputed demand of Securities Transaction Tax : ₹ 5.21 Crores (Previous Year : ₹ 5.21 Crores)
- (v) A suit has been filed against the Company for damages / compensation amounting to ₹ 152.57 crores (Previous Year : ₹ Nil) along with interest thereon and has been disputed by the Company.

27 Details of dues to micro and small, medium enterprises as defined under the MSMED Act, 2006

Liability for expenses includes ₹ 0.17 Crore (Previous Year: ₹ 0.24 Crore) due 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.

28 C.I.F. value of import in respect of Capital goods : ₹ 10.95 Crores (Previous year : ₹ 7.83 Crores)

29 Expenditure in foreign currency (accrual basis)

Particulars	₹ in Crores)	
	Current Year	Previous Year
Travelling expenses	0.47	0.46
Professional and technical fees	3.56	1.42
Others	10.64	7.15

30 Net dividend remitted in foreign exchange

Year of remittance (ending on)	31.03.2014	31.03.2013
Period to which it relates	01.04.2012 to 31.03.2013	01.04.2011 to 31.03.2012
Number of non-resident shareholders to whom dividend remitted in foreign currency	7	6
Number of equity shares held on which dividend was due	8,775,000	8,550,000
Amount remitted INR equivalent USD (₹ In Crores)	43.88	34.20

31 Earnings in foreign currency (accrual basis) :

Particulars	₹ in Crores)	
	Current Year	Previous Year
Earnings in foreign exchange :	0.46	5.74

32 In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business.

33 Exceptional item includes profit of ₹ 191.31 crores on sale of equity shares held in two subsidiary companies and an associate company to another subsidiary company (previous year ₹ 36.38 crores on sale of equity shares held in two subsidiary companies), ₹ 3.35 crores on sale of equity shares of a subsidiary company and ₹ 32.68 crores on sale of equity shares of other Company.

34 In accordance with Securities Contracts (Regulations) (SECC) Regulations, 2012 (The Regulations) issued on June 20, 2012, every recognized stock exchange is required to transfer twenty five percent of its annual profits every year to a fund of the recognized clearing corporation(s) which clears and settles trades executed on that stock exchange to guarantee settlement of trades . Subsequently, the Securities and Exchange Board of India (SEBI) in its Press Release No.66/2012 dated June 21, 2012, has said that an expert Committee is being formed which will inter-alia “look into the norms for adequacy of the core corpus of the Settlement Guarantee Fund (SGF)/Trade Guarantee Fund (TGF) and its sourcing, including transfer of profits by stock exchanges to SGF/TGF in the long run”. Pending the report of the Expert Committee, no transfer of profits to the Settlement Guarantee Fund in terms of the Regulations has been made. However, as a matter of prudence during the year the Company has made a provisional appropriation of ₹ 219.40 crores being 25% of the profit after tax for Financial Year 2012-13 out of the opening balance of the Profit & Loss Account as on April 1, 2013 and ₹ 254.82 crores being 25% of the profit after tax for the year ended March 31, 2014 out of the current profits. Accordingly total provisional appropriation amounting to ₹ 474.22 crores has been shown under the head Short Term Provisions in the Balance Sheet.

35 Previous years' figures are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached

For and on behalf of the Board of Directors

For KHANDELWAL JAIN & CO.,
Chartered Accountants

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

NARENDRA JAIN
Partner
Membership No.:48725

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

Place : Mumbai
Date : May 6, 2014

J. RAVICHANDRAN
Chief (L&S, GI&SR) & Company Secretary

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary company

1	Name of the subsidiary	: National Securities Clearing Corporation Limited
2	Financial Year of the subsidiary company ended on	: 31st March, 2014
3	Holding Company Interest	
	Number of Shares	: 4,50,00,000
	Extent of Holding	: 100%
4	The Net Aggregate amount of the subsidiary Profits / (losses) so far as it concerns members of the holding company and is not dealt with In Holding Company's account	
	(i) for the financial year of the company	: ₹ 1,86,50,71,582
	(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary	: ₹ 17,14,84,40,672
5	Net aggregate amount of the Profit/(Losses) of the Subsidiary dealt with in the company's account	
	(i) for the financial year of the subsidiary	: ₹ 1,12,50,00,000
	(ii) for the previous financial years of the subsidiary since it became the subsidiary of the holding company	: ₹. 7,81,87,50,000

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

J. RAVICHANDRAN
Chief (L&S, GI&SR) & Company Secretary

Place : Mumbai

Date : May 6, 2014

Statement pursuant to Section 212 of the Companies Act,1956, relating to subsidiary company

1	Name of the subsidiary	: NSE Strategic Investment Corporation Limited
2	Financial Year of the subsidiary company ended on	: 31st March, 2014
3	Holding Company Interest	
	Number of Shares	: 2,25,27,450 Equity Shares & 2,24,77,500 Preference Shares
	Extent of Holding	: 99.90%
4	The Net Aggregate amount of the subsidiary Profits / (losses) so far as it concerns members of the holding company and is not dealt with In Holding Company's account	
	(i) for the financial year of the company	: ₹ 72,22,171
	(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary	: ₹ (2,09,28,529)
5	Net aggregate amount of the Profit/(Losses) of the Subsidiary dealt with in the company's account	
	(i) for the financial year of the subsidiary	: Not Applicable
	(ii) for the previous financial years of the subsidiary since it became the subsidiary of the holding company	: Not Applicable

For and on behalf of the Board of Directors

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

J. RAVICHANDRAN
Chief (L&S, GI&SR) & Company Secretary

Place : Mumbai

Date : May 6, 2014

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of National Stock Exchange of India Limited

We have audited the accompanying consolidated financial statements of **National Stock Exchange of India Limited** ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on 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 consolidated 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 and based on the consideration of the separate audit reports, on the financial statements of the subsidiaries and the

unaudited financial statements of the subsidiary and associates referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

1. Financial statements of one of the subsidiary which reflect total assets (net) of ₹ 824.69 crores as at March 31, 2014, total revenue (net) of ₹ 2.21 crores and net cash outflows amounting to ₹ 0.80 crore for the year then ended, have been audited by us.
2. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets (net) of ₹ 6,500.61 crores as at March 31, 2014, total revenues (net) of ₹ 598.31 crores and net cash inflow amounting to ₹ 1,969.53 crores for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.
3. We have relied on the unaudited financial statements of two associates and unaudited consolidated financial statements of four associates wherein the group's share of profit aggregate ₹ 31.01 crores for the period / year ended March 31, 2014. These financial statements have been certified by management of the respective companies and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of these associates, are based solely on these certified financial statements.
4. We have relied on the unaudited financial statements of a subsidiary whose total assets of ₹ 5.11 crores as at March 31, 2014, total revenues of ₹ 8.62 crores and net cash outflow amounting to ₹ 0.83 crore for the year then ended. These financial statements have been certified by management of the said subsidiary and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiary, are based solely on these certified financial statements.

Our opinion is not qualified in respect of these matters.

For **Khandelwal Jain & Co.,**

Chartered Accountants

Firm's Registration Number: 105049W

(Narendra Jain)

Partner

Membership Number: 048725

Place: Mumbai

Date: May 6, 2014

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	NOTES	AS AT 31.03.2014 (₹ in Crores)	AS AT 31.03.2013 (₹ in Crores)
Equity and liabilities			
1	Shareholder's funds		
a	Share Capital	45.00	45.00
b	Reserves and surplus	5,505.40	5,380.08
		5,550.40	5,425.08
	Minority Interest	-	35.43
2	Non-current liabilities		
a	Deposits (Unsecured)	1,579.71	1,607.35
b	Deferred tax liabilities (net)	10.57	6.70
c	Other long-term liabilities	8.57	33.49
d	Long-term provisions	5.42	2.62
		1,604.27	1,650.16
3	Current liabilities		
a	Deposits (Unsecured)	44.99	32.42
b	Trade payables	8.64	5.41
c	Other current liabilities	4,973.46	2,682.11
d	Short-term provisions	899.65	336.46
		5,926.74	3,056.40
	TOTAL	13,081.41	10,167.07
Assets			
1	Non-current assets		
a	Fixed assets		
	Tangible assets	452.38	449.03
	Intangible assets	35.16	39.47
	Capital work-in-progress	10.38	15.94
	Intangible assets under development	5.74	10.97
		503.66	515.41
b	Goodwill on Consolidation	67.35	1.76
c	Non-current investments	1,512.82	416.78
d	Deferred tax Assets (net)	2.07	1.85
e	Long-term loans and advances	101.76	87.83
f	Other non-current assets	974.39	1,096.13
		3,162.05	2,119.76

	NOTES	AS AT 31.03.2014 (₹ in Crores)	AS AT 31.03.2013 (₹ in Crores)
2	Current assets		
a	Current investments	13	1,356.89
b	Inventories	14	0.01
c	Short-term loans and advances	11	50.53
d	Trade receivable	15	215.76
e	Cash and bank balances	16	7,858.95
f	Other Current assets	12	437.22
			9,919.36
	TOTAL		10,167.07
	Summary of significant accounting policies	1	

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For KHANDELWAL JAIN & CO.,
Chartered Accountants

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

NARENDRA JAIN
Partner
Membership No.:048725

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

Place : Mumbai
Date : May 6, 2014

J. RAVICHANDRAN
Chief (L&S, GI&SR) & Company Secretary

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

PARTICULARS	NOTES	For the Year ended 31.03.2014 (₹ in Crores)	For the Year ended 31.03.2013 (₹ in Crores)
Income			
Revenue from operations	17	1,361.84	1,283.50
Other income	18	544.20	541.18
Total Revenue (I)		1,906.04	1,824.68
Expenses			
Purchases of Stock-in-Trade	19	0.04	0.05
Changes in inventories of Stock-in-Trade	14	(0.00)	0.01
Employee benefits expenses	20	173.66	177.36
Clearing & Settlement		-	-
Other expenses	21	332.53	313.21
Depreciation and amortisation expenses	8	83.99	85.50
Total Expenses (II)		590.22	576.13
Profit before prior-period adjustments		1,315.82	1,248.55
Add/(Less) : Prior-period adjustments	22	(5.66)	(32.97)
Profit before exceptional item and tax		1,310.16	1,215.58
Add : Profit / (Loss) on sale of Long Term Equity Investment	32	76.86	-
Profit before tax		1,387.02	1,215.58
Less : Provision for tax			
Current tax		445.16	375.74
Income Tax for earlier years		0.25	0.91
Deferred tax		3.64	(2.86)
Total tax expenses		449.05	373.79
Profit after taxation before Minority Interest		937.97	841.79
Less: Minority Interest		(3.45)	(8.83)
Add / (Less) : Share of profit / (Loss) of associate	36	31.01	24.05
Profit after taxation		965.53	857.01
Earnings Per Share (Face Value ₹10/- each)			
Basic	23	214.56	190.45
Diluted	23	214.56	190.45
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For KHANDELWAL JAIN & CO.,
Chartered Accountants

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

NARENDRA JAIN
Partner
Membership No.:48725

CHITRA RAMKRISHNA
Managing Director & CEO

Y. H. MALEGAM
Director

Place : Mumbai
Date : May 6, 2014

J. RAVICHANDRAN
Chief (L&S, GI&SR) & Company Secretary

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2014

	For the Year ended March 31, 2014 (₹ In Crores)	For the Year ended March 31, 2013 (₹ In Crores)
A) CASHFLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	1,387.02	1,215.58
Add : Adjustments for :		
Depreciation and amortisation expenses	83.99	85.50
Adjustments to the carrying amount of current investments	0.12	0.37
Bad debts/Sundry balances written off	0.01	-
Provision for doubtful Debts	0.04	-
Prior period adjustments (Net)	5.66	32.97
Loss on sale /discard of assets (Net)	0.60	0.79
Less : Adjustments for :		
Amortisation of Premium / Discount on Govt/Debt Securities	(1.39)	(1.51)
Interest income on short term investments	(47.74)	(49.74)
Interest income on long term investment	(81.38)	(33.72)
Interest income on Bank deposit	(291.91)	(348.00)
Interest income on Certificate of deposits	(14.77)	(10.59)
Interest income on Inter Corporate deposits	(0.96)	(1.74)
(Profit)/Loss on sale Of Long Term Equity Investments (Exceptional Item)	(76.86)	-
(Profit)/Loss on sale/redemption of long term investments	(0.49)	(3.40)
(Profit)/Loss on sale/redemption of short term investments	(30.73)	(12.68)
Dividend - Long Term	(1.47)	(5.90)
Dividend - Short Term	(13.82)	(25.55)
Excess Provision written back	(1.04)	(1.15)
Wealth Tax	0.20	0.20
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	915.08	841.43
Adjustments for :		
Trade Receivables	(59.83)	16.24
Inventory	-	0.02
Loans & Advances	(9.69)	(6.62)
Other Current Assets	(44.83)	(48.61)
Long Term Liabilities & Provisions	(22.12)	(0.40)
Current Liabilities & Provisions	2,301.75	(473.79)
CASH GENERATED FROM OPERATIONS	3,080.36	328.27
Prior period adjustments (Net)	(5.66)	(32.97)
Direct Taxes paid (Net of Refunds)	(467.68)	(376.39)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	2,607.02	(81.09)
Extraordinary Items	-	-
NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	2,607.02	(81.09)
B) CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/Capital work-in-progress	(85.89)	(131.93)
Sale of Fixed Assets	1.15	1.73
Advance received against sale of shares	-	1.57
Interest received	354.95	359.16
Dividend received	15.29	31.45
(Increase)/Decrease in Fixed deposit & Certificate of deposits	(105.61)	385.51
(Increase)/Decrease in Investment	(780.75)	(494.95)
NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	(600.86)	152.54

	For the Year ended March 31, 2014 (₹ In Crores)	For the Year ended March 31, 2013 (₹ In Crores)
C) CASHFLOW FROM FINANCING ACTIVITIES		
Proceed of deposit from trading & clearing member / applicant	107.59	128.09
Refund of deposit from trading & clearing member / applicant	(99.38)	(118.49)
Refund of Equipment Deposit (net)	(23.28)	(3.11)
Dividend paid (including dividend paid to minority shareholders)	(225.00)	(180.77)
Dividend distribution tax paid on above	(38.64)	(34.21)
NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	(278.71)	(208.49)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	1,727.45	(137.04)
CASH AND CASH EQUIVALENTS : OPENING BALANCE	2,570.10	2,707.14
CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE	4,297.55	2,570.10
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	1,727.45	(137.04)

Notes to Cash Flow Statement :

- Cash and cash equivalent represent cash, bank balances, certificate of deposits with original maturity of less than three months, fixed deposits with original maturity of less than three months and earmarked deposits of ₹ 901.18 crores (previous year ₹ 589.92 crores) with original maturity of less than three months.
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.
- Previous years' figures are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached

For and on behalf of the Board of Directors

 For KHANDELWAL JAIN & CO.,
Chartered Accountants

 S. B. MATHUR
Chairman

 RAVI NARAIN
Vice Chairman

 NARENDRA JAIN
Partner
Membership No.:048725

 CHITRA RAMKRISHNA
Managing Director & CEO

 Y. H. MALEGAM
Director

 Place : Mumbai
Date : May 6, 2014

 J. RAVICHANDRAN
Chief (L&S, GI&SR) & Company Secretary

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

1 Summary of significant accounting policies to the Consolidated Financial Statement (CFS)

The consolidated financial statements relates to National Stock Exchange of India Limited (“the company” or “the parent company”), its subsidiary companies, associates and its Joint Venture “collectively referred to as the Group”.

a) Basis of Accounting

The consolidated financial statements of the Company, its subsidiaries and its associates have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), the provisions of the Companies Act, 2013 (to the extent notified) and the relevant provisions of the Companies Act, 1956 (to the extent applicable) and in particular Accounting Standard 21 (AS 21) - ‘Consolidated Financial Statements’ and Accounting Standard 23 (AS 23) - ‘Accounting for Investments in Associates in Consolidated Financial Statements’. The financial statements have been prepared on an accrual basis and under the historical cost convention.

b) Use of estimates

The preparation of financial statements in conformity with India GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainly about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Principles of Consolidation

The Consolidated Financial Statements are prepared on the following basis:

- i. The financial statements of the parent company, its subsidiaries and jointly controlled entity are consolidated / proportionately consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and transactions resulting in unrealized profits or losses on intra-group transactions and are presented to the extent possible, in the same manner as the Company's independent financial statements except in respect of accounting policy for depreciation on fixed assets.
- ii. Interest in jointly controlled entities (incorporated Joint Ventures), if any, is accounted using proportionate consolidation method.
- iii. The excess of the cost to the company of its investment in subsidiary / jointly controlled entity over the company's portion of equity of the subsidiary / jointly controlled entity as at the date on which investment in subsidiary / jointly controlled entity is made, is recognized in the financial statement as Goodwill. The excess of Company's share of equity and reserve of the subsidiary / joint venture Company over the cost of acquisition is treated as Capital Reserve.
- iv. Investment in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in company's share of net assets of the associate. The carrying amount of

- investment in associate companies is reduced to recognize any decline which is other than temporary in nature and such determination of decline in value, if any, is made for investment individually.
- v. Minority Interests in the CFS is identified and recognized after taking into consideration:
- The amount of equity attributable to minority's at the date on which investments in a subsidiary is made.
 - The minority's share of movements in equity since the date parent subsidiary relationships came into existence.
- d) The particulars of subsidiaries and associates which are considered for consolidation and the percentage of voting power therein of the company as on 31st March, 2014 are as under:

Name of Company	w.e.f.	Country of Incorporation	Percentage of voting power as at	Reporting Date	Financial Status Audited / Unaudited	Relationship
			31 st March 2014			
National Securities Clearing Corporation Limited	31-Aug-1995	India	100.00%	31-Mar-14	Audited	Subsidiary
NSE. IT Limited	29-Oct-1999	India	100.00%	31-Mar-14	Audited	Subsidiary's Subsidiary
NSE. IT (US) Inc.	04-Dec-2006	United States of America	100.00%	31-Mar-14	Unaudited	Subsidiary's Subsidiary's Subsidiary
DotEx International Limited	02-Jun-2000	India	100.00%	31-Mar-14	Audited	Subsidiary's Subsidiary
India Index Services & Products Limited (Refer Note 40)	02-Aug-2006	India	100.00%	31-Mar-14	Audited	Subsidiary's Subsidiary
National Commodity Clearing Limited *(ceased to be a subsidiary company w.e.f. 28th May, 2013)	04-Aug-2006	India	65.00%	30-Jun-13*	Audited	Subsidiary
NSE Infotech Services Limited	02-Aug-2006	India	100.00%	31-Mar-14	Audited	Subsidiary's Subsidiary
NSE Strategic Investment Corporation Limited	31-Jan-2013	India	100.00%	31-Mar-14	Audited	Subsidiary
Power Exchange India Limited	20-Feb-2008	India	32.28%	31-Mar-14	Unaudited	Subsidiary's Associate
NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	15-Feb-2010	India	25.05%	31-Mar-14	Unaudited	Subsidiary's Associate
National Securities Depository Limited (new)	01-Apr-2012	India	25.05%	31-Mar-14	Unaudited	Associate
Omnesys Technologies Private Limited **(ceased to be an associate company w.e.f. 12th September, 2013)	2-Jul-2008	India	24.70%	31-Aug-13**	Unaudited	Associate
Market Simplified India Limited (Formerly known as INXS Technologies Limited)	30-Nov-2011	India	30.00%	31-Mar-14	Unaudited	Subsidiary's Associate
Computer Age Management Services Private Limited (w.e.f. 7th January, 2014)	7-Jan-14	India	44.99%	31-Mar-14	Unaudited	Subsidiary's Associate

e) Revenue Recognition

- (i) Revenue is being recognised as and when there is reasonable certainty of ultimate realisation.
- (ii) Revenue from sale of software product licenses, sale of digital certificates and resale of hardware & software is recognised on dispatch.
- (iii) Revenue from e-learning activity is recognised on the basis of enrollment.
- (iv) Revenues from software development and maintenance on time and material basis and consultancy charges are recognised based on the terms agreed with the customers.
- (v) Revenue from IT & Process support charges are recognised on accrual basis when services are rendered and there is reasonable certainty of ultimate realization.
- (vi) Clearing and Settlement charges, IT & support charges are recognized on accrual basis as and when the services are rendered.
- (vii) Revenue from subscription fees received for dissemination of data (data feed) is recognised on time proportion method.
- (viii) 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.
- (ix) Interest is recognized on time proportionate basis taking into consideration the amount outstanding and the rate applicable.
- (x) Income from dividend is accounted as and when such dividend has been declared and the Company's right to receive payment is established.
- (xi) Income excludes applicable taxes and other levies
- (xii) Provision for Doubtful debts and Bad Debts.
 - (a) In respect of members who have been declared as defaulter or expelled during the year by the company all amounts remaining to be recovered till the date of being declared defaulter or expelled are written off as bad debts. All subsequent recoveries are accounted for in the year of receipt
 - (b) 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.

f) Expenditure

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities.

Since the company does not visualise any major expenditure on account of warranty given for maintaining the software product licenses sold, no provisions are made on this account. Any expenditure that may have to be incurred towards honouring the warranty shall be accounted for in the year in which it is incurred.

g) Fixed Assets

Fixed Assets are stated at historical cost less accumulated depreciation. Historical cost is inclusive of freight, duties, taxes, cost of installation, interest upto the date of installation and other incidental expenses incurred towards acquisition and installation of fixed assets.

h) Depreciation

- (i) Depreciation on assets is provided, using the straight line method, pro-rata to the period of use of assets, at the rates specified in Schedule XIV to the Companies Act, 1956 or based on the estimated useful life of the assets, whichever is higher. Where there is a revision of the estimated useful life of an asset, the unamortized depreciable amount is charged over the revised remaining useful life.

The details of the estimated useful life of the assets where the depreciation is provided at the rate higher than the specified in Schedule XIV of the Companies Act, 1956 are as follows:

Assets	Estimated Useful Lives
Computer Systems – Office Automation	3 years
Computer Systems – Others	4 years
Telecommunication Systems	4 years
Trading & Clearing Systems	4 years
Electrical Equipments & Installations	15 - 21 years
Furniture & Fixtures	5 - 16 years
Office Equipments	4 - 21 years
Vehicles	3 - 5 years

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

- (ii) Leasehold land is amortised over the period of lease.
 (iii) Computer Software is amortized over a period of 4 years

In case of Subsidiaries NSE. IT Limited & DotEx International Limited, expenditure incurred during the year for acquiring software copyright, source code and other deliverables along with the in-house development cost is capitalised and depreciated @ 33 1/3 % on Straight Line Method, which is higher than the rates prescribed in the aforesaid schedule and Software products/licenses purchased/ acquired for internal use of the Company which have expected longer life are capitalised and depreciated @ 33 1/3 % on Straight Line Method, which is higher than the rates prescribed in the aforesaid schedule. Depreciation on fixed assets other than above is provided using straight line method at the rates specified in schedule XIV to Companies Act, 1956.

- (iv) In case of Subsidiary DotEx International Limited Depreciation on Office Equipment is provided @ 25% 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.

i) Computer software

- (i) Cost of development and production software is capitalised,
 (ii) Cost towards software development incurred till the time software is put to use is capitalised, and
 (iii) Standard packaged software products are written off in the year of purchase in case of Parent Company.

j) Impairment of Assets

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Consolidated Profit and Loss in the year in which assets are identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of recoverable amount.

k) 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 paid/discount received at the time of acquisition of Government / Debt securities is amortised 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 is adjusted towards the cost of investment. Income on investments is accounted for on accrual basis.

l) Foreign currency transactions

- (i) Transactions denominated in foreign currency are recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currency at the year end are translated at the year end rate except for those covered by forward cover contracts which are translated at contracted rates.
- (iii) Any income or expense on account of exchange difference between the date of transaction and settlement or translation is recognised in the Statement of Consolidated Profit and Loss as income or expense. The premium or discount on forward exchange contract are amortised and recognized in the Statement of Consolidated Profit and Loss over the period of contract.
- (iv) Assets and liabilities of foreign subsidiary are translated at closing exchange rate and income and expenditure are translated at average exchange rate for the year. The difference arising on such translation is debited / credited to foreign currency translation reserve.

m) Forward Exchange Contract

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability. The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts, are recognized in the Statement of Consolidated Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

n) Inventory

The Inventory is valued at cost or net realizable value whichever is lower.

o) Employee Benefits

- (i) Provident Fund: The parent company has established 'National Stock Exchange of India Limited Employee Provident Fund Trust' and one of the subsidiairy, NSE Infotech Services Limited has established 'NSE Infotech Services Limited Employee Provident Fund Trust' to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively. Such contribution to the provident fund for all employees, are charged to revenue.

In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the respective companies.

One of the subsidiary, NSE.IT Limited contributes to the Regional Provident Fund Office, Kandivali, Mumbai as per the applicable rule at the rate of 12% of the employee's basic salary to the said recognized provident fund and the same is charged to revenue.

- (ii) Superannuation: Superannuation benefits for employees designated as chief managers and above are covered by group policies with the Life Insurance Corporation of India. Company's contribution payable for the year is charged to revenue. There are no other obligations other than the annual contribution payable.
- (iii) Gratuity: The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The Company provides for the defined benefit with respect to gratuity liability based on the present value of defined benefit obligation as reduced by the fair value of plan assets as per the actuarial valuation calculation.
- (iv) Other Long term benefits: Liability on account of other long term benefits such as Leave encashment, medical reimbursement and Leave Travel Allowance is made on the basis of actuarial valuation at the end of the year.
- (v) Short term employee benefits are charged to revenue in the year in which the related service is rendered.

p) Taxation

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. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates.

Deferred tax assets are recognised only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

q) Provisions, contingent liabilities & contingent assets :-

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

r) 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.

s) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2 Share Capital

	As at 31.03.2014 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)
Authorised 5,00,00,000 (Previous Year 5,00,00,000) Equity Shares of ₹ 10 each.	50.00	50.00
Issued, Subscribed and Paid-up 4,50,00,000 (Previous year 4,50,00,000) Equity shares of ₹ 10 each fully paid up.	45.00	45.00
Total	45.00	45.00

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

The Board of directors, in their meeting on May 6, 2014, proposed a dividend of ₹ 68/- 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 ₹ 306/- 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 ₹ 50/-. The dividend appropriation for the year ended March 31, 2013 amounted to ₹ 225/- crores excluding Dividend Distribution Tax.

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

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

	31.03.2014		31.03.2013	
	No.	% holding	No.	% holding
Life Insurance Corporation of India	4,728,500	10.51%	4,728,500	10.51%
State Bank of India	4,587,500	10.19%	4,587,500	10.19%
Infrastructure Development Finance Company Limited	2,497,750	5.55%	2,947,990	6.55%
IFCI Limited	2,396,410	5.33%	2,497,750	5.55%

3 Reserves & Surplus

	As at 31.03.2014 (₹ in Crores)		As at 31.03.2013 (₹ in Crores)	
Share premium				
As per last balance sheet		40.00		40.00
Investor compensation reserve				
As per last balance sheet		10.00		10.00
Capital Redemption Reserve				
As per last balance sheet		10.00		10.00
Staff welfare reserve				
As per last balance sheet		1.50		1.50
Capital Reserve (on consolidation)		39.39		39.39
Currency Translation Reserve		(0.21)		0.17
General reserve				
As per last balance sheet		4,637.16		4,178.51
Add : Transferred from surplus balance in the Statement of Consolidated Profit and Loss		132.40	458.65	4,637.16
		4,769.56		
Surplus/(deficit) in the Statement of Consolidated Profit and Loss				
Balance as per last financial statements		641.86		477.94
Less: Provisional appropriation towards Settlement Guarantee Fund in respect of previous year (Refer Note 38)		(219.40)		-
Profit for the year		965.53		857.01
Excess provision of Dividend Distribution Tax reversed		-		29.20
Less : Appropriations				
Transfer to general reserve		132.40		458.65
Provisional transfer to Settlement Guarantee Fund in respect of current year (Refer Note 38)		254.82		-
Transfer to Investor compensation reserve		-		-
Proposed dividend		306.00		225.00
Tax on proposed dividend		59.61	38.64	641.86
		635.16		
Total reserves and surplus		5,505.40		5,380.08

4 Deposits (Unsecured)

	Non-current		Current	
	As at 31.03.2014 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2014 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)
Deposits from trading members	1,019.56	1,056.29	26.91	1.29
Deposits from applicants for membership	-	-	6.13	5.35
Deposits towards equipments	16.78	21.15	0.26	19.17
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 Clearing Banks	154.50	139.00	-	-
Total	1,579.71	1,607.35	44.99	32.42

5 Deferred Tax liabilities (net)

	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Deferred Tax Liabilities		
Related to depreciation and other expenditure	19.99	14.57
Related to other items	0.11	0.40
Total (A)	20.10	14.97
Less : Deferred Tax Assets		
Related to disallowance u/s 43B	7.47	8.08
Related to depreciation and other expenditure	2.06	0.19
Related to other items	-	-
Total (B)	9.53	8.27
Net Deferred Tax liabilities (A-B)	10.57	6.70

6 Other liabilities

	Long Term		Short Term	
	As at 31.03.2014 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)	As at 31.03.2014 (₹ in Crores)	As at 31.03.2013 (₹ in Crores)
Trade payables	-	-	8.64	5.41
	-	-	8.64	5.41
Others				
Deposit - Premises	3.17	28.10	25.35	1.52
Deposit - Others	5.39	5.39	-	-
Liability for expenses (Refer Note 42)	-	-	66.64	62.47
Creditors for Capital expenditure	-	-	12.84	22.53
Margins from Members	-	-	1,135.72	641.22
Settlement Obligation payable	-	-	3,279.30	1,625.36
Amount payable to NSEIL IPFT	-	-	13.03	3.90
Security deposit	-	-	54.34	53.12
Unpaid matured deposits	-	-	0.07	0.07
Other deposits	-	-	1.76	1.21
Income received in advance	-	-	34.19	27.22
Securities Transaction Tax payable	-	-	144.01	71.45
Statutory dues - payable	-	-	24.75	16.51
Defaulters committee account	-	-	58.53	53.36
Deposits of defaulters members - SEBI	-	-	0.17	0.16
Advance received against sale of shares	-	-	-	1.57
Other liabilities	-	-	122.76	100.44
	8.57	33.49	4,973.46	2,682.11
Total	8.57	33.49	4,982.10	2,687.52

7 Provision

	Long - term		Short - Term	
	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Provision for employee benefits				
Medical benefits	-	-	1.21	0.94
Provision for Leave Travel allowance	-	-	2.87	2.58
Provision for gratuity	3.74	0.63	2.22	5.68
Provision for Leave encashment	1.68	1.99	9.64	8.08
	5.42	2.62	15.95	17.28
Other Provisions				
Income tax (net of advance tax including TDS)	-	-	42.44	54.09
Wealth Tax	-	-	1.43	1.38
Fringe Benefit Tax	-	-	-	0.07
Proposed Dividend	-	-	306.00	225.00
Provisional appropriation towards Settlement Guarantee Fund (Refer Note 38)	-	-	474.22	-
Corporate Dividend Tax	-	-	59.61	38.64
	-	-	883.70	319.18
Total	5.42	2.62	899.65	336.46

8 FIXED ASSETS (Note No. 1g, 1h, 1i & 1j)

(₹ In crores)

SR NO.	DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATIONS			NET BLOCK			
		As on April 1, 2013	Additions 2013-2014	Deduction 2013-2014	As on March 31, 2014	Total upto March 31, 2013	For the year	Deduc-tions /Am-ortisations 2013-2014	Total upto March 31, 2014	As on March 31, 2014	As on March 31, 2013
	Tangible Assets										
1	BUILDING	175.70	-	-	175.70	26.53	2.94	-	29.47	146.21	149.17
2	CLEARING AND SETTLEMENT SYSTEM	26.51	0.21	0.11	26.61	21.71	1.91	0.10	23.52	3.09	4.80
3	COMPUTER SYSTEMS OFFICE AUTOMATION	25.04	2.55	3.09	24.50	17.99	3.00	3.08	17.91	6.59	7.05
4	COMPUTER SYSTEM OTHERS	88.18	33.87	4.62	117.43	55.16	17.59	4.36	68.39	49.04	33.02
5	ELECTRICAL INSTALLATIONS	53.07	1.94	1.95	53.06	15.54	2.68	1.34	16.87	36.18	37.53
6	FURNITURE AND FIXTURES	35.34	6.52	1.08	40.78	19.53	2.14	0.95	20.71	20.06	15.81
7	LAND	34.38	-	-	34.38	-	-	-	-	34.38	34.38
8	LEASEHOLD LAND	107.62	-	-	107.62	22.53	1.30	-	23.83	83.79	85.09
9	OFFICE EQUIPMENTS	56.56	7.00	3.46	60.11	29.25	5.07	2.92	31.40	28.71	27.31
10	TELECOMMUNICATION SYSTEMS	131.70	5.49	7.03	130.15	96.44	16.16	6.88	105.71	24.44	35.26
11	TRADING SYSTEMS	162.74	11.92	3.65	171.00	143.13	11.64	3.65	151.12	19.88	19.61
	TOTAL (A)	896.84	69.50	25.00	941.34	447.81	64.42	23.29	488.94	452.38	449.03
	Intangible Assets										
12	COMPUTER SOFTWARE	147.61	15.31	0.90	162.01	108.14	19.57	0.86	126.85	35.16	39.47
13	Software copyrights	2.59	-	-	2.59	2.59	-	-	2.59	0.00	0.00
	TOTAL (B)	150.20	15.31	0.90	164.60	110.73	19.57	0.86	129.44	35.16	39.47
	TOTAL (A+B)	1,047.04	84.81	25.90	1,105.95	558.54	83.99	24.15	618.38	487.54	488.50
	PREVIOUS YEAR TOTAL	1,013.09	136.45	102.52	1,047.04	573.03	85.50	100.00	558.54	488.50	-

9 NON CURRENT INVESTMENTS

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)	
I	INVESTMENTS IN EQUITY SHARES (VALUED AT COST UNLESS STATED OTHERWISE)								
A)	QUOTED EQUITY SHARES								
	IN OTHER COMPANIES								
	MCX LIMITED		5,000	10.00	50,000	0.00	1,250,000	1.00	
	(Current Year Cost ₹40,000/-, Previous Year ₹1,00,00,000/-)								
				Sub-Total (i)		0.00		1.00	
B)	UNQUOTED EQUITY SHARES								
	IN ASSOCIATE COMPANY								
	NSDL E-GOVERNANCE INFRASTRUCTURE LTD. (EXTENT OF HOLDING 25.05%)		10,018,000	10.00	100,180,000	114.82	10,018,000	100.59	
	NATIONAL SECURITIES DEPOSITORY LTD. (EXTENT OF HOLDING 25.05%)		10,018,000	10.00	100,180,000	69.65	10,018,000	65.10	
	POWER EXCHANGE INDIA LTD. (EXTENT OF HOLDING 32.28%)		15,000,030	10.00	150,000,300	4.86	15,000,030	5.36	
	COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED (EXTENT OF HOLDING 44.99%)		21,938,400	10.00	219,384,000	418.46	-	-	
	MARKET SIMPLIFIED INDIA LIMITED (EXTENT OF HOLDING 30.00%)		4,505,175	10.00	45,051,750	6.61	4,505,175	8.48	
	OMNESYS TECHNOLOGIES PVT. LTD. (EXTENT OF HOLDING 26%)							14.66	
	BFSI SECTOR SKILL COUNCIL OF INDIA (Refer Note 37) (EXTENT OF HOLDING 48.78%)		10,000,000	1.00	10,000,000	1.00	-	-	
				Sub-Total (iii)		615.40		194.19	
	IN OTHER COMPANIES								
	NATIONAL COMMODITY & DERIVATIVE EXCHANGE LTD.		5,067,577	10.00	50,675,770	15.20	5,067,577	15.20	
	GOODS AND SERVICE TAX NETWORK ^^		613,061	10.00	6,130,610	0.61	-	-	
				Sub-Total (iv)		15.82		15.20	
				Total (I)		631.22		210.39	

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
II	INVESTMENTS IN PREFERENCE SHARES UNQUOTED PREFERENCE SHARES IN ASSOCIATE COMPANY							
	10% OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES OF POWER EXCHANGE OF INDIA LIMITED		5,000,000	10.00	50,000,000	5.01	10	5.00
	Total (II)					5.01		5.00
III	QUOTED BONDS							
	TAX FREE BONDS							
	6.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	8-Mar-15	1,000	100,000.00	100,000,000	-	1,000	10.00
	6.05% INDIAN RAILWAY FINANCE CORPORATION LIMITED	20-Dec-15	500	100,000.00	50,000,000	5.00	500	5.00
	7.93 % RURAL ELECTRIFICATION CORPORATION LIMITED	27-Mar-22	61,238	1,000.00	61,238,000	6.12	61,238	6.12
	8.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	23-Feb-22	32,626	1,000.00	32,626,000	3.26	32,626	3.26
	8.09% POWER FINANCE CORPORATION LIMITED	25-Nov-21	500	100,000.00	50,000,000	5.00	500	5.00
	8.20% NATIONAL HIGHWAYS AUTHORITY OF INDIA - TRANCHE 1 - SERIES 1	25-Jan-22	86	1,000.00	86,000	0.01	86	0.01
	8.20% POWER FINANCE CORPORATION LIMITED	1-Feb-22	42,718	1,000.00	42,718,000	4.27	42,718	4.27
	7.18 % INDIAN RAILWAY FINANCE CORPORATION LIMITED	19-Feb-23	150,000	1,000.00	150,000,000	15.00	150,000	15.00
	8.46% RURAL ELECTRIFICATION CORPORATION LIMITED - NON CONVERTIBLE BONDS	29-Aug-28	100	1,000,000.00	100,000,000	10.00	-	-
	8.41% NTPC LIMITED	16-Dec-23	79,162	1,000.00	79,162,000	7.91	-	-
	8.20 % NATIONAL HIGHWAYS AUTHORITY OF INDIA	25-Jan-22	37,086	1,000.00	37,086,000	3.71	37,086	3.71
	8.00 % INDIAN RAILWAY FINANCE CORPORATION LIMITED	23-Feb-22	32,626	1,000.00	32,626,000	3.26	32,626	3.26
	9.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	28-Feb-15	200	1,000,000.00	100,000,000	-	200	20.50
	6.05% INDIAN RAILWAY FINANCE CORPORATION LIMITED	20-Dec-15	500	100,000.00	50,000,000	5.00	500	5.00

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
	8.20% POWER FINANCE CORPORATION LIMITED	1-Feb-22	92,718	1,000.00	92,718,000	9.33	92,718	9.34
	7.18% INDIAN RAILWAY FINANCE CORPORATION LIMITED	19-Feb-23	150,000	1,000.00	150,000,000	15.00	150,000	15.00
	8.35% INDIAN RAILWAY FINANCE CORPORATION LTD TAX FREE 21-NOV-2023	21-Nov-23	150	1,000,000.00	150,000,000	15.00	-	-
	8.46% NATIONAL HOUSING BANK - SERIES V - 2028	30-Aug-28	50	1,000,000.00	50,000,000	5.00	-	-
				Sub-Total (i)		112.87		105.47
	QUOTED							
	TAXABLE BONDS							
	8.82% RURAL ELECTRIFICATION CORPORATION LIMITED - SR 114	12-Apr-23	750	1,000,000.00	750,000,000	73.71		
	8.80% POWER GRID CORPORATION OF INDIA LIMITED	13-Mar-23	850	1,000,000.00	850,000,000	84.28		
	9.35% INDIAN OIL CORPORATION LIMITED	30-Apr-17	150	1,000,000.00	150,000,000	14.92		
	8.95% POWER FINANCE CORPORATION LIMITED	11-Mar-18	50	1,000,000.00	50,000,000	4.90		
	9.81% POWER FINANCE CORPORATION LTD. SR-109 - TXB	7-Oct-18	500	1,000,000.00	500,000,000	50.41		
	9.63% RURAL ELECTRIFICATION CORPORATION LIMITED	5-Feb-19	100	1,000,000.00	100,000,000	9.95		
	8.56% NUCLEAR POWER CORPORATION OF INDIA - NCD	15-Mar-23	150	1,000,000.00	150,000,000	14.40		
	8.70% POWER GRID CORPORATION OF INDIA LIMITED	15-Jul-18	50	1,000,000.00	50,000,000	4.85		
	8.76% EXPORT IMPORT BANK OF INDIA - TXB	10-Jan-18	50	1,000,000.00	50,000,000	4.84		
	9.81% POWER FINANCE CORPORATION LTD.-TXB BONDS	7-Oct-18	300	1,000,000.00	300,000,000	30.39		
	8.70% POWER GRID CORPORATION OF INDIA LIMITED	15-Jul-23	50	1,000,000.00	50,000,000	4.75		
	9.70% EXPORT IMPORT BANK OF INDIA	21-Nov-18	800	1,000,000.00	800,000,000	80.44	100	10.97
	11.25% POWER FINANCE CORPORATION LIMITED	28-Nov-18	100	1,000,000.00	100,000,000	10.80	100	10.13
	9.66% POWER FINANCE CORPORATION LIMITED	15-Apr-17	100	1,000,000.00	100,000,000	-	50	5.16
	9.70% POWER FINANCE CORPORATION LTD	15-Dec-18	50	1,000,000.00	50,000,000	-		
	8.33% UNION BANK 19 MAY 2016	19-May-16	100	1,000,000.00	100,000,000	10.00		

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
	9.25% RURAL ELECTRIFICATION CORPORATION LIMITED - SR 109 - 27 AUG 2017	27-Aug-17	100	1,000,000.00	100,000,000	10.16		
	9.43% INDIAN RAILWAY FINANCE CORPORATION LTD - TXB - 23 MAY 2018	23-May-18	150	1,000,000.00	150,000,000	15.09		
	9.50% EXPORT IMPORT BANK OF INDIA SR-Q-16 BOND 09OCT18	9-Oct-18	150	1,000,000.00	150,000,000	14.91		
	8.88% NATIONAL BANK FOR AGRICULTURAL RURAL DEVELOPMENT SR-XIII O 25 SEP 2015	25-Sep-15	100	1,000,000.00	100,000,000	9.99		
	8.84% POWER FINANCE CORPORATION LIMITED - 04 MAR 2023	4-Mar-23	100	1,000,000.00	100,000,000	10.04		
	9.14% INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED - 27 JAN 2016	27-Jan-16	100	1,000,000.00	100,000,000	10.07		
	9.33% EXPORT IMPORT BANK OF INDIA 24-OCT-2018	24-Oct-18	100	1,000,000.00	100,000,000	9.88		
	9.38% RURAL ELECTRIFICATION CORPORATION LIMITED 06-NOV-2018	6-Nov-18	100	1,000,000.00	100,000,000	10.00		
	8.95% NABARD TXB 01 JAN 2018	1-Jan-18	2,500	20,000.00	50,000,000	3.65		
	8.5 % EXPORT IMPORT BANK OF INDIA SR Q07 - TXB - 08-JUL-2023	8-Jul-23	100	1,000,000.00	100,000,000	9.53		
	9.61% RURAL ELECTRIFICATION CORPORATION LIMITED - 03 JAN 2019	3-Jan-19	150	1,000,000.00	150,000,000	15.05		
	7.87% EXPORT IMPORT BANK OF INDIA - 16 MAY 2016	16-May-16	250	1,000,000.00	250,000,000	24.72		
				Sub-Total (ii)		541.73		26.26
				TOTAL (III)		654.61		131.73
	UNQUOTED							
	TAXABLE BONDS							
	6 % NATIONAL HIGHWAYS AUTHORITY OF INDIA - TXB - 2017	31-Mar-17	1,000	10,000.00	10,000,000	1.00		-
				Sub-Total (iii)		1.00		-
				TOTAL (IV)		1.00		-

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
IV	QUOTED							
	DEBENTURES							
	9.15% HOUSING DEVELOPMENT FINANCE CORPORATION LTD - NCD - SR K028 - 03 APR 2016	3-Apr-16	50	1,000,000.00	50,000,000	4.93		
	9.85% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR J005 - 05 JUN 2015	5-Jun-15	50	1,000,000.00	50,000,000	5.04		
	9.60% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR J 021 - 07 AUG 2015	7-Aug-15	50	1,000,000.00	50,000,000	5.03		
	9.60% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR J 021 - 07 AUG 2015	7-Aug-15	50	1,000,000.00	50,000,000	5.03		
	9.70% HOUSING DEVELOPMENT FINANCE CORPORATION LTD - NCD 16 APR 2015	16-Apr-15	150	1,000,000.00	150,000,000	15.08		
	10.05% HDB FINANCIAL SERVICES LIMITED - NCD 10-FEB-2017	10-Feb-17	100	1,000,000.00	100,000,000	10.00		
	9.55% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	7-Sep-15	50	1,000,000.00	50,000,000	5.02	50	5.03
	9.60% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	18-Jul-15	200	1,000,000.00	200,000,000	20.07	200	20.12
	9.70% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	16-Apr-15	250	1,000,000.00	250,000,000	-	250	25.19
	HDFC LIMITED - SR J 026 - 9.58 - NCD - 29 AUG 2015	29-Aug-15	250	1,000,000.00	250,000,000	24.95	-	-
	9.78% TATA SONS LIMITED - NCD - 23 JUL 2015	23-Jul-15	250	1,000,000.00	250,000,000	25.18	-	-
	8.85% INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED - NCD - 27 JAN 2016	15-Jan-16	200	1,000,000.00	200,000,000	20.02	-	-
	10.05% HDB FINANCIAL SERVICES LIMITED - NCD 10-FEB-2017	10-Feb-17	150	1,000,000.00	150,000,000	15.00	-	-
	9.5553% HDB FINANCIAL SERVICES LIMITED - NCD - 25 SEP 2015	25-Sep-15	100	1,000,000.00	100,000,000	10.06	-	-
	9.90 % TATA SONS LIMITED 2016	24-Feb-16	150	1,000,000.00	150,000,000	15.07	-	-
	TOTAL (IV)					180.48		50.34

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
V	QUOTED							
	GOVERNMENT SECURITIES							
	8.33% GOVERNMENT SECURITY 2026	9-Jul-26	10,000	10,000.00	100,000,000	-	10,000	10.32
	8.20% GOVERNMENT SECURITY 2025	24-Sep-25	5,000	10,000.00	50,000,000	-	5,000	5.09
	11.50% GOVERNMENT OF INDIA SECURITY	21-May-15	300	100.00	30,000	-	300	-
	8.72% AP SDL 06 FEB 2023	6-Feb-23	25,000	10,000.00	250,000,000	25.95	-	-
	8.83% GOVERNMENT OF INDIA - 25 NOV 2023	25-Nov-23	10,000	10,000.00	100,000,000	10.03	-	-
	TOTAL (V)					35.98		15.41
VI	MUTUAL FUNDS							
	QUOTED							
	Sundaram Fixed Term Plan DF 396 Days Direct Growth	7-Apr-14	628,500	10.00	6,285,000	-	628,500	0.63
	Sundaram Fixed Term Plan DI 375 Days Direct Growth	4-Apr-14	1,000,000	10.00	10,000,000	-	1,000,000	1.00
	HDFC FMP 453D FEBRUARY 2014 (1)	4-May-15	2,000,000	10.00	20,000,000	2.00	-	-
	IDFC FIXED TERM PLAN SERIES - 75 - 406 DAYS	8-Apr-15	250,000	10.00	2,500,000	0.25	-	-
	Cannara Robecco Liquid- Fund Institutional Growth Plan		4,279	-	-	0.50	4,279	0.50
	HDFC CASH MANAGEMENT SAVINGS PLAN GROWTH		579,494	-	-	0.78	579,494	0.78
	DSP MERILLYNCH LIQUIDITY FUND GROWTH		302,847	-	-	0.50	302,847	0.50
	UTI LIQUID CASH PLAN REGULAR GROWTH		4,522	-	-	0.50	4,522	0.50
	TOTAL (VI)					4.53		3.91
	GRAND TOTAL					1,512.82		416.78

Notes :

	As at 31.3.2014 ₹ in Crores	As at 31.3.2013 ₹ in Crores
(a) Aggregate Book Value - Quoted Investments	875.59	202.39
(b) Aggregate Market Value of Quoted Investments	879.96	309.93
(c) Aggregate Book Value - Unquoted Investments	637.23	214.39

Investment in associates include goodwill of ₹ 358.24 crores (Previous Year : ₹ 73.03 crores)

^^Share Certificates are yet to be received by the company.

10 Deferred Tax Assets (net)

	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Deferred Tax Assets		
Related to disallowance u/s 43B	0.53	0.02
Related to depreciation and other expenditure	1.48	1.17
Related to other items	0.06	0.66
Total (A)	2.07	1.85
Less : Deferred Tax Liabilities		
Related to depreciation and other expenditure	-	-
Related to other items	-	-
Total (B)	-	-
Net Deferred Tax liabilities (A-B)	2.07	1.85

11 Loans and advances

	Long Term		Short Term	
	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Capital advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	5.08	2.90	-	-
(A)	5.08	2.90	-	-
Security deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good	6.71	7.29	-	0.14
(B)	6.71	7.29	-	0.14
Advances recoverable in cash or kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	29.44	21.46
(C)	-	-	29.44	21.46
Other loans and advances (unsecured, considered good)				
Income Tax paid including TDS (Net of Provisions)	72.74	62.40	9.39	9.19
Sales Tax Refund	0.08	0.08	-	-
Fringe Benefit Tax (Net of Provisions)	2.21	2.21	0.00	0.14

	Long Term		Short Term	
	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Wealth Tax (Net of Provisions)	0.02	0.02		
Prepaid Expenses	3.81	1.22	11.44	11.07
Securities Transaction Tax paid *	10.59	10.59	-	-
Share Application Money - Goods and Service Tax Network	0.51	1.00	-	-
Others	-	0.12	0.25	0.64
(D)	89.96	77.64	21.09	21.04
Total (A+B+C+D)	101.76	87.83	50.53	42.64

* Pertains to amounts recovered by tax authorities towards STT, Interest and penalty thereon collectible from few members and ad-hoc STT, interest and penalty thereon which is disputed by the Company. Out of this an amount of ₹5.39 crores is recovered by the Company from the respective members and held as deposit shown under the head other long term liabilities.

12 Other assets

	Non-current		Current	
	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note no.16)	889.92	1,068.97	-	-
Unbilled Revenue	-	-	1.89	-
Other receivable (Unsecured, considered good)	-	-	0.99	5.75
	889.92	1,068.97	2.87	5.75
Others				
Interest accrued on Investments	15.53	1.45	55.04	50.86
Interest accrued on certificate of deposits	-	-	4.16	1.53
Interest accrued on Bank deposits	68.94	25.71	277.11	279.18
Receivable from related party	-	-	1.15	1.42
Other receivables (Unsecured, considered good) (Refer note 39)	-	-	96.88	29.18
	-	-	-	-
	84.48	27.16	434.34	362.17
Total	974.39	1,096.13	437.22	367.92
Other assets to related parties pertains to :				
Power Exchange India Ltd.			1.15	1.42

13 CURRENT INVESTMENTS

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
I	CURRENT PORTION OF LONG TERM INVESTMENTS (valued at lower of cost or fair value, unless stated otherwise)							
A)	BONDS							
	QUOTED TAXABLE BONDS							
	6.35% EXPORT-IMPORT BANK OF INDIA	16-Jul-13	1	10,000,000	10,000,000	-	1	0.99
	9.45% RURAL ELECTRIFICATION CORPORATION LTD	4-Apr-13	184	1,000,000	184,000,000	-	184	18.40
	9.48% INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED	14-Oct-13	250	1,000,000	250,000,000	-	250	25.00
	5.75 % NUCLEAR POWER CORPORATION OF INDIA LIMITED	14-Aug-13	400	100,000	40,000,000	-	400	3.95
	8.85% POWER FINANCE CORPORATION LIMITED - SR 93A	15-Oct-14	50	1,000,000	50,000,000	4.94	-	-
	9.63% POWER FINANCE CORPORATION LIMITED	15-Dec-14	100	1,000,000	100,000,000	9.99	-	-
	Sub-Total (i)					14.93		48.34
	QUOTED TAX FREE BONDS							
	5.25% NUCLEAR POWER CORPORATION OF INDIA LIMITED 2014	23-Mar-14	100	1,000,000	100,000,000	-	200	19.80
	6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES I - 22 JAN 2014	22-Jan-14	13,546	100,000	1,354,600,000	-	13,546	135.73
	6.85% INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED - SERIES II - 20 MAR 2014	20-Mar-14	6,050	100,000	605,000,000	-	6,050	61.36
	9%-Indian Railway Finance Corporation-2015	28-Feb-15	200	1,000,000	200,000,000	20.24	-	-
	6.00% INDIAN RAILWAY FINANCE CORPORATION LIMITED	8-Mar-15	1,000	100,000	100,000,000	9.99	-	-
	Sub-Total (ii)					30.23		216.89

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
B) MUTUAL FUNDS								
QUOTED								
FIXED MATURITY PLANS								
	RELIANCE FIXED HORIZON FUND - XXI - SERIES 18-GROWTH PLAN	3-Apr-13	440,000	10	4,400,000	-	440,000	0.44
	RELIANCE FIXED HORIZON FUND - XXI - SERIES 18-GROWTH PLAN	3-Apr-13	150,000	10	1,500,000	-	150,000	0.15
	JPMORGAN INDIA FIXED MATURITY PLAN 400D SERIES 6 - GROWTH PLAN	4-Apr-13	432,700	10	4,327,000	-	432,700	0.43
	BARODA PIONEER FIXED MATURITY PLAN - 366 DAYS - SERIES A - GROWTH	6-Mar-14	1,000,000	10	10,000,000	-	1,000,000	1.00
				Sub-Total (iii)				2.02
UNQUOTED MUTUAL FUNDS								
	AXIS TREASURY ADVANTAGE FUND - INSTITUTIONAL DAILY DIVIDEND		-	-	-	-	11,566	1.16
	CANARA ROBECO TREASURY ADVANTAGE FUND - RET - DAILY DIVIDEND		-	-	-	-	4,824	0.60
	DWS CASH OPPORTUNITIES FUND - REG - WEEKLY DIVIDEND		-	-	-	-	526,567	0.53
	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - DAILY DIVIDEND		-	-	-	-	72,611	0.77
	JM MONEY MANAGER FUND - SUPER PLUS PLAN - DAILY DIVIDEND		-	-	-	-	801,069	0.80
	RELIANCE LIQUID FUND -TREASURY PLAN - INSTITUTIONAL OPTION - DAILY DIVIDEND		-	-	-	-	10,642	1.63
	TEMPLETON INDIA ULTRA SHORT BOND FUND - IP - DIVIDEND		-	-	-	-	975,068	0.98
	TEMPLETON INDIA ULTRA SHORT BOND FUND - IP - WEEKLY DIVIDEND		-	-	-	-	1,160,273	1.18
	UTI TREASURY ADVANTAGE FUND - IP - DLY DIVIDEND		-	-	-	-	739	0.07
	CANARA ROBECO TREASURY ADVANTAGE FUND - REGULAR - DAILY DIVIDEND		-	-	-	-	113	0.01

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
	JM HIGH LIQUIDITY - REGULAR - DAILY DIVIDEND	-	-	-	-	-	413,524	0.43
	TEMPLETON INDIA ULTRA SHORT BOND FUND	-	-	-	-	-	25,770	0.03
	SUPER INST PLAN - DAILY DIVIDEND REINVEST	-	-	-	-	-	31,075	0.03
	TEMPLETON INDIA ULTRA SHORT BOND FUND	-	-	-	-	-	24,802	3.19
	SUPER INSTITUTIONAL PLAN - WEEKLY DIVIDEND	-	-	-	-	-	15,850	1.96
	AXIS TREASURY ADVANTAGE FUND - GROWTH - DIRECT PLAN	-	-	-	-	-	246,205	5.11
	AXIS TREASURY ADVANTAGE FUND - IP - GROWTH	-	-	-	-	-	4,533,215	6.66
	ICICI PRUDENTIAL FLEXIBLE INCOME - REGULAR PLAN - GROWTH	-	-	-	-	-	22,459	3.49
	JP MORGAN INDIA TREASURY FUND - SUPER IP - GROWTH	-	-	-	-	-	19,222	2.85
	RELIANCE MONEY MANAGER FUND - GROWTH	-	-	-	-	-	5,652	0.82
	SBI ULTRA SHORT TERM DEBT FUND - DIRECT PLAN - GROWTH	-	-	-	-	-	16,401	2.41
	SBI SHDF - ULTRA SHORT TERM - IP - GROWTH	-	-	-	-	-	2,403,329	3.81
	SBI SHDF - ULTRA SHORT TERM - REGULAR - GROWTH	-	-	-	-	-	22,699	3.50
	SUNDARAM ULTRA SHORT TERM - DIRECT PLAN - GROWTH	-	-	-	-	-	11,489	1.80
	UTI TREASURY ADVANTAGE FUND - GROWTH	-	-	-	-	-	2,887	0.29
	UTI TREASURY ADVANTAGE FUND GROWTH - DIRECT PLAN	-	-	-	-	-	289,363	0.30
	AXIS LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN	-	-	-	-	-	888,734	0.93
	JM HIGH LIQUIDITY - DAILY DIVIDEND - DIRECT PLAN	-	-	-	-	-	3,422	0.35
	JM HIGH LIQUIDITY - REGULAR PLAN - DAILY DIVIDEND	-	-	-	-	-	3,450	0.53
	KOTAK FLOATER - SHORT TERM - DAILY DIVIDEND	-	-	-	-	-	529	0.05
	RELIANCE LIQUID FUND - TREASURY PLAN - DAILY DIVIDEND OPTION - REINVEST	-	-	-	-	-		
	RELIGARE LIQUID FUND - INSTITUTIONAL DAILY DIVIDEND	-	-	-	-	-		

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
	RELIGARE LIQUID FUND - SUPER INSTITUTIONAL DAILY DIVIDEND	-	-	-	-	-	63	0.01
	TATA LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND	-	-	-	-	-	3,846	0.43
	TEMPLETON INDIA TR MGT ACCOUNT- SUPER INST PLAN-DAILY DIV	-	-	-	-	-	4	0.00
	TEMPLETON INDIA TREASURY MANAGEMENT ACCOUNT- INSTITUTIONAL PLAN-DAILY DIVIDEND	-	-	-	-	-	149	0.01
	AXIS TREASURY ADVANTAGE FUND - GROWTH - DIRECT PLAN	-	-	-	-	-	6,740	0.86
	AXIS TREASURY ADVANTAGE FUND - IP - GROWTH	-	-	-	-	-	34,046	4.24
	BARODA PIONEER TREASURY ADVANTAGE FUND - DIRECT PLAN - GROWTH	-	-	-	-	-	7,640	1.00
	BARODA PIONEER TREASURY ADVANTAGE FUND - INSTITUTIONAL GROWTH PLAN	-	-	-	-	-	15,796	1.99
	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - GROWTH	-	-	-	-	-	96,881	2.06
	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN PREMIUM - GROWTH	-	-	-	-	-	143,509	2.97
	JP MORGAN INDIA TREASURY FUND - SUPER IP - GROWTH	-	-	-	-	-	1,561,432	2.27
	JPMORGAN INDIA TREASURY FUND - GROWTH	-	-	-	-	-	1,999,024	2.98
	SBI SHDF - ULTRA SHORT TERM - GROWTH	-	-	-	-	-	8,520	1.25
	SBI SHDF - ULTRA SHORT TERM - GROWTH - DIRECT PLAN	-	-	-	-	-	12,474	1.85
	SBI SHDF - ULTRA SHORT TERM - IP - GROWTH	-	-	-	-	-	15,444	2.24
	SUNDARAM ULTRA SHORT TERM - DIRECT PLAN - GROWTH	-	-	-	-	-	384,246	0.61
	UTI TREASURY ADVANTAGE FUND - GROWTH	-	-	-	-	-	28,026	4.32
	UTI TREASURY ADVANTAGE FUND GROWTH - DIRECT PLAN	-	-	-	-	-	6,421	1.00
	KOTAK FLOATER - SHORT TERM - DAILY DIVIDEND	-	-	-	-	-	124	0.01
	RELIGARE LIQUID FUND - DAILY DIVIDEND	-	-	-	-	-	56	0.01

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
	RELIGARE LIQUID FUND - IP - DAILY DIVIDEND		-	-	-	-	740	0.07
	SUNDARAM MONEY FUND - IP - DAILY DIVIDEND		-	-	-	-	10,885	0.01
	SUNDARAM MONEY FUND - REGULAR - DAILY DIVIDEND REINVESTMENT		-	-	-	-	4,136	0.00
	JP MORGAN INDIA TREASURY FUND - SUPER IP - DAILY DIVIDEND		-	-	-	-	50,733	0.05
	UTI TREASURY ADVANTAGE FUND - IP - DLY DIVIDEND		-	-	-	-	1,006	0.10
	AXIS TREASURY ADVANTAGE FUND - GROWTH - DIRECT PLAN		-	-	-	-	2,340	0.30
	JP MORGAN INDIA TREASURY FUND - SUPER IP - GROWTH		-	-	-	-	467,158	0.68
	SBI SHDF - ULTRA SHORT TERM - GROWTH - DIRECT PLAN		-	-	-	-	2,594	0.38
	SBI SHDF - ULTRA SHORT TERM - REGULAR PLAN - GROWTH		-	-	-	-	2,646	0.39
	SUNDARAM ULTRA SHORT TERM - DIRECT PLAN - GROWTH		-	-	-	-	378,277	0.60
	UTI TREASURY ADVANTAGE FUND - GROWTH		-	-	-	-	14,794	2.28
				Sub-Total (iv)				81.23
C) DEBENTURES								
QUOTED								
	10.15% SUNDARAM FINANCE LIMITED NCD 11-JUN-2014	11-Jun-14	50	1,000,000	50,000,000	5.00	-	-
	10.30% TATA CAPITAL FINANCIAL SERVICES LTD - NCD - 23 OCT 2014 - IP 08 NOV	23-Oct-14	30	1,000,000	30,000,000	3.00	-	-
	10.30% TATA CAPITAL FINANCIAL SERVICES LTD - NCD - 23 OCT 2014 IP 02 NOV	23-Oct-14	70	1,000,000	70,000,000	7.00	-	-
	10.20% MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED - NCD - 23 OCT 2014	23-Oct-14	100	1,000,000	100,000,000	10.00	-	-
	9.90% BAJAJ FINANCE LTD - NCD - 24 SEP 2014	24-Sep-14	15	10,000,000	150,000,000	14.97	-	-

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
	0% SUNDARAM FINANCE LIMITED - NCD - 10 NOV 2014	10-Nov-14	200	1,000,000	200,000,000	18.86	-	-
	10.4% SUNDARAM FINANCE LIMITED - NCD - 20-JUN-2014	20-Jun-14	50	1,000,000	50,000,000	5.00	-	-
	10% TATA MOTORS FINANCE LTD - NCD - 25 NOV 2014	25-Nov-14	250	1,000,000	250,000,000	24.98	-	-
	9.90% BAJAJ FINANCE LTD - NCD - 24 SEP 2014	24-Sep-14	20	10,000,000	200,000,000	19.96	-	-
	0% MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED - NCD - 04 NOV 2014	4-Nov-14	250	1,000,000	250,000,000	23.61	-	-
	0% TATA CAPITAL FINANCIAL SERVICES LIMITED - NCD - 04 NOV 2014	4-Nov-14	150	1,000,000	150,000,000	19.04	-	-
	9.80% HDFC 2014 - TXB BONDS - 09-OCT-2014	9-Oct-14	150	1,000,000	150,000,000	14.97	-	-
	10.10% MAHINDRA MAHINDRA FINANCIAL SERVICES LTD - NCD - 09-SEP-2014	9-Sep-14	150	1,000,000	150,000,000	14.97	-	-
	10.15% TATA CAPITAL FINANCIAL SERVICES LIMITED NCD - 20-JUN-2014	20-Jun-14	400	1,000,000	400,000,000	39.98	-	-
	10.20% MAHINDRA MAHINDRA FINANCIAL SERVICES LTD - NCD - 08 JUL 2014	8-Jul-14	75	1,000,000	75,000,000	7.49	-	-
	10.05% BAJAJ FINANCE LTD 2015 11-AUG-2014	11-Aug-14	15	10,000,000	150,000,000	14.98	-	-
	10.20% MAHINDRA MAHINDRA FINANCIAL SERVICES LTD - NCD - 08 JUL 2014	8-Jul-14	150	1,000,000	150,000,000	14.99	-	-
	10.25% TATA CAPITAL FINANCIAL SERVICES LIMITED - NCD - 14-MAY-2014	14-May-14	50	1,000,000	50,000,000	5.00	-	-
	10.05 % BAJAJ FINANCE LIMITED 11-AUG-2014	11-Aug-14	15	10,000,000	150,000,000	14.98	-	-
	9.85% BAJAJ FINANCE LIMITED 9.85 NCD 04OCT14	4-Oct-14	10	10,000,000	100,000,000	9.99	-	-
	9.70% HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED - SR I	23-Feb-15	50	1,000,000	50,000,000	5.01	-	-
	Sub-Total (v)					293.79		
	TOTAL (I)					338.95		348.48

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
II	CURRENT INVESTMENTS (valued at lower of cost or fair value, unless stated otherwise)							
A)	DEBENTURES QUOTED							
	11.4% POWER FINANCE CORPORATION LTD	28-Nov-13	150	1,000,000	150,000,000	-	150	15.20
	10.20% MAHINDRA MAHINDRA FINANCIAL SERVICES LTD - NCD	8-Jul-14	75	1,000,000	75,000,000	7.49	-	-
	10.4% SUNDARAM FINANCE LIMITED - NCD	20-Jun-14	50	1,000,000	50,000,000	5.00	-	-
	10.10% MAHINDRA MAHINDRA FINANCIAL SERVICES LTD - NCD	9-Sep-14	100	1,000,000	100,000,000	9.98	-	-
	9.90% BAJAJ FINANCE LTD - NCD	24-Sep-14	10	10,000,000	100,000,000	9.98	-	-
	9.75% ADITYA BIRLA FINANCE LIMITED - NCD	13-Oct-14	150	1,000,000	150,000,000	14.97	-	-
	9.5% HOUSING DEVELOPMENT FINANCE CORPORATION LTD	12-Sep-13	-	-	50,000,000	-	50	4.99
	0% MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED TAXABLE ZCB MAT 16 MAY 2013	16-May-13	100	1,000,000	100,000,000	-	100	9.88
	0.00% TATA CAPITAL FINANCIAL SERVICES LIMITED - 13S CC - NCD - 30 AUG 2013	30-Aug-13	150	1,000,000	150,000,000	-	150	14.44
	10.15% L&T FINANCE LIMITED NCD MATURITY 23 MAY 2013	23-May-13	150	1,000,000	150,000,000	-	150	15.00
	10.47% - MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED - NCD - 17 JUN 2013	17-Jun-13	250	1,000,000	250,000,000	-	250	25.03
	7.55% NATIONAL HOUSING BANK NCD MATURITY 12 JUL 2013	12-Jul-13	50	1,000,000	50,000,000	-	50	4.97
	7.70% HINDUSTAN PETROLEUM CORP. LIMITED NCD MATURITY 12 APRIL 2013	12-Apr-13	150	1,000,000	150,000,000	-	150	14.97
	8.10% - SUNDARAM FINANCE LIMITED - NCD - 25 JUN 2013	25-Jun-13	50	1,000,000	50,000,000	-	50	4.98
	9.55% INFRASTRUCTURE DEVELOPMENT FINANCE CO LTD - NCD - 12 APR 2013	12-Apr-13	50	1,000,000	50,000,000	-	50	5.00
	9.75% - SUNDARAM FINANCE LIMITED - NCD - 06 SEP 2013	6-Sep-13	250	1,000,000	250,000,000	-	250	24.96
	9.9075% INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED - NCD - 14 JUN 2013	14-Jun-13	250	1,000,000	250,000,000	-	250	25.00

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
	9.84% TATA SONS LTD - NCD - 08 DEC 2014	8-Dec-14	100	1,000,000	100,000,000	10.01	-	-
	9.65% HOUSING DEVELOPMENT FINANCE CORP LTD - NCD - 16 AUG 2014	16-Aug-14	100	1,000,000	50,000,000	9.98	-	-
	10.30% TATA SONS LTD - NCD - 23 APR 2014	23-Apr-14	250	1,000,000	250,000,000	25.00	-	-
	Sub-Total (vi)					92.41		164.43
	TAXABLE BONDS							
	QUOTED							
	7.22% RURAL ELECTRIFICATION CORPORATION LIMITED	31-Dec-14	6	1,000,000	6,000,000	0.59	-	-
	6.85% INDIAN RAILWAY FINANCE CORPORATION LTD	16-Sep-14	7	1,000,000	7,000,000	0.69	-	-
	Sub-Total (vii)					1.28		
B)	MUTUAL FUNDS							
	QUOTED							
	FIXED MATURITY PLANS							
	SUNDARAM FIXED TERM PLAN CQ 370 DAYS GROWTH	4-Apr-13	4,000,000	10	40,000,000	-	4,000,000	4.00
	ICICI PRUDENTIAL FIXED MATURITY PLAN SERIES 69 - 433 DAYS PLAN E DIRECT	20-Oct-14	640,000	10	6,400,000	0.64	-	-
	IDBI FMP SERIES IV 368 DAYS FEB 2014 C	16-Feb-15	900,000	10	9,000,000	0.90	-	-
	INDIABULLS FMP SERIES III - 370 DAYS JULY 2013 - DIRECT - GROWTH	6-Aug-14	350,000	10	3,500,000	0.35	-	-
	LIC NOMURA MF FIXED MATURITY PLAN SERIES 75 370 DAYS	17-Feb-15	1,000,000	10	10,000,000	1.00	-	-
	RELIANCE FIXED HORIZON FUND - XXIV - SERIES 4 - DIRECT GROWTH PLAN	12-Aug-14	650,000	10	6,500,000	0.65	-	-
	RELIGARE INVESCO FIXED MATURITY PLAN - SERIES 23 - PLAN B 367 DAYS	30-Mar-15	1,000,000	10	10,000,000	1.00	-	-
	SUNDARAM FIXED TERM PLAN - DQ - DIRECT PLAN - GROWTH	18-Aug-14	1,000,000	10	10,000,000	1.00	-	-
	SUNDARAM FIXED TERM PLAN DF 396 DAYS DIRECT GROWTH	7-Apr-14	628,500	10	6,285,000	0.63	-	-
	BARODA PIONEER 368 DAYS FMP SERIES L	2-Mar-15	1,000,000	10	10,000,000	1.00	-	-

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
	DSP BLACKROCK FMP - SERIES 108 - 12M	19-Aug-14	1,000,000	10	10,000,000	1.00	-	-
	DSP BLACKROCK FMP - SERIES 148 - 12M	3-Mar-15	1,000,000	10	10,000,000	1.00	-	-
	HSBC FIXED TERM SERIES 94	25-Aug-14	450,000	10	4,500,000	0.45	-	-
	HSBC FIXED TERM SERIES 96	4-Sep-14	900,000	10	9,000,000	0.90	-	-
	KOTAK FMP SERIES 110 - 370 DAYS	19-Aug-14	1,000,000	10	10,000,000	1.00	-	-
	KOTAK FMP SERIES 116 - 370 DAYS	9-Sep-14	1,000,000	10	10,000,000	1.00	-	-
	SUNDARAM FIXED TERM PLAN - DI - 375 DAYS - GROWTH	4-Apr-14	1,000,000	10	10,000,000	1.00	-	-
	TATA FIXED MATURITY PLAN SERIES 43 SCHEME C 370 DAYS	25-Aug-14	1,000,000	10	10,000,000	1.00	-	-
						14.52		4.00
	UNQUOTED							
	LIQUID DIVIDEND PLANS							
	SUNDARAM MONEY FUND - DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		19,812,703	-	-	-	19,812,703	20.02
	AXIS LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN		100,070	-	-	-	100,070	10.01
	AXIS LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND - REINVEST		66,934	-	-	-	66,934	6.69
	AXIS TREASURY ADVANTAGE FUND - INSTITUTIONAL DAILY DIVIDEND		12,365	-	-	1.24	-	-
	BARODA PIONEER LIQUID FUND - PLAN B - DAILY DIVIDEND - REINV (DIRECT PLAN)		431	-	-	-	431	0.04
	BARODA PIONEER TREASURY ADVANTAGE FUND PLAN B DAILY DIVIDEND REINV (DIRECT PLAN)		103,554	-	-	-	103,554	10.37
	CANARA ROBECO LIQUID FUND - DIRECT DAILY DIVIDEND REINVESTMENT		3,943	-	-	-	3,943	0.40
	CANARA ROBECO TREASURY ADVANTAGE FUND - REGULAR - DAILY DIVIDEND		410	-	-	0.05	-	-
	CANARA ROBECO TREASURY ADVANTAGE FUND - RET - DAILY DIVIDEND		4,421	-	-	0.55	-	-
	DWS INSTA CASH PLUS FUND - DIRECT - DAILY DIVIDEND		5,041	-	-	-	5,041	0.05
						14.52		4.00

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
	HDFC CASH MANAGEMENT FUND - SAVINGS PLAN - DIRECT PLAN - DAILY DIVIDEND REINVEST		52,126	-	-	-	52,126	0.06
	HDFC LIQUID FUND - DIRECT - DAILY DIVIDEND		79,986	-	-	-	79,986	0.08
	ICICI PRUDENTIAL FLEXIBLE INCOME - DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		1,778	-	-	-	1,778	0.02
	ICICI Prudential Flexible Income Plan - Daily Dividend		77,928	-	-	0.82	151,940	1.61
	ICICI PRUDENTIAL LIQUID FUND - DIRECT - DAILY DIVIDEND		11,698	-	-	-	11,698	0.12
	ICICI PRUDENTIAL ULTRA SHORT TERM - DIRECT PLAN - WEEKLY DIVIDEND		10,687,942	-	-	-	10,687,942	10.73
	IDBI LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN		252,468	-	-	-	252,468	25.25
	IDFC CASH FUND - DIRECT - DAILY DIVIDEND		731	-	-	-	731	0.07
	IDFC MONEY MANAGER FUND - TREASURY PLAN - DIRECT PLAN - DAILY DIVIDEND		52,394	-	-	-	52,394	0.05
	IDFC MONEY MANAGER - TREASURY PLAN - PLAN B - DLY DIVIDEND		243,437	-	-	-	243,437	0.25
	IDFC MONEY MANAGER FUND - TREASURY PLAN A - DAILY DIVIDEND - REINVEST		5,809	-	-	-	5,809	0.01
	JM HIGH LIQUIDITY - REGULAR - DAILY DIVIDEND		442,306	-	-	0.46	-	-
	JM HIGH LIQUIDITY FUND (DIRECT) - DAILY DIVIDEND - REINVESTMENT		2,791,691	-	-	-	2,791,691	2.91
	JM MONEY MANAGER FUND - SUPER PLUS PLAN - DAILY DIVIDEND		-	-	-	-	-	-
	JPMORGAN INDIA LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND REINVEST		5,948,251	-	-	-	5,948,251	5.95
	JPMORGAN INDIA TREASURY FUND - SUPER IP - DAILY DIVIDEND		1,308	-	-	-	-	-
	KOTAK FLOATER - SHORT TERM - DAILY DIVIDEND - DIRECT PLAN		246,970	-	-	-	246,970	24.99
	KOTAK LIQUID SCHEME - PLAN A - DIRECT - DAILY DIVIDEND		16,810	-	-	2.06	235	0.03
	L&T CASH FUND (SUPER INSTITUTIONAL) - DIRECT PLAN - DAILY DIVIDEND		232	-	-	-	232	0.02

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
	PRINCIPAL CASH MANAGEMENT - DIRECT PLAN - DAILY DIVIDEND		73	-	-	-	73	0.01
	RELIANCE LIQUID FUND - TREASURY PLAN - DIRECT DAILY DIVIDEND - REINVESTMENT		1,241	-	-	-	1,241	0.19
	RELIANCE LIQUIDITY FUND - DIRECT DAILY DIVIDEND REINVESTMENT		896	-	-	-	896	0.09
	RELIANCE MEDIUM TERM - DAILY DIRECT DIVIDEND PLAN - REINVESTMENT		101,182	-	-	-	101,182	0.17
	SBI PREMIER LIQUID FUND - DIRECT - DAILY DIVIDEND		445	-	-	-	445	0.04
	SUNDARAM MONEY FUND - DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		237,907	-	-	-	237,907	0.24
	TATA FLOATER FUND DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		144	-	-	-	144	0.01
	TATA LIQUID FUND DIRECT PLAN - DAILY DIVIDEND - REINVESTMENT		366	-	-	-	366	0.04
	TEMPLETON INDIA - TMA - DAILY DIVIDEND - DIRECT PLAN		2,174	-	-	-	2,174	0.22
	TEMPLETON INDIA ULTRA SHORT BOND FUND - IP - DIVIDEND		975,068	-	-	0.98	-	-
	TEMPLETON INDIA ULTRA SHORT BOND FUND - IP - WEEKLY DIVIDEND		1,160,273	-	-	1.18	-	-
	TEMPLETON INDIA ULTRA SHORT BOND FUND - SUPER IP - DIRECT - DAILY DIVIDEND		737,183	-	-	-	737,183	0.74
	TEMPLETON INDIA ULTRA SHORT BOND FUND SUPER INST PLAN - DAILY DIVIDEND REINVEST		99,453	-	-	0.10	-	-
	TEMPLETON INDIA ULTRA SHORT BOND FUND SUPER INSTITUTIONAL PLAN - WEEKLY DIVIDEND		116,699	-	-	0.12	-	-
	UTI Treasury Advantage Fund - IP - Dily Dividend		790	-	-	0.08	-	-
	Sub-Total (ix)					7.63		121.48

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
LIQUID GROWTH PLANS								
	AXIS LIQUID FUND -DIRECT - GROWTH		1,576		2,186,583	0.22		-
	AXIS TREASURY ADVANTAGE FUND - GROWTH - DIRECT PLAN		39,100		50,495,000	5.05		-
	AXIS TREASURY ADVANTAGE FUND - IP - GROWTH		123,617		161,990,000	16.20		-
	BARODA PIONEER LIQUID FUND - PLAN B - DIRECT - GROWTH		913		1,321,447	0.13		-
	BARODA PIONEER TREASURY ADVANTAGE FUND - DIRECT PLAN - GROWTH		20,598		27,926,282	2.79		-
	BARODA PIONEER TREASURY ADVANTAGE FUND - IP - GROWTH		15,796		19,900,000	1.99		-
	BARODA PIONEER TREASURY ADVANTAGE FUND PLAN B - GROWTH		73,129		102,556,593	10.26		-
	BIRLA SUN LIFE CASH PLUS - DAILY DIVIDEND - REINVESTMENT		101		-	-		-
	BIRLA SUN LIFE CASH PLUS - DIRECT - GROWTH		1,322,928		271,241,340	27.12		-
	BIRLA SUN LIFE ULTRA SHORT TERM FUND - DIRECT PLAN - GROWTH		22,656		3,358,880	0.34		-
	DSP BLACKROCK LIQUIDITY FUND - DIRECT - GROWTH		1,214		2,164,633	0.22		-
	DWS MONEY PLUS FUND - DIRECT - GROWTH		2,158,630		28,200,000	2.82		-
	DWS TREASURY FUND - INVESTMENT - DIR - GROWTH		1,377,681		19,500,000	1.95		-
	DWS TREASURY FUND - INVESTMENT - DIRECT - GROWTH		448,190		6,300,000	0.63		-
	ICICI PRUDENTIAL FLEXIBLE INCOME - REGULAR PLAN - GROWTH		40,499		8,615,000	0.86		-
	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - GROWTH		96,881		20,575,000	2.06		-
	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - GROWTH - DIRECT		90,439		20,000,000	3.67		-
	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - PREMIUM - GROWTH		143,509		29,700,000	2.97		-
	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - PREMIUM - GROWTH		205,707		42,460,000	4.25		-
	ICICI PRUDENTIAL LIQUID - DIRECT PLAN - GROWTH		9,537		1,739,062	0.17		-

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
	ICICI PRUDENTIAL MONEY MARKET FUND - DIRECT - GROWTH		57,643		10,000,000	1.00		-
	ICICI PRUDENTIAL ULTRA SHORT TERM PLAN - DIRECT - GROWTH		1,576,409		19,900,000	1.99		-
	IDFC CASH FUND - DIRECT - GROWTH		64,213		-	10.00		-
	IDFC MONEY MANAGER - TREASURY PLAN - DIRECT - GROWTH		3,995,118		77,009,395	7.96		-
	INDIABULLS LIQUID FUND - DIRECT - GROWTH		1,045		1,254,812	0.13		-
	JM HIGH LIQUIDITY FUND - DIRECT GROWTH		800,505		27,008,248	2.70		-
	JP MORGAN INDIA LIQUID FUND - DIRECT - GROWTH		258,039		4,230,960	0.42		-
	JP MORGAN INDIA TREASURY FUND - GROWTH		663,730		9,900,000	0.99		-
	JP MORGAN INDIA TREASURY FUND - SUPER IP - GROWTH		11,726,481		179,421,000	17.94		-
	JPMORGAN INDIA LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN		80,605		806,692	0.08		-
	JPMORGAN INDIA LIQUID FUND - DIRECT - GROWTH		8,127,093		132,906,720	13.29		-
	JPMORGAN INDIA TREASURY FUND - DIRECT - GROWTH		2,248,225		36,500,000	3.65		-
	JPMORGAN INDIA TREASURY FUND - GROWTH		1,999,024		29,800,000	2.98		-
	KOTAK FLEXI DEBT FUND - IP - DIRECT PLAN - GROWTH		6,664,845		100,000,000	10.00		-
	KOTAK FLEXI DEBT SCHEME - PLAN A - DIRECT - GROWTH		1,868,406		28,856,759	2.89		-
	L&T CASH FUND - DIRECT PLAN - GROWTH		20		33,806	-		-
	L&T LIQUID FUND - DIRECT - GROWTH		319		559,509	0.06		-
	LIC NOMURA MF LIQUID FUND - DIRECT - GROWTH		492		1,137,126	0.11		-
	PRINCIPAL CASH MANAGEMENT - DIRECT PLAN - GROWTH		378,383		368,719,917	46.87		-
	RELIANCE LIQUID FUND - CASH PLAN - DIRECT - GROWTH		319,462		387,522,941	65.75		-
	RELIANCE LIQUID FUND - TP - DIRECT - GROWTH		45		112,396	0.01		-
	RELIANCE MEDIUM TERM FUND - DIRECT - GROWTH		99,014		2,500,000	0.25		-

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
	RELIANCE MONEY MANAGER FUND - GROWTH		22,459		34,928,000	3.49		-
	RELIGARE INVESCO CREDIT OPPORTUNITIES FUND - DIRECT - GROWTH		1,159		2,000,000	0.20		-
	RELIGARE INVESCO LIQUID FUND - DIRECT - GROWTH		377		664,038	0.07		-
	SBI MAGNUM INSTA CASH FUND - DIRECT - GROWTH		13		35,620	-		-
	SBI SHDF - ULTRA SHORT TERM - GROWTH		18,154		26,667,100	2.67		-
	SBI SHDF - ULTRA SHORT TERM - GROWTH - DIRECT PLAN		40,478		62,000,000	6.20		-
	SBI SHDF - ULTRA SHORT TERM - IP - GROWTH		27,863		40,473,000	4.05		-
	SBI SHDF - ULTRA SHORT TERM - REGULAR - GROWTH		-		-	-		-
	SBI ULTRA SHORT TERM DEBT FUND - DIRECT PLAN - GROWTH		19,222		28,510,000	2.85		-
	SUNDARAM MONEY FUND - DIRECT PLAN - GROWTH		23,160		603,489	0.06		-
	SUNDARAM ULTRA SHORT TERM - DIRECT PLAN - GROWTH		14,131,857		231,214,670	23.12		-
	TATA LIQUID FUND DIRECL PLAN - GROWTH		17,950		40,954,181	4.10		-
	TATA MONEY MARKET FUND - DIRECT - GROWTH		49,741		100,344,477	10.03		-
	TEMPLETON INDIA TMA - DIRECT - GROWTH		1,231,946		1,623,662,113	234.45		-
	TEMPLETON INDIA ULTRA SHORT BOND FUND - DIRECT PLAN - GROWTH		4,250,930		69,500,000	6.95		-
	UTI MONEY MARKET FUND - INSTITUTIONAL PLAN - DIRECT - GROWTH		73		101,075	0.01		-
	UTI TREASURY ADVANTAGE FUND - GROWTH		35,898		55,294,923	5.53		-
	UTI TREASURY ADVANTAGE FUND GROWTH - DIRECT PLAN		22,877		35,938,840	3.59		-
				Sub-Total (x)		580.14		
C) DEPOSITS								
	HDFC LTD	8-Nov-13	1	163,942,346	163,942,346	-	1	16.39
				Sub-Total (xi)				16.39

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
D) COMMERCIAL PAPER								
	ADITYA BIRLA FINANCE LIMITED	7-Jun-13		500,000	50,000,000	-	100	4.54
	HCL INFOSYSTEMS LIMITED	27-Jun-13		500,000	50,000,000	-	100	4.65
	TATA MOTORS FINANCE LIMITED	6-Aug-13		500,000	50,000,000	-	100	4.65
	IL&FS FINANCIAL SERVICES LIMITED	19-Jun-13		500,000	250,000,000	-	500	23.89
	ADITYA BIRLA FINANCE LIMITED	30-Jul-13		500,000	50,000,000	-	100	4.76
	ADITYA BIRLA FINANCE LIMITED	16-Jul-13		500,000	50,000,000	-	100	4.78
	BAJAJ FINANCE LIMITED	16-Jul-13		500,000	50,000,000	-	100	4.78
	ADITYA BIRLA FINANCE LIMITED	3-May-13		500,000	100,000,000	-	200	9.75
	L&T FINANCE COMPANY LIMITED	16-Sep-13		500,000	50,000,000	-	100	4.71
	POWER FINANCE CORPORATION LIMITED	15-Jul-13		500,000	250,000,000	-	500	24.03
	EXPORT-IMPORT BANK OF INDIA	5-Jul-13		500,000	100,000,000	-	200	9.66
	HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	10-May-13		500,000	150,000,000	-	300	14.71
	IL&FS FINANCIAL SERVICES LIMITED	29-Aug-13		500,000	150,000,000	-	300	14.32
	POWER FINANCE CORPORATION LIMITED	15-Apr-13		500,000	500,000,000	-	1,000	49.69
	TATA MOTORS FINANCE LIMITED	30-Apr-14	500	500,000	250,000,000	22.94		
	BAJAJ FINANCE LIMITED	1-Oct-14	100	500,000	50,000,000	4.70		
	BAJAJ FINANCE LIMITED	22-Jan-15	300	500,000	150,000,000	13.67		
	TATA MOTORS FINANCE LIMITED	26-Sep-14	100	500,000	50,000,000	4.70		
	TATA MOTORS FINANCE LIMITED	26-Sep-14	400	500,000	200,000,000	18.68		
	INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED	9-May-14	200	500,000	100,000,000	9.83		
	IL&FS FINANCIAL SERVICES LIMITED	16-May-13	300	500,000	150,000,000	-	300	13.58
	INFRASTRUCTURE LEASING AND FINANCIAL SERVICES LTD	27-May-13	300	500,000	150,000,000	-	300	13.58
	ADITYA BIRLA FINANCE LIMITED	7-Jun-13	200	500,000	100,000,000	-	200	9.08
	INDUSTRIAL FINANCE CORPORATION OF INDIA LTD.	28-Jun-13	300	500,000	150,000,000	-	300	13.62
	SUNDARAM FINANCE LIMITED	19-Jul-13	200	500,000	100,000,000	-	200	9.11
	INFRASTRUCTURE LEASING & FINANCIAL SERVICES LTD	22-Jul-13	300	500,000	150,000,000	-	300	13.67
	TATA CAPITAL FINANCIAL SERVICES LIMITED	23-Jul-13	300	500,000	150,000,000	-	300	13.67
	TATA MOTORS FINANCE LIMITED	31-Jul-13	300	500,000	150,000,000	-	300	13.67
	TATA MOTORS FINANCE LIMITED	6-Aug-13	300	500,000	150,000,000	-	300	13.67
	TATA MOTORS FINANCE LIMITED	30-Aug-13	300	500,000	150,000,000	-	300	13.67
	SUNDARAM FINANCE LIMITED	4-Sep-13	300	500,000	150,000,000	-	300	13.67
	SUNDARAM FINANCE LIMITED	10-Jul-13	300	500,000	150,000,000	-	300	13.87

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
	SUNDARAM FINANCE LIMITED	20-Sep-13	300	500,000	150,000,000	-	300	13.68
	ADITYA BIRLA FINANCE LIMITED	19-Sep-13	500	500,000	250,000,000	-	500	22.84
	POWER FINANCE CORPORATION LIMITED	28-Jun-13	300	500,000	150,000,000	-	300	14.06
	HCL INFOSYSTEMS LIMITED	27-Jun-13	600	500,000	300,000,000	-	600	27.87
	HCL INFOSYSTEMS LIMITED	28-Jun-13	200	500,000	100,000,000	-	200	9.30
	TATA MOTORS FINANCE LIMITED	6-Aug-13	100	500,000	50,000,000	-	100	4.65
	TATA MOTORS FINANCE LIMITED	22-Oct-13	500	500,000	250,000,000	-	500	22.87
	HOUSING DEVELOPMENT FINANCE CORPORATION LTD	28-Aug-13	500	500,000	250,000,000	-	500	23.25
	SUNDARAM FINANCE LIMITED	10-Sep-13	400	500,000	200,000,000	-	400	18.52
	INFRASTRUCTURE LEASING & FINANCIAL SERVICES LTD	14-Jun-13	600	500,000	300,000,000	-	600	28.47
	IL&FS FINANCIAL SERVICES LIMITED	31-May-13	500	500,000	250,000,000	-	500	23.90
	IL&FS FINANCIAL SERVICES LIMITED	2-Sep-13	500	500,000	250,000,000	-	500	23.37
	TATA CAPITAL FINANCIAL SERVICES LIMITED	7-Jun-13	500	500,000	250,000,000	-	500	23.89
	L&T FINANCE LIMITED	5-Jun-13	500	500,000	250,000,000	-	500	23.92
	ADITYA BIRLA FINANCE LIMITED	10-Jun-13	500	500,000	250,000,000	-	500	23.90
	ADITYA BIRLA FINANCE LIMITED	30-Jul-13	300	500,000	150,000,000	-	300	14.18
	BAJAJ FINANCE LIMITED	20-Jun-13	300	500,000	150,000,000	-	300	14.32
	BAJAJ FINANCE LIMITED	30-Aug-13	200	500,000	100,000,000	-	200	9.38
	BAJAJ FINANCE LIMITED	30-Aug-13	300	500,000	150,000,000	-	300	14.08
	BAJAJ FINANCE LIMITED	19-Jul-13	200	500,000	100,000,000	-	200	9.48
	BAJAJ FINANCE LIMITED	30-Aug-13	500	500,000	250,000,000	-	500	23.47
	POWER FINANCE CORPORATION LTD	6-Sep-13	500	500,000	250,000,000	-	500	23.71
	GODREJ INDUSTRIES LIMITED	8-May-13	500	500,000	250,000,000	-	500	24.44
	TATA CAPITAL LIMITED	30-Jul-13	500	500,000	250,000,000	-	500	23.95
	HOUSING DEVELOPMENT FINANCE CORPORATION LTD	14-Jun-13	500	500,000	250,000,000	-	500	24.22
	HOUSING DEVELOPMENT FINANCE CORPORATION LTD	6-Sep-13	500	500,000	250,000,000	-	500	23.72
	TATA CAPITAL LIMITED	17-May-13	500	500,000	250,000,000	-	500	24.44
	EXPORT IMPORT BANK OF INDIA	5-Jul-13	800	500,000	400,000,000	-	800	38.64
	SESA GOA LIMITED	21-Oct-13	300	500,000	150,000,000	-	300	14.11
	POWER FINANCE CORPORATION LTD	15-Jul-13	500	500,000	250,000,000	-	500	24.20
	POWER FINANCE CORPORATION LIMITED	15-Apr-13	200	500,000	100,000,000	-	200	9.93

Sr. No.	Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹ in Crores)	Number of Units	As at 31.3.2013 (₹ in Crores)
	L&T FINANCE LIMITED	31-May-13	500	500,000	250,000,000	-	500	24.59
	BAJAJ FINANCE LIMITED	22-Jan-15	700	500,000	350,000,000	31.89	-	-
	TATA MOTORS FINANCE LIMITED	7-Nov-14	500	500,000	250,000,000	22.76	-	-
	INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED	7-Nov-14	300	500,000	150,000,000	13.66	-	-
	TATA MOTORS FINANCE LIMITED	26-Sep-14	500	500,000	250,000,000	23.40	-	-
	TATA MOTORS FINANCE LIMITED	23-Sep-14	500	500,000	250,000,000	22.73	-	-
	L&T FINANCE COMPANY LIMITED	7-Oct-14	300	500,000	150,000,000	13.72	-	-
	IL&FS FINANCIAL SERVICES LIMITED	17-Sep-14	200	500,000	100,000,000	9.03	-	-
	IL&FS FINANCIAL SERVICES LIMITED	17-Sep-14	500	500,000	250,000,000	22.92	-	-
	INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED	6-Aug-14	500	500,000	250,000,000	22.52	-	-
	TATA CAPITAL FINANCIAL SERVICES LIMITED	19-Aug-14	200	500,000	100,000,000	9.25	-	-
	SUNDARAM FINANCE LIMITED	19-Aug-14	100	500,000	50,000,000	4.62	-	-
	BAJAJ FINANCE LIMITED	23-Apr-14	400	500,000	200,000,000	19.02	-	-
	IL&FS FINANCIAL SERVICES LIMITED	14-Oct-14	500	500,000	250,000,000	22.79	-	-
	L&T FINANCE COMPANY LIMITED	7-Oct-14	20	500,000	10,000,000	0.91	-	-
	L&T FINANCE COMPANY LIMITED	7-Oct-14	180	500,000	90,000,000	8.22	-	-
	Sub-Total (xii)					321.96		979.15
	TOTAL (II)					1,017.94		1,285.45
	GRAND TOTAL (I + II)					1,356.89		1,633.92

Notes :

	As at 31.3.2014 ₹ in Crores	As at 31.3.2013 ₹ in Crores
(a) Aggregate Book Value - Quoted Investments	447.16	435.68
(b) Aggregate Market Value of Quoted Investments	448.95	437.62
(c) Aggregate Book Value - Unquoted Investments	909.73	1,198.24
(d) Provision for diminution in value of Current quoted debenture	(0.09)	(0.42)

14 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Opening Inventories of Digital Certificates	0.01	0.02
Closing Inventories of Digital Certificates	0.01	0.01
Total	(0.00)	0.01

15 Trade receivables

	Non-current		Current	
	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)	31.03.2014 (₹ in Crores)	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 from payment				
Secured, considered good	-	-	2.51	1.61
Unsecured, considered good	-	-	37.09	10.61
Doubtful	-	-	0.18	0.18
	-	-	39.78	12.40
Provision for doubtful receivables	-	-	0.18	0.18
	-	-	39.60	12.22
Other debts				
Secured, considered good	-	-	144.95	115.69
Unsecured, considered good	-	-	31.22	28.07
Considered Doubtful			0.04	-
	-	-	176.21	143.76
Provision for doubtful receivables			0.04	-
			176.17	143.76
Total	-	-	215.76	155.98

16 Cash and bank balances

	Non-current		Current	
	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Cash and cash equivalents				
Balances with banks :				
On current accounts	-	-	119.10	86.79
Certificate of Deposits with original maturity of less than three months	-	-	-	238.49
Deposits with original maturity of less than three months	-	-	3,277.25	1,654.09
Earmarked Deposits with original maturity of less than three months [including ₹47.66 crores (Previous Year ₹44.52 Crores) towards withheld payouts]	-	-	901.18	589.92
Cheques in hand	-	-	0.01	0.01
Cash on hand	-	-	0.01	0.80
	-	-	4,297.55	2,570.10
Other bank balances				
Bank Deposits with original maturity for more than 12 months	771.96	886.97	1,558.49	1,840.86
Earmarked Deposits with original maturity for more than 12 months	117.95	182.00	268.38	218.98
Bank Deposits with original maturity for more than 3 months but less than 12 months	-	-	1,437.37	990.01
Certificate of Deposits with original maturity for more than 3 months but less than 12 months	-	-	139.20	80.39
Certificate of Deposits	-	-	24.90	39.22
Earmarked Deposits with original maturity for more than 3 months but less than 12 months	-	-	133.06	97.49
Earmarked Certificate of Deposits	-	-	-	9.79
	889.92	1,068.97	3,561.40	3,276.74
Amount disclosed under non-current assets (note 12)	889.92	1,068.97		
Total	-	-	7,858.95	5,846.84

17 Revenue from operations

	For year ended 31.03.2014 (₹ in Crores)		For year ended 31.03.2013 (₹ in Crores)	
Operating revenues				
Transaction charges	825.72		726.79	
Annual subscription	-		5.71	
Book building Fees	3.90		4.24	
Listing fees	34.79		33.38	
Income - Online Datafeed Service Fees	36.86		27.82	
Application Development & Maintenance Services	15.22		14.36	
Infrastructure Management Services	4.73		6.16	
E-Learning Solutions	49.61		43.51	
IT & Process Support Charges	0.33		4.08	
Index License Fees Outside India	15.35		9.36	
ETF Licensing Outside India	1.58		1.50	
Data Subscription Fees	3.46		2.60	
Net gain / loss on sale of Current Investment	0.42		-	
Dividend received	0.23		0.02	
Others	6.74	998.95	8.42	887.95
Other operating revenues				
NCFM Registration & Test enrolment fees	20.48		18.69	
Interest on Bank Deposits & Dividend recd	269.53		275.07	
Processing Fees - Listing	6.07		5.78	
Strategic Co-operation fees	-		5.33	
Data Centre charges	43.19		42.62	
Operational expenses recovery	0.82		19.16	
Others	13.17	353.26	20.40	387.05
Sale of Products				
Software Products	9.25		8.21	
Traded Goods	0.39	9.64	0.29	8.50
Total		1,361.84		1,283.50

18 Other income

	For year ended 31.03.2014 (₹ in Crores)		For year ended 31.03.2013 (₹ in Crores)	
Interest Income on				
On Investment				
Current	47.74		49.74	
Long Term	81.38		33.72	
On Bank Deposits	291.91		348.00	
On Certificate of Deposits	14.77		10.59	
On Inter Corporate Deposits	0.96		1.74	
On Income Tax Refund	0.18		0.02	
On Others	1.56	438.50	1.01	444.82
Dividend income				
Long Term :				
from Others	1.47		5.90	
Current	13.82	15.29	25.55	31.45
Net gain / loss on sale of long term Investment		0.49		3.40
Net gain / loss on sale of current Investment		30.73		12.68
Rent Income		50.69		44.22
Excess Provision written back		1.04		1.15
Profit on exchange fluctuation (net)		1.10		0.88
Amortisation of Premium / Discount on Govt/Debt Securities		1.39		1.51
Professional Fees (NCDEX)		3.69		0.31
Miscellaneous Income		1.26		0.76
Total		544.20		541.18

19 Purchases Of Stock-In-Trade

	For year ended 31.03.2014 (₹ in Crores)	For year ended 31.03.2013 (₹ in Crores)
Purchase of Digital Certificates	0.04	0.05
Total	0.04	0.05

20 Employee benefits expenses

	For year ended 31.03.2014 (₹ in Crores)	For year ended 31.03.2013 (₹ in Crores)
Salaries, wages and bonus	156.58	157.28
Contribution to provident and other fund	10.00	14.04
Staff welfare expenses	7.08	6.04
Total	173.66	177.36

21 Other expenses

	For year ended 31.03.2014 (₹ in Crores)	For year ended 31.03.2013 (₹ in Crores)
Rent	15.46	16.80
Transponder charges/License fee for operating VSAT network	-	12.43
Lease line charges	9.45	9.45
Repairs & maintenance		
- To buildings	3.77	3.04
- To computers, trading & telecommunication systems	55.31	56.91
- To others	8.63	9.70
Network Infrastructure Management charges	15.15	7.83
IT management and consultancy charges	3.26	3.57
Insurance	1.90	1.65
Rates & taxes *	9.34	8.89
Advertisement & publicity	14.88	3.66
Legal & Professional fees	26.96	22.82
Payment to auditor (Refer note below)	0.75	0.77
Electricity charges	22.90	16.83
Directors' sitting fees	0.19	0.15
Software expenses	16.65	17.14
Contribution to Investor protection fund trust	5.36	6.11
Investor education expenses	10.48	6.73
SEBI Regulatory Fees	5.48	5.34
Donations	1.19	1.39
Bad debts/Sundry balance written off	0.01	-
Provision for Doubtful Debts	0.04	
Loss on sale /discard of assets (Net)	0.60	0.79
Adjustments to the carrying amount of current investments	0.12	0.37
Liquidity enhancement incentive	-	3.16
Preliminary Expenses written off	-	2.06
Technical & Sub Contract Charges	22.21	20.20
Wealth Tax	-	0.20
Share Issue Expense	1.27	0.05
NCFM test expenses	-	-
Other Expenses	81.16	75.17
Total	332.53	313.21

	For year ended 31.03.2014 (₹ in Crores)	For year ended 31.03.2013 (₹ in Crores)
Note :		
Payment to auditor		
As auditor :		
Audit fees	0.15	0.20
Tax audit fee	0.08	0.05
Limited review	0.12	0.14
In other capacity		
Taxation matters	0.25	0.14
Certification matters	0.05	0.08
Other services	0.10	0.16
Total	0.75	0.77

* Includes Municipal Corporation Tax of ₹ 2.39 Crores (Previous Year ₹3.76 Crores) related to earlier years due to revision in taxes by MMRDA.

22 Prior Period Adjustments

	31.03.2014 (₹ in Crores)	31.03.2013 (₹ in Crores)
Expenses		
Network Infrastructure Management charges	4.47	-
Fines and Penalties of previous year transferred to NSE IPFT	-	32.76
Advertisement & publicity	-	1.06
Software expenses	1.01	-
Other Expenses	0.24	0.14
	5.72	33.96
Income		
Income processing fees	-	1.07
Other Income	0.06	(0.08)
	0.06	0.99
Total	5.66	32.97

23 In accordance with Accounting Standard 20 - "Earning per Share" notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956

	Year ended 31.03.2014	Year ended 31.03.2013
Net Profit attributable to Shareholders (₹ In Crores)	965.53	857.01
Weighted Average number of equity shares issued (No. in Crores)	4.50	4.50
Basic earnings per share of ₹ 10/- each (in ₹)	214.56	190.45

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

24 Disclosure under Revised Accounting Standard 15 on Employee Benefits:

- i) **Defined Contribution Plan:** Company's contribution towards superannuation amounting to ₹1.85 Crore (Previous Year : ₹2.03 Crore) has been charged to Statement of Consolidated Profit and Loss.
- ii) **Defined Benefit Plan :**
- (a) **Provident Fund:** The Company has contributed ₹ 4.16 Crores and ₹ 4.17 Crores towards Provident Fund during the year ended March 31, 2014 and March 31, 2013, respectively As per Implementation Guidance on AS 15 (Revised 2005) Employee Benefits issued by the Accounting Standard Board (ASB), benefit involving employer established provident funds which require interest short fall to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided an actuarial valuation and arrived at the interest shortfall liability of ₹0.29 crores (Previous Year 0.24 crores) has been provided in the books of accounts.

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

	Current year	Previous year
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels	5% p.a.	5% p.a.
c. Discount Rate	9.31%	8.00%

- (b) **Gratuity:** Company has charged the Gratuity expense to Statement of Consolidated Profit and Loss based on the actuarial valuation of gratuity liability at the end of the year. The projected unit credit method used to show the position as at March 31, 2014 is as under.

(i) Assumptions:

	Current Year	Previous Year
Discount Rate	9.31%	8.00 - 8.50%
Rate of Return on Plan Assets	8.00 - 8.70%	8.00 - 8.70%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%

(ii) Table showing change in benefit obligation:

(₹ In Crores)

	Current Year	Previous Year
Liability at the beginning of the year	18.58	13.65
Interest cost	1.46	1.23
Current Service Cost	1.87	1.70
Liability transferred in	0.23	-
Benefits Paid	(4.63)	(1.01)
Actuarial (gains) / loss on obligations	(0.83)	3.01
Liability at the end of the year	16.68	18.58

(iii) Tables of Fair value of plan assets:		(₹ In Crores)	
	Current Year	Previous Year	
Fair Value of plan assets at the beginning of the year	12.27	10.16	
Expected return on plan assets	0.91	0.88	
Contributions	1.97	2.02	
Transfer from other company	0.23	-	
Benefits paid	(4.64)	(1.01)	
Actuarial gain / (loss) on Plan Assets	(0.03)	0.22	
Fair Value of plan assets at the end of the year	10.71	12.27	

(iv) Actual Return on Plan Assets:		(₹ In Crores)	
	Current Year	Previous Year	
Expected return on plan assets	0.91	0.87	
Actuarial gain/(loss) on plan assets	(0.03)	0.22	
Actual Return on plan assets	0.88	1.00	

(v) Amount recognised in the Consolidated Balance Sheet		(₹ In Crores)	
	Current Year	Previous Year	
Liability as at the end of the year	16.68	18.58	
Fair value of plan assets as at the end of the year	10.71	12.27	
Net liability/(asset) disclosed in the Consolidated Balance Sheet	5.97	6.31	

(vi) Expenses recognised in the Statement of Consolidated Profit & Loss		(₹ In Crores)	
	Current Year	Previous Year	
Current Service cost	1.87	1.71	
Interest Cost	1.46	1.23	
Expected return on plan assets	(0.91)	(0.88)	
Actuarial (Gain) or Loss	(0.80)	2.80	
Expenses recognised in the Statement of Consolidated Profit & Loss	1.62	4.86	

(vii) Consolidated Balance Sheet Reconciliation		(₹ In Crores)	
	Current Year	Previous Year	
Opening Net Liability	6.31	3.48	
Expense as above	1.62	4.86	
Employers Contribution	(1.96)	(2.03)	
Amount recognised in the Consolidated Balance Sheet	5.97	6.31	

(viii) Category of Assets		(₹ In Crores)	
	Current Year	Previous Year	
Insurer Managed Funds	10.71	12.27	
Total	10.71	12.27	

(ix) Experience Adjustment		(₹ In Crores)	
	Current Year	Previous Year	
On Plan Liability (Gain) / Loss	0.78	(0.86)	
On Plan asset (Loss) / Gain	(0.03)	0.22	

- 25 In accordance with Accounting Standard 19 - "Leases" notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956, the details of obligation on long term non - cancellable operating lease in respect of certain vehicles and office premises taken by the Company are as follows.

(₹ In Crores)

Lease obligations	Year ended 31.03.2014	Year ended 31.03.2013
Total of future minimum lease payments		
- Not later than one year	13.95	19.33
- Later than one year and not later than five years	32.38	39.12
- Later than five years	-	4.11

The terms of the Leases range from 3 years to 10 years.

- 26 In compliance with Accounting Standard 18 - "Related Party Disclosures" notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956, 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	Power Exchange India Limited	Associate Company
2	NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	
3	National Securities Depository Limited	
4	Omnesys Technologies Private Limited (upto 11.09.2013)	
5	Computer Age Management Services Private Limited (w.e.f. 07.01.2014)	
6	Market Simplified India Limited (formerly known as INXS Technologies Limited)	
7	BFSI Sector Skill Council of India (w.e.f. 21.05.2013)	
8	Ms. Chitra Ramkrishna - Managing Director & CEO (w.e.f. 01.04.2013) (Previous Year : Dr. Vijay L. Kelkar - Chairman - upto 31.08.2012, Mr. Ravi Narain - Managing Director and Ms. Chitra Ramkrishna - Jt. Managing Director)	Key Management Personnel

(b) Names of the related parties and relationship

(₹ In Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2014	Year ended 31.03.2013
Power Exchange India Ltd.	Space and Infrastructure usage charges received	-	-
	Application Development and Maintenance Services	0.71	2.80
	Infrastructure Management Services	-	0.64
	Reimbursement received for other expenses incurred	0.09	0.43
	Investment in equity shares	-	2.00
	Investment in preference shares	-	-
	Closing balance (Credit)/Debit	3.69	5.30
	Investment in Preference Share Capital	5.01	5.00
	Investment in Equity Share Capital	15.00	15.00
NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	Reimbursement received for expenses incurred	0.00	-
	Dividend received	5.51	8.01
	Closing balance (Credit)/Debit	0.01	0.01
	Investment in Equity Share Capital	35.42	35.42
National Securities Depository Limited (new)	Dividend received	2.50	-
	Investment in Equity Share Capital	61.49	61.49
Omnesys Technologies Pvt. Ltd.	CTCLEmpanelment charges received	-	0.09
	License Fees Paid	0.17	8.90
	Receipt of fees for Online Data Feed Services	0.27	0.18
	Investment in Equity Shares (Closing Balance)	-	4.68
	Closing balance (Credit)/Debit	(0.04)	(0.06)
Market Simplified India Limited (formerly known as INXS Technologies Limited)	License Fees Paid	0.67	0.67
	Investment in Equity Shares (Closing Balance)	4.51	4.51
	Closing balance (Credit)/Debit	-	(0.05)
Computer Age Management Services Private Limited	Reimbursement paid for expenses incurred	0.12	-
	Reimbursement received for expenses incurred	0.04	-
	Investment in Equity Shares (Closing Balance)	412.13	-
	Closing balance (Credit)/Debit	(0.08)	-
BFSI Sector Skill Council of India	Investment in Equity Share Capital	1.00	-

Name of the Related Party	Nature of Transactions	Year ended 31.03.2014	Year ended 31.03.2013
Key Management Personnel	Gross remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	4.46	16.60*
	Housing Loan – Closing Balance [₹ Nil (Prev Year : ₹ 7,211/-)]	-	
	Interest received on Housing Loan [₹ 69/- (Prev Year : ₹ 1,991/-)]	-	

* Excludes ₹ 9.97 Crores pertaining to earlier year and payment towards retirals.

27 Segment Reporting

The disclosure in respect of Segment information as per Accounting Standard - 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India for the year ended 31st March, 2014 is given as follows:

The Company has identified segments viz. Trading Services, Clearing Services, End to End Solutions, E-Learning Solutions, Data Feed, Web trading, IT services, IT Process Support charges, Index licensing, strategic investment and Software application development. Out of these, reportable segments are Trading Services and Clearing Services. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Business Segments:

(₹ In Crores)

Particulars	Trading Services	Clearing Services	Others	Elimination	Total	Trading Services	Clearing Services	Others	Elimination	Total
	31.03.2014	31.03.2014	31.03.2014			31.03.2013	31.03.2013	31.03.2013		
REVENUE :										
External Revenue	1,054.81	161.96	145.07	-	1,361.84	986.72	170.43	126.35	-	1,283.50
Inter-segment Revenue	24.25	75.63	113.46	(213.34)	-	14.12	72.59	112.40	(199.11)	-
Total Revenue	1,079.06	237.59	258.53	(213.34)	1,361.84	1,000.84	243.02	238.75	(199.11)	1,283.50
RESULT										
Segment Result	529.13	171.95	72.53	-	773.61	476.31	149.12	49.00	-	674.43
Add:Unallocable Income (net of unallocable expenditure)					98.05					96.33
Add:Interest Income					438.50					444.82
Profit before tax & exceptional item					1,310.16					1,215.58
Profit / (Loss) on sale of Long term Equity investments					76.86					-
Profit before tax					1,387.02					1,215.58
Less:Provision for current tax					(445.16)					(375.74)
Less:Provision for deferred tax					(3.64)					2.86
Less:Income tax for earlier years					(0.25)					(0.91)
Profit after tax and before minority interest and share of loss of associate					937.97					841.79
Less: Minority Interest					(3.45)					(8.83)
Add: Share of profit (net) of associate(s)					31.01					24.05
Profit after tax					965.53					857.01

Particulars	Trading Services	Clearing Services	Others	Elimination	Total	Trading Services	Clearing Services	Others	Elimination	Total
	31.03.2014	31.03.2014	31.03.2014			31.03.2013	31.03.2013	31.03.2013		
OTHER INFORMATION										
Segment Assets	1,960.04	4,924.11	872.59		7,756.74	1,900.72	2,742.10	118.67		4,761.49
Unallocable Assets					5,324.67					5,405.58
Total Assets					13,081.41					10,167.07
Segment Liabilities	1,566.93	4,876.69	42.21		6,485.83	1,491.52	2,707.59	48.45		4,247.56
Unallocable Liabilities					1,045.18					494.43
Total Liabilities					7,531.01					4,741.99
Capital Expenditure										
Segment Capital Expenditure	73.85	0.30	2.05		76.20	139.81	3.81	1.37		144.99
Unallocable Capital Expenditure					0.00					0.02
Total Capital Expenditure					76.20					145.01
Depreciation/Amortisation										
Segment Depreciation / Amortisation	76.13	2.60	4.42		83.15	76.18	2.61	5.85		84.64
Unallocable Depreciation / Amortisation					0.84					0.86
Total Depreciation / Amortisation					83.99					85.50

The businesses, which were not reportable segments during the year, have been grouped under the "Others" segment which comprises of: End to End Solution, E-learning Solutions, Strategic Investment, Data Feed, Web trading, IT services, IT Process Support charges, Index licensing and Software application development

Note :- Segment result of Clearing Services for the previous year includes prior period item of ₹32.76 crores on account of reversal of fines and penalties income, which was transferred to National Stock Exchange Investor Protection Fund Trust

28 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 54.29 Crores (previous year ₹42.90 Crores)

29 Contingent liability:

- (i) Claims against the company not acknowledged as debts: ₹17.79 Crores (previous year ₹14.56 Crores)
 - (ii) Company has received an order passed by the Competition Commission of India, directing the Company to pay a penalty of ₹ 55.50 crores (Previous year ₹ 55.50 rores). The Company has appealed against the said order before the Competition Appellate Tribunal. The Competition Appellate Tribunal has granted the stay against the recovery of said penalty amount pending disposal of the appeal. No provision has been made pending disposal of the appeal.
 - (iii) On account of disputed demand of Income Tax: ₹64.96 Crores (previous year ₹61.63 Crores), disputed demand of Fringe Benefit Tax: ₹2.22 Crores (previous year ₹2.22 Crores) and disputed demand of Wealth Tax: ₹1.94 Crores (previous year ₹1.94 Crores). Wealth Tax liability includes ₹1.86 Crores (previous year ₹1.86 Crores) on account of Tax Department appeals pending disposal before the Bombay High Court. On account of disputed demand of Service Tax: ₹ 39.58 Crores (previous year ₹39.58 crores) along with interest and penalty thereon.
 - (iv) On account of disputed demand of Securities Transaction Tax : ₹5.21 Crores (previous year ₹5.21Crores)
 - (v) On account of Bank Guaranties ₹ 0.20 Crores (Previous year ₹0.01 Crores)
 - (vi) A suit has been filed against the Company for damages / compensation amounting to ₹152.57 crores (Previous Year : ₹ Nil) along with interest thereon and has been disputed by the Company.
- 30** In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business.
- 31** The National Securities Clearing Corporation Ltd., a subsidiary 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 ₹1,135.72 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 ₹38,329.44 Crores (₹ 30,819.42 Crores after applying hair cut) does not form part of the Balance Sheet.

(₹ In Crores)

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-14			
		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
6	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 4	Note 4	Note 6	
	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 9	8.83
2	Current Investments	451.34	Note 13	258.47
3	Balances with Banks			
	in Current Account	68.93	Note 16	4.06
	in Deposit Accounts	5,137.07	Note 16	1,232.43
	in Certificate of Deposits	24.90	Note 16	0.00
	Total (1 to 3)	5,947.90		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

Particulars	Amount (₹ In Crores)
Flexi Fixed Deposits	
HDFC BANK	192.56
Total Flexi Fixed Deposits	192.56
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

Particulars	Amount (₹ In Crores)
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 Rs . 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
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

- 32 Exceptional item includes profit of ₹ 44.26 crores on sale of equity shares of Omnesys Technologies Private Limited (associate company) , loss of ₹ 0.08 crores on sale of equity shares of National Commodity Clearing Limited (subsidiary company) and profit of ₹ 32.68 crores on sale of equity shares of other Company.

33 Minority Interest Reconciliation (₹ In Crores)

Particulars	As on 31.03.2014	As on 31.03.2013
Opening Balance as on 1-Apr-13	35.43	27.49
Add: Share in Profit of Subsidiary National Commodity Clearing Limited	0.04	0.56
Add: Share in Profit of Subsidiary India Index Services & Products Limited	3.41	8.27
Less: Share in dividend and dividend distribution tax paid by Subsidiary India Index Services & Products Limited	(0.89)	(0.89)
Less: Minority Interest paid to the shareholders of Subsidiary National Commodity Clearing Limited	(3.51)	
Less: Minority Interest paid to the shareholders of India Index Services & Products Limited	(34.48)	
Closing Balance as on 31-Mar-14	-	35.43

34 Movement in Goodwill on Consolidation (₹ In Crores)

Particulars	As on 31.03.2014	As on 31.03.2013
Goodwill on Consolidation as on 1-Apr-13	1.76	1.76
Add: Goodwill arising on purchase of additional stake in India Index Services & Products Limited	65.59	-
Goodwill on Consolidation as on 31-Mar-14	67.35	1.76

35 Movement in Capital Reserve on Consolidation (₹ In Crores)

Particulars	As on 31.03.2014	As on 31.03.2013
Capital Reserve on Consolidation as on 1-Apr-13	39.39	39.39
Capital Reserve on Consolidation as on 31-Mar-14	39.39	39.39

36 Share of Profit / (loss) for AS - 23 "Accounting for Investments in Associates in Consolidated Financial Statements"

(₹ In Crores)

Particulars	2013-14	2012-13
Power Exchange India Limited	(0.50)	(2.86)
National Securities Depository Limited	10.06	5.98
NSDL-e governance Infrastructure Limited	16.73	18.61
Omnesys Technologies Private Limited	0.26	2.30
Market Simplified India Limited	(1.87)	0.02
Computer Age Management Services Private Limited	6.33	-
Total	31.01	24.05

- 37 The Company has made an investment in BFSI Sector Skill Council of India, an associate company incorporated under section 25 of Companies Act, 1956, wherein the profits will be applied for promoting its objects. Since the Company will not derive any economic benefit from its investments in BFSI Sector Skill Council of India, share of profit/loss of BFSI Sector Skill Council of India are not consolidated in these financial statements
- 38 In accordance with Securities Contracts (Regulations) (SECC) Regulations, 2012 (The Regulations) issued on June 20, 2012, every recognized stock exchange is required to transfer twenty five percent of its annual profits every year to a fund of the recognized clearing corporation(s) which clears and settles trades executed on that stock exchange to guarantee settlement of trades. Subsequently, the Securities and Exchange Board of India (SEBI) in its Press Release No.66/2012 dated June 21, 2012, has said that an expert Committee is being formed which will inter-alia “look into the norms for adequacy of the core corpus of the Settlement Guarantee Fund (SGF)/Trade Guarantee Fund (TGF) and its sourcing, including transfer of profits by stock exchanges to SGF/TGF in the long run”. Pending the report of the Expert Committee, no transfer of profits to the Settlement Guarantee Fund in terms of the Regulations has been made. However, as a matter of prudence during the year the Company has made a provisional appropriation of ₹ 219.40 crores being 25% of the profit after tax for Financial Year 2012-13 out of the opening balance of the Statement of Consolidated Profit & Loss as on April 1, 2013 and ₹254.82 crores being 25% of the profit after tax for the year ended March 31, 2014 out of the current profits. Accordingly total provisional appropriation amounting to ₹ 474.22 crores has been shown under the head Short Term Provisions in the Consolidated Balance Sheet.
- 39 In case of a subsidiary namely National Securities Clearing Corporation Limited, during the year, dues amounting to ₹72.38 crores of a defaulter member, after netting off available deposits and collaterals in the form of securities (subject to realisation) available with the subsidiary 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.
- 40 During the year one of the subsidiary NSE Strategic Investment Corporation Limited (NSICL) had a Joint Venture interest in India Index Services & Products Ltd.(IISPL) which was a jointly controlled by NSICL & CRISIL Ltd. NSICL had a 51% ownership interest in the joint venture. During the year, the said Joint Venture has ceased with effect from August 27, 2013 due to the purchase of 49% stake of IISPL from CRISIL Ltd and consequently IISPL has become 100 % subsidiary of the subsidiary company.
- 41 During the year one of the subsidiary Company NSE Strategic Investment Corporation Limited (NSICL) has purchased 2,19,38,400 Equity Shares of Rs 10 each equivalent to 44.99% Equity stake in Computer Age Management Services Private Limited (CAMS) on January 07, 2014.
- 42 **Details of dues to micro and small, medium enterprises as defined under the MSMED Act, 2006**
- Liability for expenses includes ₹ 0.17 Crore (Previous Year: ₹0.24 Crore) due 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.
- 43 **Shares reserved for issue under options in case of Subsidiary NSE.IT Limited.**
- In terms of the authority granted by the General Meeting held on September 25th, 2006, the Company has formulated an Employee Stock Option Plan 2006 (ESOP). Under the said ESOP, 3,47,350 Options for equivalent number of Equity Shares of the company have been granted as an incentive scheme to the

employees covered under the scheme. The Scheme provides that the Options shall vest in a graded manner over a period of 4 years in the ratio of 25%, 30%, 35% and 10% respectively. The exercise period shall be three years from the vesting of each tranche of the aforesaid options. Each option entitles the holder of the option to 1 Equity Share of the Company at an exercise price of ₹53/- per share, which is also the Fair Market Value (FMV) of the share on the date of the grant as determined by a valuation report obtained from an independent valuer.

The Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employee Share Based Payments requires accounting of the expense in regard to the ESOPs. The Company has adopted the Intrinsic Value Method as given in the said Guidance for accounting for the same. The Company has obtained expert opinion that since the Exercise Price is equal to the FMV of the shares on the grant date; it would not be required to recognize any compensation expense since the “intrinsic value” of the options is NIL.

Particulars	F.Y. 2013 – 14	F.Y. 2012-13
	Quantity (Nos.)	Quantity (Nos.)
Options at the beginning of the year	13,437	62,031
Options granted during the period	Nil	Nil
Options lapsed during the period	13,437	48,594
Options Exercised during the period	Nil	Nil
Options expired during the period	Nil	Nil
Balance Options in force	Nil	13,437

44 Previous years' figures are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached

For and on behalf of the Board of Directors

For KHANDELWAL JAIN & CO.,
Chartered Accountants

S. B. MATHUR
Chairman

RAVI NARAIN
Vice Chairman

NARENDRA JAIN
Partner
Membership No.:48725

CHITRA RAMKRISHNA
Managing Director & CEO

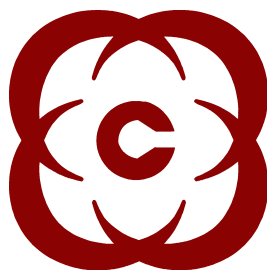
Y. H. MALEGAM
Director

Place : Mumbai
Date : May 6, 2014

J. RAVICHANDRAN
Chief (L&S, GI&SR) & Company Secretary

**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		-
Sub-total(iii)				294.10 (254.07)		89.58
C) COMMERCIAL PAPER						
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	500,000	250,000,000.00	22.94	-	-
BAJAJ FINANCE LIMITED	1-Oct-2014	500,000	50,000,000.00	4.70	-	-
BAJAJ FINANCE LIMITED	22-Jan-2015	500,000	150,000,000.00	13.67	-	-
TATA MOTORS FINANCE LIMITED	26-Sep-2014	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

NSE Strategic Investment Corporation Limited

(A subsidiary of National Stock Exchange of India Limited)



SECOND ANNUAL REPORT
2013 – 14



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CORPORATE INFORMATION

BOARD OF DIRECTORS*

Mr. Ravi Narain : Chairman
Ms. Chitra Ramkrishna
Mr. J. Ravichandran : Managing Director

CHIEF FINANCIAL OFFICER* : Mr. Shekhar Rao

SECRETARY*

Mr. M. Vasudev Rao : Company Secretary

AUDITORS : M/s. Khandelwal Jain & Co.
Chartered Accountants
12-B, Baldota Bhavan, 5th Floor
M.K. Road
Mumbai - 400 020

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

* As on April 25, 2014



DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the Second Annual Report of the Company together with Audited Statement of Accounts for the year ended on March 31, 2014.

I. OPERATIONS AND MAJOR EVENTS DURING THE YEAR

NSE Strategic Investment Corporation Limited (NSICL) was incorporated to, inter alia, make or hold all strategic investments in the equity shares and/or other securities of various companies. The paid up share capital of NSICL as on March 31, 2014 is ₹ 825.99 crores which is being held by National Stock Exchange of India Limited (NSEIL) and National Securities Clearing Corporation Limited (NSCCL) in the ratio of 99.90 and 0.10 respectively. During the year under review, NSICL had acquired (i) the equity shares held by NSEIL in NSE.IT Limited, NSDL e-governance Infrastructure Limited and DotEx International Limited; (ii) the equity shares and 10% Optionally Convertible Redeemable Preference Shares (OCRPS) held by NSEIL in Power Exchange India Limited, (iii) equity shares held by CRISIL Limited in India Index Services & Products Limited, and (iii) equity shares in Computer Age Management Services Pvt. Ltd. (CAMS).

CAMS is one of two significant Registrar & Transfer Agents (RTAs) in the mutual fund space. It has about 60% market share. The acquisitions will enable NSEIL and CAMS together to pitch for emerging opportunities abroad in the stock exchange and mutual fund space and with its expertise in processing and related technology, CAMS could also be helped to explore other BPO options available in India and abroad. NSE could potentially use the physical centres of CAMS to market its products, investor outreach, education initiatives and broker servicing. CAMS could also give NSE an online and offline platform to expand the business to non-traded order collection products in future like savings products. A stable alliance between NSE and CAMS along with a significant equity stake by NSEIL through its investment subsidiary in CAMS will be beneficial for both in ensuring growth in order collection for mutual fund and other financial products and eventually the investors at large.

II. FINANCIAL RESULTS

The financial results for the year ended on March 31, 2014 are summarised hereunder:-

Particulars	2013-14 (₹ in Lakhs)	2012-13 (₹ in Lakhs)
Income	220.87	1.77
Expenditure	133.58	211.26
Profit/(Loss) before tax	87.29	(209.49)
Add/(Less) Provision for tax (including deferred tax)	(15.00)	-
Profit/(Loss) after tax	72.29	(209.49)
Profit / (Loss) brought forward from previous year	(209.49)	-
Balance carried to Balance Sheet	(137.20)	(209.49)



III. DIVIDEND

Your Directors decided not to recommend any dividend to the holders of 6% Non-cumulative Compulsorily Convertible Preference Shares and equity shares of the Company for the year ended March 31, 2014 due to meager profits earned during the financial year ended March 31, 2014.

IV. DIRECTORS

Mr. J. Ravichandran was appointed as Managing Director of the Company with effect from July 31, 2013.

Mr. Ravi Narain retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

The Board recommends the re-appointment of Mr. Ravi Narain as Director on the Board of NSICL by the members.

V. CHANGES IN SHARE CAPITAL

a) Increase in authorised share capital

During the year, the company increased its Authorised Share Capital from ₹ 300,00,00,000 (Rupees Three Hundred crores only) to ₹ 900,00,00,000 (Rupees Nine Hundred crores only) divided into 45,00,00,000 (Forty five crores) Equity Shares of ₹ 10/- (Rupees Ten only) each and 45,00,00,000 (Forty five crores) 6% Non-cumulative Compulsorily Convertible Preference Shares of ₹ 10/- (Rupees Ten only) each by creation of further 30,00,00,000 equity shares of ₹ 10/- each and 30,00,00,000 6% Non-cumulative Compulsorily Convertible Preference Shares of ₹ 10/- (Rupees Ten only) each aggregating to ₹ 600,00,00,000 (Rupees Six hundred crores only).

b) Right Issue

During the year, NSICL raised a total amount of ₹ 7,80,94,34,060 through Rights issue by issue of 39,04,71,703 equity shares of ₹ 10/- each and 39,04,71,703 6% Non-Cumulative Compulsorily Convertible Preference shares of ₹ 10/- each. Consequent to allotment of the aforesaid shares, the Paid-up share capital of the Company stands increased from ₹ 45,05,00,000/- as on March 31,2013 to ₹ 825,99,34,060/- as on March 31,2014.

VI. SUBSIDIARIES OF THE COMPANY

During the year under review, India Index Services & Products Limited, NSE.IT Limited, NSE.IT (US) INC and DotEx International Limited became wholly-owned subsidiaries of the Company.

As on March 31, 2014, the Company has the following Subsidiaries:

1. India Index Services & Products Limited;
2. NSE.IT Limited;
3. DotEx International Limited;
4. NSE Infotech Services Limited; and
5. NSE.IT (US) INC



VII. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that –

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b. 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 the Company at the end of the financial year i.e., 31st March, 2014 and of the profit of the Company for that year;
- c. 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 the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors had prepared the annual accounts on a going concern basis.

VIII. AUDIT COMMITTEE

The Audit Committee comprises three Directors namely, Mr. Ravi Narain, Ms. Chitra Ramkrishna and Mr. J. Ravichandran as its members. Mr. Ravi Narain is the chairman of the Audit Committee. The Committee met four times during the year i.e., on May 23, 2013, July 31, 2013, October 23, 2013 and January 23, 2014. The details of the attendance of the members of the Audit Committee at their meetings held on the above dates are given in the following table:-

Name	Number of meetings held during the year	Number of meetings attended
Mr. Ravi Narain	4	4
Ms. Chitra Ramkrishna	4	4
Mr. J. Ravichandran	4	4

IX. AUDITORS

Currently, M/s. Khandelwal Jain & 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, M/s. Khandelwal Jain & Co., Chartered Accountants can hold office as Auditors of the Company from the conclusion of the forthcoming Annual general meeting till the conclusion of sixth annual general meeting. i.e AGM scheduled to be held in 2018. The Audit committee, after considering the above requirement, recommended the re-appointment of M/s. Khandelwal Jain & 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. Khandelwal Jain & Co., Chartered Accountants 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.



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

(a) 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 disclosures 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.

(b) Foreign Exchange earnings/outgo during the year under review:

During the year there were no foreign exchange earnings. However, there was foreign exchange outgo of ₹ 2,75,63,21,467/- on account of purchase of investments.

XI. PARTICULARS OF EMPLOYEES

NSICL has not employed any person during the year under review. Accordingly, the Statement required pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not attached herewith.

XII. APPRECIATION

The Board of Directors wishes to place on record their appreciation of the support and co-operation received from NSEIL and NSCCL and looks forward to their continued support and co-operation.

For and on behalf of the Board of Directors

Place: Mumbai
Date: April 25, 2014

Ravi Narain
Chairman



INDEPENDENT AUDITORS' REPORT

To the Members of NSE Strategic Investment Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **NSE Strategic Investment 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") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 (Auditor's Report) Order, 2003 ("the Order"), as amended, 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, 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 Act.

For **Khandelwal Jain & Co.,**
Chartered Accountants
Firm's Registration Number: 105049W

(Narendra Jain)
Partner
Membership Number: 048725

Place: Mumbai
Date: April 25, 2014



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of Independent Auditors' Report to the members of **NSE Strategic Investment Corporation Limited** ("the Company") for the year ended March 31, 2014. We report that:

- i) The Company does not have fixed assets. Therefore, the provisions of sub-clauses (a) to (c) of clause 4(i) of Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order 2004 are not applicable to the Company.
- ii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a) to (g) of clause 4(iii) of Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order 2004 are not applicable to the Company.
- iii) In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for purchase of fixed assets and for rendering of services. The Company's activities are such that they do not involve purchase and sale of inventory. During the course of our audit, we have not observed any major weakness in the internal control systems.
- iv) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the Company has not entered into any contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- v) The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules made thereunder.
- vi) In our opinion, the Company has an internal audit system which is commensurate with the size of the Company and the nature of its business.
- vii) We are informed that no cost records are required to be maintained by the Company under Section 209(1) (d) of the Companies Act, 1956.
- viii)
 - a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and any other statutory dues wherever applicable.
 - b) According to the records of the Company, there were no undisputed amounts payable in respect of sales-tax, income-tax, customs, wealth-tax, service tax, securities transaction tax, excise duty, cess in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
- ix) As the Company is registered for a period less than five years, clause (x) of the Order is not applicable to the Company for the current year.



- x) The Company has not taken any loan from banks or financial institutions and the Company has not issued any debentures.
- xi) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xii) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xiii) The Company has not taken any term loans during the year.
- xiv) The Company has not raised any funds on short term basis during the year.
- xv) The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xvi) The Company has not issued any Debentures during the year and there were no debenture outstanding at the year-end.
- xvii) The Company has not raised any money by public issue during the year.
- xviii) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on the Company or by the Company has been noticed or reported during the course of our audit.
- xix) The other clauses 4(ii), 4(xiii) and 4(xiv) of para 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order 2004, are not applicable to Company.

For **Khandelwal Jain & Co.,**

Chartered Accountants

Firm's Registration Number: 105049W

(Narendra Jain)

Partner

Membership Number: 048725

Place: Mumbai

Date: April 25, 2014

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

Particulars	Notes	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Equity and liabilities			
1 Shareholder's funds			
a Share Capital	4	8,259,934,060.00	450,500,000.00
b Reserves and surplus	5	(13,720,077.27)	(20,949,477.78)
		8,246,213,982.73	429,550,522.22
2 Non-current liabilities			
a Deposits (Unsecured)		–	–
b Deferred tax liabilities (net)		–	–
c Other long-term liabilities		–	–
d Long-term provisions		–	–
3 Current liabilities			
a Deposits (Unsecured)		–	–
b Trade payables	6	–	4,091,000.00
c Other current liabilities	6	343,494.00	497,938.00
d Short-term provisions	7	385,000.00	–
		728,494.00	4,588,938.00
TOTAL		8,246,942,476.73	434,139,460.22
Assets			
1 Non-current assets			
a Fixed assets			
Tangible assets		–	–
Intangible assets		–	–
Capital work-in-progress		–	–
Intangible assets under development		–	–
b Non-current investments	8	8,119,911,532.00	416,111,863.00
c Long-term loans and advances	9	3,875,660.00	10,028,995.00
d Other non-current assets		–	–
		8,123,787,192.00	426,140,858.00
2 Current assets			
a Current investments	10	122,763,437.36	–
b Trade receivable		–	–
c Cash and bank balances	11	37,894.37	7,998,602.22
d Short-term loans and advances	12	353,953.00	–
e Other Current assets		–	–
		123,155,284.73	7,998,602.22
TOTAL		8,246,942,476.73	434,139,460.22
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 KHANDELWAL JAIN & CO.

Chartered Accountants

NARENDRA JAIN

Partner

Membership No.: 048725

Place : Mumbai

Date : April 25, 2014

For and on behalf of the Board of Directors

RAVI NARAIN

Chairman

CHITRA RAMKRISHNA

Director

J. RAVICHANDRAN

Managing Director

M VASUDEV RAO

Company Secretary

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

Particulars	Notes	For the year ended 31.03.2014 (₹)	For the period ended 31.03.2013 (₹)
Income			
Revenue from operations	13	22,087,406.51	176,806.22
Other income		–	–
Total Revenue (I)		22,087,406.51	176,806.22
Expenses			
Employee benefits expenses		–	–
Finance Costs		–	–
Other expenses	14	13,358,006.00	21,126,284.00
Depreciation and amortisation expenses		–	–
Total Expenses (II)		13,358,006.00	21,126,284.00
Profit before prior-period adjustments		8,729,400.51	(20,949,477.78)
Add/(Less) : Prior-period adjustments		–	–
Profit before tax		8,729,400.51	(20,949,477.78)
Less : Provision for tax			
Current tax		1,500,000.00	–
Wealth tax		–	–
Deferred tax		–	–
Total tax expenses		1,500,000.00	–
Profit after tax		7,229,400.51	(20,949,477.78)
Earnings Per Share			
Basic	19	0.05	(13.52)
Diluted	19	0.03	(13.52)

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 KHANDELWAL JAIN & CO.

Chartered Accountants

NARENDRA JAIN

Partner

Membership No.: 048725

Place : Mumbai

Date : April 25, 2014

For and on behalf of the Board of Directors

RAVI NARAIN

Chairman

CHITRA RAMKRISHNA

Director

J. RAVICHANDRAN

Managing Director

M VASUDEV RAO

Company Secretary

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

Particulars	For the year ended 31.03.2014 (₹)	For the period ended 31.03.2013 (₹)
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	8,729,400.51	(20,949,477.78)
Add: Adjustments for :		
Preliminary Expenses written off	–	20,628,596.00
Share Issue Expenses	12,732,446.00	452,744.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	21,461,846.51	131,862.22
Adjustments for :		
Current Assets / Loans & Advances	(360,223.00)	–
Current Liabilities & Provisions	180,030.00	44,944.00
CASH GENERATED FROM OPERATIONS	21,281,653.51	176,806.22
Direct Taxes paid (Net of Refunds)	(1,115,000.00)	–
NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	20,166,653.51	176,806.22
B) CASHFLOW FROM INVESTING ACTIVITIES		
Share Application Money Paid	–	(10,000,000.00)
Investment in Mutual Funds	(122,763,437.36)	–
Investment in Subsidiary and Associate Companies	(7,701,612,544.00)	(412,049,858.00)
NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	(7,824,375,981.36)	(422,049,858.00)
C) CASHFLOW FROM FINANCING ACTIVITIES		
Issue of Equity and Preference Shares	7,809,434,060.00	450,500,000.00
Share Issue Expenses	(13,185,440.00)	(20,628,346.00)
NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	7,796,248,620.00	429,871,654.00

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

Particulars	For the year ended 31.03.2014 (₹)	For the period ended 31.03.2013 (₹)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(7,960,707.85)	7,998,602.22
CASH AND CASH EQUIVALENTS : OPENING BALANCE	7,998,602.22	-
CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE	37,894.37	7,998,602.22
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	(7,960,707.85)	7,998,602.22

Notes to Cash Flow Statement :

- 1 Since the Company is an Investment Holding Company, purchase and sale of investments have been considered as part of 'Cash Flows from Investing Activities' and dividend and Profit on Sale / Redemption of Investments have been considered as part of 'Cash Flows from Operating Activities'.
- 2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.
- 3 The current year figures consists of twelve months and previous period figures consists of two months and one day. Hence, current year figures are not comparable with those of previous period.

As per our report of even date attached**For KHANDELWAL JAIN & CO.**

Chartered Accountants

NARENDRA JAIN

Partner

Membership No.: 048725

Place : Mumbai

Date : April 25, 2014

For and on behalf of the Board of Directors**RAVI NARAIN**

Chairman

CHITRA RAMKRISHNA

Director

J. RAVICHANDRAN

Managing Director

M VASUDEV RAO

Company Secretary



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

1 Background of the Company

The Company is inter alia, formed to make or hold all strategic investments in the equity shares and / or other securities of various companies. It holds more than 90% of its net assets in the form of investment in equity shares in group companies, not held for the purpose of trading, it also holds more than 60% of its net assets as investment in equity shares and does not carry any other financial activity. The Company did not raise or hold public funds. In view of the same, the Company is not required to be registered with RBI as per the directions laid down in Core Investment Companies (Reserve Bank) Directions, 2011.

2 Summary of significant accounting policies :

a) 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 respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), the provisions of the Companies Act, 2013 (to the extent notified) and the relevant provisions of the Companies Act, 1956 (to the extent applicable). The financial statements have been prepared on an accrual basis and under the historical cost convention.

b) Use of estimates

The preparation of financial statements in conformity with India GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Revenue Recognition

- (i) Revenue is being recognised as and when there is reasonable certainty of ultimate realisation.
- (ii) Income from Dividend is accounted as and when such dividend has been declared and the Company's right to receive payment is established.
- (iii) Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

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) The cost of investment includes acquisition charges such as brokerage, etc. Front-end discount / incentive earned in respect of direct subscription is adjusted towards the cost of investment. Income on investments is accounted for on accrual basis.

e) **Taxation**

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. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates. Deferred tax assets are recognised only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

f) **Provisions, contingent liabilities & contingent assets :-**

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

- 3 The current year figures consists of twelve months and previous period figures consists of two months and one day. Hence, current year figures are not comparable with those of previous period.

4 **Share Capital**

	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
<u>Authorised</u>		
45,00,00,000 Equity Shares of ₹ 10 each. (Previous Year : 15,00,00,000 Equity Shares of ₹ 10 each.)	4,500,000,000.00	1,500,000,000.00
45,00,00,000 Non - Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each. (Previous Year : 15,00,00,000 Non - Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each.)	4,500,000,000.00	1,500,000,000.00
	9,000,000,000.00	3,000,000,000.00
<u>Issued, Subscribed and Paid-up</u>		
41,30,21,703 Equity Shares of ₹ 10 each, fully paid (Previous Year : 2,25,50,000 Equity Shares of ₹ 10 each, fully paid)	4,130,217,030.00	225,500,000.00
41,29,71,703 6% Non - Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each, fully paid (Previous Year : 2,25,00,000 6% Non - Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each, fully paid)	4,129,717,030.00	225,000,000.00
Total	8,259,934,060.00	450,500,000.00

**Note:****Equity Shares**

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 Director is subject to the approval of the shareholder in the ensuing Annual General Meeting except in the case of interim dividend.

In the event of liquidation of the company, the holder of 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 shareholder.

Preference Shares

The Company has issued 6% Non - Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each. The Company declares and pays dividend in Indian rupees. All the said Preference shares are convertible into equity shares in the ratio of 1:1 at the end of nine years from the date of its issue as mentioned below.

Date Of Issue Of Shares	No. Of Preference Shares
Thursday, March 28, 2013	22,500,000
Friday, June 28, 2013	31,570,000
Monday, July 22, 2013	9,020,000
Monday, September 02, 2013	54,120,000
Tuesday, October 01, 2013	26,650,000
Thursday, January 02, 2014	57,564,000
Thursday, February 20, 2014	211,547,703

A reconciliation of the number of **Equity Shares** outstanding at the beginning and at the end of the reporting period

Name of the Company	As at 31.03.2014		As at 31.03.2013	
	Nos.	Amount (₹)	Nos.	Amount (₹)
At the beginning of the period	22,550,000	225,500,000.00	NA	NA
Add: Issued during the period	390,471,703	3,904,717,030.00	22,550,000	225,500,000.00
At the end of the period	413,021,703	4,130,217,030.00	22,550,000	225,500,000.00

A reconciliation of the number of **Preference Shares** outstanding at the beginning and at the end of the reporting period

Name of the Company	As at 31.03.2014		As at 31.03.2013	
	Nos.	Amount (₹)	Nos.	Amount (₹)
At the beginning of the period	22,500,000	225,000,000.00	NA	NA
Add: Issued during the period	390,471,703	3,904,717,030.00	22,500,000	225,000,000.00
At the end of the period	412,971,703	4,129,717,030.00	22,500,000	225,000,000.00



Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

Equity Shares :

Name of the Company	As at 31.03.2014		As at 31.03.2013	
	Nos.	% holding	Nos.	% holding
National Stock Exchange of India Limited and its nominees	412,608,681	99.90%	22,527,450	99.90%
National Securities Clearing Corporation Limited	413,022	0.10%	22,550	0.10%
Total	413,021,703	100.00%	22,550,000	100.00%

Preference Shares :

Name of the Company	As at 31.03.2014		As at 31.03.2013	
	Nos.	% holding	Nos.	% holding
National Stock Exchange of India Limited and its nominees	412,558,731	99.90%	22,477,500	99.90%
National Securities Clearing Corporation Limited	412,972	0.10%	22,500	0.10%
Total	412,971,703	100.00%	22,500,000	100.00%

Details of **Equity Shareholder** holding more than 5% share in the Company

	As at 31.03.2014		As at 31.03.2013	
	Nos.	% holding	Nos.	% holding
National Stock Exchange of India Limited and its nominees	412,608,681	99.90%	22,527,450	99.90%

Details of **Preference Shareholder** holding more than 5% share in the Company

	As at 31.03.2014		As at 31.03.2013	
	Nos.	% holding	Nos.	% holding
National Stock Exchange of India Limited and its nominees	412,558,731	99.90%	22,477,500	99.90%



5 Reserve and surplus

	As at 31.03.2014 (₹)		As at 31.03.2013 (₹)	
Surplus / (Deficit) in the Statement of Profit and Loss				
Balance as per last financial statements	(20,949,477.78)		–	
Profit / (Loss) for the period	7,229,400.51		(20,949,477.78)	
Less : Appropriations				
Proposed dividend	–		–	
Tax on proposed dividend	–	(13,720,077.27)	–	(20,949,477.78)
Total reserves and surplus		(13,720,077.27)		(20,949,477.78)

6 Other Current liabilities

	As at 31.03.2014 (₹)		As at 31.03.2013 (₹)	
Trade Payables				
to Holding Company	–		4,091,000.00	
to others	–	–	–	4,091,000.00
Other Liabilities				
Payable to Holding Company	6,670.00		–	
TDS Payable	29,120.00		–	
Liability for expenses	307,704.00	343,494.00	497,938.00	497,938.00
Total		343,494.00		4,588,938.00

7 Short-term provisions

	As at 31.03.2014 (₹)		As at 31.03.2013 (₹)	
Other Provisions				
Income Tax (Net of Advances)		385,000.00		–
Total		385,000.00		–



8 - NON CURRENT INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)

	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2014 (₹)	Number of Units	As at 31.3.2013 (₹)
NON CURRENT INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)						
INVESTMENTS IN EQUITY SHARES						
UNQUOTED EQUITY SHARES						
IN SUBSIDIARY COMPANIES						
DOTEX INTERNATIONAL LIMITED	12,000,000	10.00	120,000,000	1,224,089,650.00	-	-
INDIA INDEX SERVICES & PRODUCTS LTD.	1,300,000	10.00	13,000,000	1,334,146,338.00	663,000	333,505,766.00
NSE.IT LTD	10,000,010	10.00	100,000,100	600,058,735.00	-	-
NSE INFOTECH SERVICES LTD	50,000	10.00	500,000	37,580,097.00	50,000	37,552,007.00
		Sub-Total (i)		3,195,874,820.00		371,057,773.00
IN ASSOCIATE COMPANIES						
COMPUTER AGE MANAGEMENT SERVICES PRIVATE LIMITED	21,938,400	10.00	219,384,000	4,121,333,939.00	-	-
EXTENT OF HOLDING 44.99% (PY - NIL)						
MARKET SIMPLIFIED INDIA LIMITED	4,505,175	10.00	45,051,750	45,054,090.00	4,505,175	45,054,090.00
EXTENT OF HOLDING 30.00% (PY - 30.00%)						
NSDL E - GOVERNANCE INFRASTRUCTURE LIMITED	10,018,000	10.00	100,180,000	551,017,720.00	-	-
EXTENT OF HOLDING 25.05% (PY - NIL)						
POWER EXCHANGE INDIA LIMITED	15,000,030	10.00	150,000,300	150,375,353.00	-	-
EXTENT OF HOLDING 32.28% (PY - NIL)						
		Sub-Total (ii)		4,867,781,102.00		45,054,090.00
IN OTHERS						
GOODS AND SERVICE TAX NETWORK^^	613,061	10.00	6,130,610	6,130,610.00	-	-
		Sub-Total (iii)		6,130,610.00		
INVESTMENTS IN PREFERENCE SHARES						
UNQUOTED PREFERENCE SHARES						
IN ASSOCIATE COMPANIES						
10% OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES OF POWER EXCHANGE OF INDIA LIMITED	5,000,000	10.00	5,000,000	50,125,000.00	-	-
		Sub-Total (iv)		50,125,000.00		
		TOTAL		8,119,911,532.00		416,111,863.00

Notes:

Aggregate Book Value - Quoted Investments

Aggregate Book Value - Unquoted Investments

Aggregate Market Value of Quoted Investments

^^ Share certificate are yet to be received by the company.



9 Long Term Loans and advances

	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Other loans and advances (unsecured, considered good)		
Share Application Money - Goods and Service Tax Network	3,869,390.00	10,000,000.00
Prepaid Expenses	6,270.00	28,995.00
Total	3,875,660.00	10,028,995.00

10 CURRENT INVESTMENTS (VALUED AT LOWER OF COST OR FAIR VALUE)

	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2014 (₹)	Number of Units	As at 31.3.2013 (₹)
CURRENT INVESTMENTS (VALUED AT LOWER OF COST OR FAIR VALUE)						
INVESTMENTS IN MUTUAL FUNDS - UNQUOTED						
PRINCIPAL CASH MANAGEMENT - DIRECT PLAN - GROWTH	97,326.72	1,217.88	118,532,477.36	118,532,477.36	-	-
JP MORGAN INDIA LIQUID FUND - DIRECT - GROWTH	258,038.86	16.40	4,230,960.00	4,230,960.00	-	-
		TOTAL		122,763,437.36		-
Notes:						
Aggregate Book Value - Quoted Investments				-		-
Aggregate Book Value - Unquoted Investments				122,763,437.36		-
Aggregate Market Value of Quoted Investments				-		-
				122,763,437.36		



11 Cash and bank balances

	Current As at 31.03.2014 (₹)	Current As at 31.03.2013 (₹)
Cash and cash equivalents		
Balances with banks :		
On current accounts	37,894.37	7,998,602.22
Cash on hand	-	-
Total	37,894.37	7,998,602.22

12 Short Term Loans and advances

	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Prepaid Expenses	16,873.00	-
Advance Recoverable in Cash or Kind	337,080.00	-
Total	353,953.00	-

13 Revenue from operations

	For the year ended ended 31.03.2014 (₹)	For the period ended 31.03.2013 (₹)
Operating revenues		
Dividend from :		
Subsidiary Companies	15,456,000.00	-
Other	2,390,972.63	176,806.05
Profit on Sale / Redemption of Investments	4,240,433.88	0.17
Total	22,087,406.51	176,806.22



14 Other expenses

	For the year ended ended 31.03.2014 (₹)	For the period ended 31.03.2013 (₹)
Committee Sitting Fees	80,000.00	-
Director Sitting Fees	240,000.00	-
Fees & Subscription	26,362.00	-
Insurance	6,067.00	-
Interest on Delayed Payment of Profession Tax	125.00	-
Payment to auditor (Refer note below)	140,114.00	28,090.00
Preliminary Expenses written off	-	20,628,596.00
Printing & Stationery Expenses	7,075.00	-
Professional Fees	81,765.00	16,854.00
Profession Tax	4,500.00	-
Service Tax Expenses	39,552.00	-
Share Issue Expenses	12,732,446.00	452,744.00
Total	13,358,006.00	21,126,284.00
Note :		
Payment to Auditor As Auditor		
Audit Fees	56,180.00	28,090.00
In other Capacity		
Certification Matters	191,012.00	-
Out of Pocket Expenses	5,282.00	-
Total	252,474.00	28,090.00
Less : Certification Fees added to Cost of Invetsment	112,360.00	-
Total	140,114.00	28,090.00

- 15 As the Company has no activities other than those of an Investment Company, the segment reporting under Accounting Standard 17 - "Segment Reporting" is not applicable. The Company does not have any reportable geographical segment.
- 16 In compliance with Accounting Standard 18 - "Related Party Disclosures" notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956, 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	Promoter Company
2	National Securities Clearing Corporation Limited	Promoter Company
3	India Index Services & Products Limited	Subsidiary Company
4	NSE Infotech Services Limited	Subsidiary Company
5	NSE.IT Limited	Fellow Subsidiary Company (upto 29.06.2013) Subsidiary Company (w.e.f 30.06.2013)



Sr. No.	Related Party	Nature of Relationship
6	DotEx International Limited	Fellow Subsidiary Company (upto 30.12.2013) Subsidiary Company (w.e.f 31.12.2013)
7	National Commodity Clearing Limited	Fellow Subsidiary Company (upto 28.05.2013)
8	NSE.IT (US) Inc.	Subsidiary's Subsidiary Company
9	Market Simplified India Limited	Associate Company
10	Power Exchange India Limited	Promoter Company's Associate (upto 21.07.2013) Associate Company (w.e.f 22.07.2013)
11	NSDL e-Governance Infrastructure Limited (formerly known as National Securities Depository Limited)	Promoter Company's Associate (upto 29.09.2013) Associate Company (w.e.f 30.09.2013)
12	Computer Age Management Services Private Limited	Associate Company (w.e.f 07.01.2014)
13	National Securities Depository Limited (new)	Promoter Company's Associate
14	Omnesys Technologies Private Limited	Fellow Subsidiary's Associate (upto 11.09.2013)
15	Mr. J Ravichandran - Managing Director (w.e.f. 31.07.2013) Mr. M Vasudev Rao - Company Secretary (w.e.f. 23.05.2013)	Key Management Personnel

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

Name of the Related Party	Nature of Transactions	Year ended 31.03.2014 Amount (₹)	Period ended 31.03.2013 Amount (₹)
National Stock Exchange of India Ltd.	Issue of Equity Shares	3,900,812,310.00	225,274,500.00
	Issue of Non - Cumulative Compulsorily Convertible Preference Shares	3,900,812,310.00	224,775,000.00
	Purchase of Equity Shares of Power Exchange India Limited	150,000,300.00	
	Purchase of Preference Shares of Power Exchange India Limited	50,000,000.00	
	Purchase of Shares of DotEx International Limited	1,224,000,000.00	
	Purchase of Shares of NSDL e-Governance Infrastructure Limited	550,990,000.00	
	Purchase of Shares of NSE.IT Limited	600,000,600.00	
	Reimbursement of Expenses on purchase of Investment	562,362.00	
	Reimbursement of Other Expenses	1,294,957.00	
	Reimbursement of Stamp Duty payable on purchase of Investment	190,450.00	47,768.00
	Reimbursement of Preliminary Expenses	-	20,628,596.00
	Purchase of Shares of NSE Infotech Services Limited	-	37,550,000.00
	Purchase of Shares of India Index Services & Products Limited	-	333,489,000.00
	Closing Balance net Debit / (Credit)	(6,670.00)	(4,091,000.00)



NSE Strategic Investment Corporation Limited

National Securities Clearing Corporation Ltd.	Issue of Equity Shares	3,904,720.00	225,500.00
	Issue of Non - Cumulative Compulsorily Convertible Preference Shares	3,904,720.00	225,000.00
DotEx International Ltd.	Purchase of Shares of Market Simplified India Limited	-	45,051,750.00
	Reimbursement of Stamp Duty payable on purchase of Investment	-	2,340.00
	Investment in Equity Share Capital	1,224,089,650.00	-
NSE Infotech Services Limited	Dividend Received	7,500,000.00	-
	Investment in Equity Share Capital	37,580,097.00	37,552,007.00
NSE.IT Limited	Purchase of Digital Signature	2,770.00	-
	Investment in Equity Share Capital	600,058,735.00	-
India Index Services & Products Limited	Dividend Received	7,956,000.00	-
	Investment in Equity Share Capital	1,334,146,338.00	333,505,766.00
National Securities Depository Limited	Expenses towards Demat Fees	30,340.00	-
Computer Age Management Services Private Limited	Investment in Equity Shares	4,12,13,33,939.00	-
NSDL E - Governance Infrastructure Limited	Investment in Equity Shares	55,10,17,720.00	-
Market Simplified India Limited	Investment in Equity Shares	4,50,54,090.00	4,50,54,090.00
Power Exchange India Limited	Investment in Equity Shares	15,03,75,353.00	-
	Investment In 10% Optionally Convertible Redeemable Preference Shares	5,01,25,000.00	-

- 17 The Company had a Joint Venture interest in India Index Services & Products Ltd. (IISPL) which was a jointly controlled by NSE Strategic Investment Corporation Ltd (NSICL) & CRISIL Ltd. NSICL had a 51% ownership interest in the joint venture. During the year, the said Joint Venture has ceased with effect from August 27, 2013 due to the purchase of 49% stake of IISPL from CRISIL Ltd and consequently IISPL has become 100 % subsidiary of the company.
- 18 Company has purchased 2,19,38,400 Equity Shares of ₹ 10 each equivalent to 44.99% Equity stake in Computer Age Management Services Private Limited (CAMS) on January 07, 2014.



- 19 In accordance with Accounting Standard 20 - "Earning per Share" notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

Earning per share

Particulars	For the year ended 31.03.2014	For the period ended 31.03.2013
Net Profit attributable to Shareholders (₹)	7,229,400.51	(20,949,477.78)
Weighted Average Number of equity shares issued	134,554,587	1,550,000
Basic earnings per share of ₹ 10/- each (in ₹)	0.05	(13.52)
Weighted Average Number of potential equity shares issued	269,059,173	1,550,000
Diluted earnings per share of ₹ 10/- each (in ₹)	0.03	(13.52)

Since the company has incurred losses in the previous reporting period, diluted earnings per share is same as basic earnings per share.

- 20 There is no Micro, Small & Medium enterprise to which the company owes dues as at 31.03.2014. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
- 21 Expenditure / Investment in Foreign Exchange

Particulars	For the year ended 31.03.2014 (₹)	For the period ended 31.03.2013 (₹)
Purchase of Investments through remittance of INR outside India	2,756,321,467.00	-

As per our report of even date attached

For KHANDELWAL JAIN & CO.

Chartered Accountants

NARENDRA JAIN

Partner

Membership No.: 048725

Place : Mumbai

Date : April 25, 2014

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Managing Director

M VASUDEV RAO
Company Secretary



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY

1	Name of the subsidiary	:	India Index Services & Products Limited
2	Financial Year of the subsidiary company ended on	:	31st March, 2014
3	Holding Company Interest		
	Number of Shares	:	13,00,000
	Extent of Holding	:	100%
4	The Net Aggregate amount of the subsidiary Profits / (losses) so far as it concerns members of the holding company and is not dealt with In Holding Company's account		
	(i) for the financial year of the company	:	₹ 196,373,531
	(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary	:	₹ 345,912,912
5	Net aggregate amount of the Profit/(Losses) of the Subsidiary dealt with in the company's account		
	(i) for the financial year of the subsidiary	:	₹ 83,200,000
	(ii) for the previous financial years of the subsidiary since it became the subsidiary of the holding company	:	₹ 33,481,500

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Managing Director

M VASUDEV RAO
Company Secretary

Place : Mumbai
Date : April 25, 2014



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY

- 1 Name of the subsidiary : NSE Infotech Services Limited
- 2 Financial Year of the subsidiary company ended on : 31st March, 2014
- 3 Holding Company Interest
Number of Shares : 50,000
Extent of Holding : 100%
- 4 The Net Aggregate amount of the subsidiary Profits /
(losses) so far as it concerns members of the holding
company and is not dealt with In Holding Company's
account
- (i) for the financial year of the company : ₹ 662,540
(ii) for the previous financial years of the subsidiary since it
became the holding Company's subsidiary : ₹ 42,634,642
- 5 Net aggregate amount of the Profit/(Losses) of the
Subsidiary dealt with in the company's account
- (i) for the financial year of the subsidiary : NIL
(ii) for the previous financial years of the subsidiary since it
became the subsidiary of the holding company : ₹ 7,500,000

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Managing Director

M VASUDEV RAO
Company Secretary

Place : Mumbai
Date : April 25, 2014



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY

1	Name of the subsidiary	:	NSE.IT Limited
2	Financial Year of the subsidiary company ended on	:	31st March, 2014
3	Holding Company Interest		
	Number of Shares	:	1,00,00,010
	Extent of Holding	:	100%
4	The Net Aggregate amount of the subsidiary Profits / (losses) so far as it concerns members of the holding company and is not dealt with In Holding Company's account		
	(i) for the financial year of the company	:	₹ 140,379,096
	(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary	:	₹ 647,409,969
5	Net aggregate amount of the Profit/(Losses) of the Subsidiary dealt with in the company's account		
	(i) for the financial year of the subsidiary	:	₹ 40,000,040
	(ii) for the previous financial years of the subsidiary since it became the subsidiary of the holding company	:	₹ 178,000,178

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Managing Director

M VASUDEV RAO
Company Secretary

Place : Mumbai
Date : April 25, 2014



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY

1	Name of the subsidiary	:	Dotex International Limited
2	Financial Year of the subsidiary company ended on	:	31st March, 2014
3	Holding Company Interest		
	Number of Shares	:	1,20,00,000
	Extent of Holding	:	100%
4	The Net Aggregate amount of the subsidiary Profits / (losses) so far as it concerns members of the holding company and is not dealt with In Holding Company's account		
	(i) for the financial year of the company	:	₹ 63,454,941
	(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary	:	₹ 723,530,476
5	Net aggregate amount of the Profit/(Losses) of the Subsidiary dealt with in the company's account		
	(i) for the financial year of the subsidiary	:	₹ 324,000,000
	(ii) for the previous financial years of the subsidiary since it became the subsidiary of the holding company	:	₹ 102,000,000

For and on behalf of the Board of Directors

RAVI NARAIN
Chairman

CHITRA RAMKRISHNA
Director

J. RAVICHANDRAN
Managing Director

M VASUDEV RAO
Company Secretary

Place : Mumbai
Date : April 25, 2014

NSE.IT LIMITED

(A wholly owned subsidiary of NSE Strategic Investment Corporation Ltd)



FIFTEENTH ANNUAL REPORT
2013 - 14

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ravi Narain	:	Chairman
Mr. Ramesh Padmanabhan	:	Managing Director & Chief Executive Officer
Mr. Bharat Doshi		
Ms. Chitra Ramkrishna		
Mr. Rajendra Chitale		
Mr. J. Ravichandran		
Mr. V. Babuji		

MANAGEMENT TEAM

Mr. Anand Pachchhapur	:	Vice President
Mr. Shailesh Chitre	:	Vice President
Dr. Pareshnath Paul	:	Vice President
Mr. V. S. Kumar	:	President
Mr. Manish Bhatnagar	:	Vice President
Mr. Kankesh Kamath	:	Chief Financial Officer
Ms. Malini Moorthy	:	Head – Talent Management
Mr. Chirag Shah	:	Company Secretary

AUDITORS

: Gokhale & Sathe
Chartered Accountants
308/309, Udyog Mandir No. 1
7-C, Bhagoji Keer Marg,
Mahim, Mumbai – 400 016

REGISTERED OFFICE

: Trade Globe, Ground Floor,
Andheri-Kurla Road
Andheri (East), Mumbai – 400 059

EXECUTIVE SUMMARY

Dear Shareholders,

Continuing its foray in the information technology and online examinations space, the Company has been striving hard to battle against various political, socio-economic and market related adverse factors, particularly for mid-sized IT companies like ours. Moreover, the political and economic conditions of the US and European markets have also contributed to the slowdown of the Company, the Indian IT industry and the overall economy in general. Despite the above, the Company has managed to achieve a modest but a progressive consolidated turnover of ₹ 129 crores.

In the online examination space, the Company continued its foray of opening up new centres, multiplying its existing capacity and maintaining its cost effective model of low cost high capacity. During the year, the Company operated through its 224 centres all across the country. The Company has a widespread reach of its centres for conducting online examinations and this year the Company after battling all odds, have successfully opened a new centre at Jorhat in Assam and is in the process of opening up two new centres at Itanagar in Arunachal Pradesh and Gangtok in Sikkim thus making its mark across the length and breadth of the country. Thus your Company now operates in 28 states and 4 Union Territories. Individual as well as corporate assessments are conducted PAN India for various insurance companies as well as clients requiring assessments in that space. The Company executes the end-to-end process from registration to examination certificates. The high end technology framework along with the hi-tech and robust vigilance system provided by the Company facilitates the conduct of the examinations in a transparent and efficient manner. During the year, the Company bagged its first international client named "Kryterion" in the online assessments category. Further, the Company continued to provide online assessments services to its existing clients such as ITB, NCFM, CCIL, British Council, Kotak Mahindra Bank, Glaxo Smithkline, TimesPro, AFMC, CIEL and to various entities affiliated to the Citi Group. During the year, your Company bagged two prestigious projects and added them to its kitty namely, The Institute of Company Secretaries of India and Institute of Cost Accountants of India. Further, the Company also added to its list of prestigious clients a national name, i.e., Unique Identification Authority of India (UIDAI) for its Aadhaar Project. During the year the Company conducted 6.62 million assessments upto March 2014. During the current year the Company expects to leap into various new initiatives such as self service mode examination portal, Remote Proctoring and Proctor less examination.

During the year, your Company has successfully completed BVCI re-certification with "zero NCs." for its online centres. Your Company has also obtained CMMi level 3 certification in this year and is moving leaps and bounds for CMMi level 5 during this year.

In the software technology domain, during the year, Company continued to consolidate and enhance its Algorithmic Trading solution, called AlgoNomics and a chart based Automated Trading solution called "TradeGenie". Further, it also continued to develop and market a key low latency technology implementation using In-memory database and Complex Event Processing (CEP) engine for a new Algorithmic Trading solution named AlgoNomics. These products uses cutting edge technology stacks using low latency technology like In-memory Database XtremeDB, Complex Event Processing (CEP) Engine Espertech and SynCFusion's dyanamic Grid for a robust market-watch.

The product provides various standard algorithmic trading strategies (viz. Cash-Futures arbitrage, Futures-Futures arbitrage, Cash-Cash arbitrage) as well as custom strategies, taken up as be-spoke development.

In the software delivery domain, the Company implemented various new technologies in the area of low latency (Ultra Low latency messaging bus, in-memory database), Complex Event Processing (CEP), MS Sharepoint 2013

for delivering Intranet solutions, use of open source technologies like DNN portal and POSTGRE-SQL, HTML 5 for delivering mobility projects for various clients in India and the US. Further, the Company worked towards enhancement of Algorithmic Trading solution in the market; key technology implementation for latency improvement. The Company achieved an enhanced Arbitrage system with lower latency of less than 50 micro-sec.

During the year, the Company has successfully added new logos like ICICI Lombard, Cigna Healthcare, SBI Life, LIC, HDFC ERGO, Liberty Videocon, IL&FS, Axis Bank, UBS, GKN Securities, Order Flow Analytics (OFA) and Ogg Trading LLC

The Company was also successful in rendering services to overseas clients like Nastel, SSi, Avalon, Innosoft, AQS – Insurity, STR, Order Flow Analytics (OFA), Ogg Trading LLC and the like.

On the IMS front, there are multiple initiatives planned for the next year to augment the revenue and to lay the foundation for Cloud and Security based services by the IMS team. The main purpose is (i) To Value add on the Current Services Offerings (ii) To provide Additional turnover to the Company (iii) Provide Growth for the company (iv) To Focus on Bottom Line (v) To accelerate transition to “Solutions Company”. Further, The Company looks forward to launch an on-demand security based services called CNAM (Comprehensive Network Attack Management). This is an all encompassing Security solution which ensures immediate Network attack mitigation on Real Time Basis and ensures a 360 degree Security for our customers.

The employee count for the Company at the end of the year was 738 as compared to 712 in the previous year, a net increase of around 4%. The Training department processes have been approved for CMMi Level 3. The Company continues to focus on building a pool of talented resources who can deliver world class solutions to the customers depending upon their specific requirements. This year we have embarked on our H1 journey to look at expanding our base overseas.

With a strong existing clientele and new customers with high potential, the Company plans to take innovative steps in the products and services arena to cater to the technology requirements of its customers and take the Company to greater heights.

Sd/-
Ramesh Padmanabhan
MD & CEO

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the Fifteenth Annual Report and the Audited Accounts of NSE.IT Limited for the Financial Year ended March 31, 2014.

I. FINANCIAL RESULTS

The working of the Company during the period has resulted in a profit after tax of ₹ 1,403.79 lakhs as per particulars given below::

Particulars	2013-14 (₹ in Lakhs)	2012-13 (₹ in Lakhs)
Income	12,689.75	11,583.15
Expenditure	10,234.42	10,044.79
Profit before tax, amortization, prior period adjustments and extraordinary items	2,455.33	1,538.36
Amortization	274.10	288.03
Prior period adjustments	8.22	-
Extraordinary items	-	0.57
Profit before tax	2,173.02	1,249.77
Provision for taxation	765.43	418.14
Deferred Tax Liability/ (adjustments)	3.80	(27.10)
Profit after tax	1,403.79	858.73
Balance brought forward from previous year	548.66	635.62
Amount available for appropriation	1,952.45	1,494.35
Appropriations		
General Reserve	700.00	700.00
Proposed Dividend	450.00	210.00
Corporate Dividend Tax	76.48	35.69
Balance carried to Balance Sheet	725.97	548.66

II. OPERATIONS AND MAJOR EVENTS DURING THE YEAR

For the year ended March 31, 2014, the Company earned a total income of ₹12,689.75 lakhs as compared to previous year's total income of ₹ 11,583.15 lakhs. The net profit before tax of the Company for the year was ₹ 2,173.02 lakhs (17.12% of the total income) as compared to ₹ 1,249.77 Lakhs (10.79% of total income) in the previous year. The profit after tax of the Company for year was ₹ 1,403.79 lakhs (11.06% of total income) as compared to ₹ 858.73 lakhs (7.41% of total income) of the previous year.

Major Milestones

The following milestones were achieved during the year:

- Implementation of various new technologies in the area of low latency (Ultra Low latency messaging bus, in-memory database), Complex Event Processing (CEP), MS Sharepoint 2013 for delivering Intranet solutions, use of open source technologies like DNN portal and POSTGRE-SQL, HTML 5 for delivering mobility projects for various clients in India and the US
- Enhancement of Algorithmic Trading solution in the market; key technology implementation for latency improvement. Enhanced Arbitrage system with lower latency of less than 50 micro-sec
- New Logos for software services during this year include ICICI Lombard, Cigna Healthcare, SBI Life, LIC, HDFC ERGO, Liberty Videocon, IL&FS, Axis Bank, UBS, GKN Securities, Order Flow Analytics (OFA) and Ogg Trading LLC
- New initiative around Mobility – developed a project using native iOS (Objective C) for Apple's iPad as an extension of the solution created for STR. The mobile app introduces operational efficiencies by allowing usage of the system in places where desktops/laptops cannot operate. Company is taking huge strategic initiative to provide solutions for Digital business. Continuous growth of US operations, and won several contracts from US clients through the US subsidiary of the Company such as Nastel, Selec Transportation Resources (STR), SSI Healthcare and Order Flow Analytics (OFA)
- Continuing to roll out two significant initiatives of NCDEX in the area of eAuction of Cotton and e-Mandi SPOT solution for automation of various mandi operations in the country. Signed Teaming Agreement MOU with NCDEX for jointly offering e-Auction solution for Indian market
- Enhancing of our testing engagement with NSDL for multiple systems and completing a business critical project Inspection Automation
- Reported trades, Strips securities and Negative yields modules went live on NDS OM system for RBI's Fixed Income instruments for Clearing Corporation of India Ltd. Users of NDS-OM application doubled in last 1 year
- Stabilization and performance improvement of IRDA Agency licensing portal with helpdesk for nationwide users rolling out tagging of licenses for standalone health insurance companies.
- Continued support for live operations of Declined Risk Pool Portal system for the Indian insurance market which was executed for General Insurance Company
- Built a new application Tea Council System for Quality Control of Tea Exports and Imports
- Continued deliveries on Centralized Arbitrator Appointed Process (CAAP), revamped NSE Website, Arbitration and SCORES projects.
- Enhanced the activities of the Test Centre of Excellence, the team size increased to 80+ resources. 2 new batches of testers were inducted and trained to provide new impetus to testing activities in existing projects and also win new customers for testing activities.
- Establishment of Performance testing practice. This initiative helped us make major in-roads into customers like SBI Life, CCIL and also support internal projects like Online Assessment and STR
- ISO 27001 re-certification achieved for system and Infosec compliance.
- Quality Initiatives: The Company has setup a Business Excellence and Transformation (BET) team to spearhead quality initiative in the organization. Software Products & Services was re-certified with ISO 9001:2008 by BSI UK. The Company has been successfully assessed with CMMi Level 3 in August, 2013. The Company is currently working on to achieve CMMi Level 5. QAI has been retained as the consultant for this journey.

Highlights of various activities during the year 2013-2014

⇒ Services

1. Algorithmic Trading

During the year, the Company has also undertaken a technical enhancement project to further improve the latency and throughput. The upgraded solution utilizes an in-memory database for computation of all Risk Management.

The Company expects to implement strategies, and upgrade the product with technical enhancements.

The Company also continues to support TradeGenie based on Reliable Software's market-leading Chart-based technical analysis product Falcon.

2. IRDA Agency Licensing Portal

NSE.IT implemented a solution, IRDA Agency Licensing Portal, web application, which is provided by IRDA to the Insurance Companies to license Insurance Agents. The IRDA Agency Licensing portal implements all IRDA regulations that govern the process for recruitment of Agents. The IRDA Agency Licensing portal also includes providing a dedicated Help Desk for all users of the IRDA Agency Licensing Portal.

The objective of the system is:

- To provide a software application that would automate the entire recruitment cycle for Insurance Agents
- To provide a software application that implements all IRDA regulations at each step of the recruitment cycle
- To widen the scope of the application by including all entities involved in the recruitment cycle

The portal is live since Jan 2010 and has already processed more than 25.17 Lakhs fresh online assessment applications. In the process, the portal has issued 19.63 Lakhs new licenses, and renewed 19.45 Lakhs licenses. The portal also interfaces with our Online Exam Scheduling and Examination portal, thus supporting an end to end business process flow. The portal has further added newer de-duplication methods to ensure uniqueness of applicants.

The Company also provides technical support for the application and provides maintenance and system administration support for the server systems in Mumbai and Bangalore.

3. MSE - Stock Exchange Solution

This year, the Company has delivered a stock exchange solution for one of the leading Regional Stock Exchange in southern India. It is setup with the objective of having an online, transparent, with anywhere access trading platform for members of the exchange through a single electronic screen.

The scope of the project was to build a trading solution for Equities Market which includes Front Office, Exchange Order management System. With the successful completion of software delivery

by us and UAT completion by the client, the system is expected to go live soon on receiving the regulators' approval.

SEBI Inspection has been conducted. There are some enhancements, defects and SEBI specific observations raised by MSE which are getting handled by our team.

4. Power Exchange of India (PXIL)

The Company continues to provide support services to Power Exchange of India since the exchange has gone live in October 2008. The services encompasses application development, testing and support areas along with technical support for various applications.

The past financial year was phenomenal as there has been some key landmarks achieved in taking the PXIL trading system to the next level. These are stated below -

- Any day, Intraday, Four Week power trading products went live in last financial year
- Delivered crucial REC requirement in crunch time which has helped PXIL in increasing business 1000% compare to last financial year 2012-13.
- The MILP based matching algo is expected to give better quality solution. In the exhaustive testing carried out, it emerged that there was a clear advantage to market in terms of increased volume cleared, better corridor utilization, several new types of bids can be introduced.
- PXIL has been able to deliver customized versions of existing product to its end-customers in very short period
- PXIL has been able to achieve Consistent and Predictable Execution Results even in extreme market condition
- From New matching implementation to 31st March 14 the total business revenue generated is approx. 2 Crore 90 Lakhs
- REC Segment business revenue is approx. 5 Crore 70 Lakhs for financial year 2013-14

Term Ahead product is under development & is scheduled for delivery in the next quarter

- Continued to provide dedicated and extensive support on the live environment for DAS, DAC, Weekly, REC and C&S systems.
- PXIL is now clearing the past pending payments.
- The release frequency has been reduced by almost 65 % by carrying out process improvements. The overall product quality has also improved.

Currently the team has been reduced to 3 developers for providing the BAU support to the Power Exchange.

5. Citi group

Our operations in Citigroup continue to grow from EnSettle implementation/maintenance and supporting business analysis, development and maintenance of Treasury and Citi Market applications.

Citigroup is a Trading Member cum Clearing Member on the National Stock Exchange of India's (NSE), Futures and Options segment. Citigroup does trading and clearing on behalf of their

clients(participants). Currently 3 EnSettle instances running at Citigroup – CCSIL, Treasury and CGM for different exchange and segments.

- EnSettle has been configured as a comprehensive modular application platform for Exchange Intermediaries (Brokers, Clearing Members and Custodians)
- Support for different market segments - Equity, Equity Derivatives, Forex and SLBS
- Following activities were performed for Citi during this year
 - Addition of BSE segment
 - Addition of MCX segment
 - Enhancement of client reporting, MIS and regulatory changes.
 - Support and maintenance of Treasury applications Enhancements in integrating EnSettle with existing legacy systems.

This year, the Company has taken over development and maintenance of Weblcon application in Citibank, this application is primarily a transformation engine which helps Citibank in aggregating data from various service providers and helps in faster payment reconciliation for multiple billers across the country. The Company has been able to provide value addition in terms of technical expertise and also helping Citi achieves various deadlines. Improved user interfaces leading to improved productivity and ease of user experience. This application is poised for further growth with new convertors earmarked for development in the coming year.

6. CCIL

During the year, the following projects have been undertaken by NSE.IT at CCIL (Clearing Corporation of India Ltd.)

Negotiated Dealing System (NDS) for Order Matching (OM) and Auction

NSE.IT got this opportunity through the medium of CCIL for providing trading front end solution for Debt market (government securities). The project is directly under the supervision of RESERVE BANK OF INDIA giving it the national importance.

Web based NDS OM went live in Jun 2012. There have been volumes of 158736 Crs (12661 trades) from inception till first week of Mar 13.

Currently, the user testing for NDS OM phase 2 has been completed, and work in progress for various additional features to onboard more clients on the OM platform

During the year, the Web based NDS OM application (RBI Web based trading application for government securities) developed by NSE.IT had following achievements:

- Application end-users doubled as compared to last year
- NDS OM system achieved a new milestone on 14 May 13 with a staggering trading volume of 1,36,943.03 crore
- New modules of reported trades, Strips securities and Negative yields were developed & implemented
- NSE iT bagged the contract of maintaining, enhancing and providing production support for the application for another year starting 27 Jan 14.

7. Tea Board

The most important achievement for the Tea Board project this year was the go-live of the tea quality checking mechanism called the Tea Council.

The Company continued to provide end to end support for running the Tea e-auctions at all 7 centres as well as running tea waste and tea council.

The following were also achieved during the year:

- Implementation of Tea council System
- Go-Live of Tea council System
- Enriching the Tea council Application
- Enriching the Tea Waste Application
- Development of supporting buyer application in a 64-bit environment
- Inclusion of enhancements in existing e-Auction system.

Over the next year, the Company plans to achieve the following:

- Go- live for following new e-auction modules & applications:
 - Bulk Tea Sale
 - Packaged Tea Sale
 - e-Settlement
 - Warehouse Inventory Management System
- Development of PAN India Auction

8. NSE

Development Projects

During the year, NSE.IT partnered with NSE to deliver new projects / re-engineer existing solutions to suit NSE's growing business needs. Given below are the projects executed during the year.

A. NSE WEBSITE:

NSE Website is one of the most important and visible project of NSE. The website shows its members and all others the live traded Stock, Derivatives, Currency, Bonds, Securities and various other Securities which are traded on the Stock Exchange.

- Portfolio Diversification Calculator Tool
 - The objective of this tool is to make the user understand the benefits of portfolio diversification using India VIX.
 - The facility allows users to combine underlying Nifty and India VIX futures as a portfolio. The user can choose individual weightings for Nifty and India VIX futures in the portfolio
 - India VIX futures can be held as long or short. User will have option to choose between Near and mid- week Contract of India VIX.
- India VIX Spot & Futures

- Launch of weekly Futures contracts on India VIX
- Display of online & Historical Data as given in storyboard.
- Display of India VIX future & Spot information on microsite (akin to Bank Nifty layout)
- Development of India VIX & Nifty Chart since launch, with data for each day appended to the chart.
- Development of Tools for India VIX Futures.
- Interest rate futures :- NSE to launch Exchange Traded Cash Settled Interest Rate Futures on 10-Year GOI Security. Therefore, it is now proposed to introduce Cash Settled Interest Rate Futures contracts (IRF) on 10-Year GOI Security.
- DEBT Market website :- A new micro site specially for Debt Market was launched. It has details like market turnover, trade by trade information, quote information, yield value display.

The existing NSE India website (www.nseindia.com) was revamped to give a new look & feel, and continued with maintenance / enhancement work

B. NSE Intranet Portal:

NSE Intranet Portal is one of the most important and visible projects within NSE. This portal is used by all the NSE users for their day to day tasks and for various information and updates.

- The existing NSE Intranet portal was revamped give a new look & feel, and add new features
- UI was developed by UXD team to make it more user friendly and appealing
- First Sharepoint 2013 implementation within NSE
- Additional features like Department Site, MySite, Blogs, etc were provided

C. IISL:

Following projects are being delivered by NSE.IT for IISL:

▪ MICE

This system is developed for creating and maintaining indices. It is used to compute daily value of various indices.

Regular activities carried out include:

- Adding stocks to an exchange
- Inclusion/exclusion in an index
- Rebalancing an index
- Effect of corporate actions

Apart from these activities, various reports can be generated within the system. Data requested by clients is provided by various modes of dissemination, viz. email, zip, and ftp.

▪ IISL/DotEx Billing

This system is used to generate invoices for clients of IISL and DotEx. Clients subscribe to data in the form of products and are billed accordingly. Credit notes can be raised through the system. Various reports can also be generated.

- **DotEx Historical Data Online**

This system has been developed for DotEx users and clients to access historical data online. The first phase includes creation of clients, granting & revoking access to files and clients being able to download the data via the internet. Second phase of DotEx Historical Data Online includes client self registration, client subscribing to data, admin approving that subscription.

- **Impact Cost**

Calculates liquidity of an index or stock for Capital Market

- **DotEx Post Trade**

This system is used to provide clients access to post trade data

- **IISLNet**

This system is used by client to download specific indices data. It was a first web service implementation

Key achievements in IISL:

- IISL Billing was used for live data this financial year, i.e. 2013-14
- IISLNet - Web Service implementation went live in Feb-14
- New project for calculating the debt indices is under development. Planned to go-live by Jun-2014.

D. SCORES:

SEBI Complaint Redress System (SCORES) is a web based system which enables SEBI to forward investor complaints to the Exchange. The system also allows for NSE to respond to these complaints. The initial development of the system involved manually capturing complaints from SEBI and responding to these complaints with specific actions taken by the Exchange.

Key achievements in SCORES:

- Initial development was done as a fixed price product and subsequent changes were taken up as CMR.
- Scheduling Activity for Major Processes which used to happen manually earlier has been automated due to which one can schedule any process through UI without stopping the server
- Simultaneously the Scheduling Activity has been integrated with holiday master which will not let any consumption of complaint's during holiday
- Redirect cases(Complaints not pertaining to NSE but sent to NSE) are taken care in Capture Complaints process
- Daily Logs are maintained and the log system has been made very robust
- Automated Mails go to users in case of various issues informing them about the issues and giving them suggestions for the same.

E. Arbitration

Arbitration is a process of dispute resolution which is legal technique for resolution of disputes outside the court. In this process the parties to a dispute refer it to one or more person (Applicant, Respondent & Arbitrator).

Key Highlights:

- Centralized Arbitrator Appointed Process (CAAP) – Phase II
Centralized Arbitrator Appointment application was developed for automated appointment of the arbitrator from across all the Exchanges to process an Arbitration with modification of existing logic.
- CAAP Phase II release and other enhancements.
Auto correspondence of status change of Arbitrator
 - Sending email to arbitrator when arbitrator status changed.
 - Addition of exchange name and entity details arbitrator.
 - Arbitrator exchange mapping & exchange wise search of arbitrator.
 - Report generation.
- Award debiting automation: Automation of awards with maker/checker workflow and making the necessary debit entry in NSCCL.
- Implementation of award process automation SEBI Circular including maker/checker workflow: End to end work flow of Arbitration/ Appellate award implementation process including multiple processes with approval hierarchy.
- Website Automation (Award upload in website in csv format): Automation of uploading award on website including CSV and PDF format for Arbitration/ Appellate award.
- SMS REMINDER to Arbitrator for ARBITRATION hearings schedule.

F. NICE

Investor Grievance Centre performing operation on complaints filed by Investors against the trading member.

Key Highlights:

- Electronic Correspondence signature with Investor, TM using digital signature in NICE: Sending Electronic Correspondence to investor and TM whose email id available in NICE. It's the faster correspondence with investor which decrease paper work and reduced TAT.
- Automation of SCORES complaints Dashboard in NICE
- Alerts and Reminders generations in NICE.
- Receipt and Distribution of documents/letters through ENIT and SCOREs across all ROs and with TMs : Facility to record the letter details (inward details) in NICE. This data can then be pushed to a complaint or other entity (wherever feasible) so that repetitive entry of details can be avoided. This will ensure a consistent procedure for recording inward/letter details across all regions, data security and reduction in wastage of time.
- Implementation of handling of "Sensitive" type of complaints in NICE
- Automation of Daily, Weekly and monthly Reports, Status and NOC report.

G. DCS

DCS is a statutory Committee of the Exchange set up to deal with cases related to both Defaulters as well as Expelled members. DCS system caters to two main functions of defaulters committee, namely Assets management and Claims management.

Key Highlights:

- Screen Modifications and bulk upload facility in DCS for old data migration into DCS system Phase I and Phase II

H. NFA

This project deals with the Financial & Account System for NSE

Key Highlights:

- FFD - end to end integration & seamless accounting - enhancements in existing FFD module so that the turnover time of Fixed deposit processing could be reduced from 4-5 days to 1 day
- TDS Pack - NFA Integration - A separate module to pay TDS deducted by NSE to income tax department of India online with payment interface of HDFC
- Online E-payment interface with ICICI bank - A separate module for making online payment to NSE vendors with collaboration to ICICI bank
- NFA revised schedule-6 - A separate module regarding financial yearwise balance sheet and profit & loss statements
- NFA enhancements - Enhancements in existing modules to minimize manual work done by user/IT team along with resolution of security threats.
- NFA process automation - Automation/scheduling of various critical NFA processes
- Prepaid module and Reverse tax module - A separate module to pay reverse tax deducted by NSE online with collaboration with ICICI payment interface.

9. eMandi - MMP:

This system is developed for Primary market of agricultural produce markets in collaboration with various Agricultural Produce Marketing Committees/Boards governing the notified markets with active involvement of respective State Governments

- The applications will be centrally deployed and hosted by NSPOT and all participants would connect to it through internet in the normal course.
- There will be 3 types of interfaces –A browser based interface, Mobile application and a SMS based interface. SMS based interface is used for bidding in auctions, e-Tender Results, Permit and various APMC activities.
- The application can be deployed for a specific language based on the requirement of the particular APMC.
- This system supports multiple trading models including auctions, quote based trading, Over The Counter trades and order based trading.
- Each APMC market will be treated as an independent market with its own rules. Access to the market will be as per the rules of the concerned APMC.
- This application has been rolled out successfully for Karnataka Circle (starting with Gulbarga APMC).
- There is a business potential for 3000 Mandis in India.
- Till Date 29 APMCs are Using eMandi Application.

- More than 25 APMCs would be embracing the new technology led transformation in next four months.
- Statistics for 29 APMC.
 - o Daily Arrivals: 200 Cr (TUR,CHANA..) with 6000 Lots.
 - o Daily Trades : Approx Trade Value : 2000 Cr.

Unique Features:

- ✓ Assayed Commodities – Provides for assayed commodity sales and assaying of commodities. This allows non site seen auctions.
- ✓ Warehouse based sales – Allows warehouse based sales of commodities by farmers.
- ✓ Aggregation of farmer lots combined with assaying for better price realization for the farmers.
- ✓ Permit Verification through SMS – A fool proof methodology to prevent take or duplicate permits.
- ✓ Purchase planning for traders helps to reduce defaults.
- ✓ Dutch and Yankee format auctions for large lots.

10. eMandi – UMP – Unified Market Platform

NCDEX SPOT Exchange Limited (NSPOT) has developed a Unified Market Platform (UMP) which can handle local as well unified market transactions in regulated markets

The first ever Unified Market Platform (eMandi UMP) in the country was inaugurated on 22 Feb 2014 by Shri Siddaramaiah, Honorable Chief Minister of Karnataka.

This Application/Platform is the first of its kind initiative by Rashtriya e-Market Services Pvt. Ltd. (ReMS) - a joint venture between NCDEX Spot Exchange Limited (NSPOT) and the Government of Karnataka to create a state wide marketplace

The initiative was preceded by successful implementation of the Mandi Modernisation Programme (MMP) by the NCDEX and Karnataka government.

With a modest beginning in Gulbarga in 2011, the MMP is now active in 26 APMC (agricultural produce market committee) markets in Karnataka and expected to cover 94 key markets in the state by year-end.

The UMP will provide an electronic auction system across the state for transparent price determination. It also offers objective quality based trading in APMCs and online access to all the APMC market functionaries.

Participation would be open to participants across the state holding the unified market licence issued by the state.

Farmers would have the choice to sell in any regulated or private market in the state and would get timely online payment.

Additional services would include assaying and grading, along with facilitating pledge loans to farmers.

Presently, it would be available for turmeric (Chamarajnagar) and Kopra (Tiptur, Arsikere and Tumkur) and would soon cover other APMCs and commodities.

Salient Features

- UMP applications will be centrally deployed and hosted and all participants would connect to it through Internet in the normal course.
- UMP has two types of interfaces – A browser based interface and a mobile SMS based interface to be used for only bidding in auctions.
- There could be multiple language specific deployments; a single deployment supports any two languages at a time. Currently UMP supports English, Hindi, Telugu and Kannada. Additional Languages would be included as and when required.
- UMP supports multiple price discovery models including e-Tender (undisclosed bid prices), e-Auctions (disclosed best bids lot wise in English Auction Format only) and Bilateral Trading.
- Two types of markets would be supported, Real Markets and Unified Markets. Real Markets correspond to existing APMC market yards and its affiliated warehouses. A Unified market is for a commodity, where price discovery happens across real markets.

11. eAuction – Cotton Corporation of India:

NSPOT and NSE.IT has entered into a Teaming Agreement to jointly offer solution to the Auction market-place, whereby NSE.IT will be the implementation partner for e-Auction solution to the clients bringing in vast domain experience of NCDEX in Commodities space, and proven technology solution expertise of NSE.IT in this domain.

Cotton Corporation of India achieved a turnover of approx 4500+ Cr within few months of launch of e-Auction.

Following are the list of Salient Features of the Solution

- ✓ Multiple Trading Mechanisms – The application supports multiple trading and price discovery mechanisms such as direct purchase, quote based purchase and real time competitive bidding.
- ✓ Rank auctions and sealed bid auctions.
- ✓ Digital Certified Bids .
- ✓ Efficient Mobile browser based quotations.
- ✓ Full fledged SMS based quotation for auctions
- ✓ Assayed Commodities – Provides for assayed commodity sales and assaying of commodities. This allows non site seen auctions.
- ✓ Two Level Digital certificate implemented in settlement process.

12. NCDEX SPOT Trading Front End:

The front end (FE) for NSPOT trading system is a web –based interface, available to the Trading Members and its users to participate in NCDEX Spot Market. The FE would support the following markets:

- ✓ Auction market

- ✓ Discrete Market
- ✓ Continuous Market

The FE interface is initially, provided by the NSPOT exchange to its users, and will support FIX protocol for communication with the Trading System

The exchange is also provide a utility called as Spot Excel to users who would like to place auto-generated orders to trading system based on certain predefined parameters and on price feed received from another system

Following are the list of Salient Features of the Solution

- ✓ Single day trading contracts
- ✓ Intra day trading with settlement of obligation on net basis
- ✓ All positions outstanding at end of the day resulting into compulsory delivery
- ✓ Demat delivery facility available
- ✓ SMS based trading

13. NCDEX Web site:

A new web site was developed for NCDEX exchanges with following new features and support.

- Investors Module -includes Investor Grievances, Awareness, Trade verification Facility for Members.
- N-Chart – Gives real time Technical analysis chart for NCDEX commodities.
- Light weight application which works on all browsers and mobile web interface.

14. NCDEX Settlement:

This application is developed for future commodity settlement and has been integrated with NSDL and CDSL system. This system includes membership and broker management for NCDEX clients.

Unique Features:

- ✓ Interactive settlement dashboard - a calendar facility providing trades with information on their trade settlements.
- ✓ Two-way user authentication.

15. NCDEX Testing Projects:

- Clearing and Settlement of futures and Options for Commodities Exchange
- Order Management and Trade Management for Commodities Exchange
- Real Time risk management for the exchange
- Interaction with Multiple Instance of Comtrack (Depository for Commodities) Application
- Other Application Testing like Polling, Extranet, Billing for the exchange
- E-Mandi

16. NSDL

NSE.IT has been supporting NSDL in testing their business critical applications (details provided below) and also involved in development of NSDL's Inspection BackOffice (IBO) application.

Development Project:

IBO provides automation of the inspection process right from scheduling till post inspection reporting and subsequent reporting. Earlier most of these processes were either done manually or were partially available on disparate systems. This resulted in higher effort per inspection. IBO developed by NSE.IT combined all such features under single system, leading to an overall effort and cost saving for NSDL.

Testing Projects:

NSE.IT is providing large-scale testing support on the following applications -

1) SEZ Online

Brief description of the project: As a part of the e-Governance initiative, Ministry of Commerce (MOC) intends to automate SEZ transactions. Ministry of Commerce has entered into a formal agreement with NSDL Database Management Limited (NDML) for establishing and managing a nationwide integrated solution for administration of Special Economic Zones (SEZ) of India.

Testing Activities:

- a) NSE-IT has been involved in this project for more than 2 years
 - b) The testing activities mainly involve functional manual end to end web based testing (UAT). The tasks cover most of the phases of STLC right from Requirements analysis phase till defect tracking and closure.
- ##### 2) TIN

Brief Description on the project:

Tax Information Network (TIN) is an initiative by Income Tax Department of India (ITD) for the modernization of the current system for collection, processing, monitoring and accounting of direct taxes using information technology.

Testing Activities:

- a) NSE-IT has been involved in testing activities for this project for around 2 years.
 - b) The testing activities mainly involve functional manual end to end web based testing (UAT), database level testing, data posting and extraction.
 - c) Recently in this financial year, the Company got an opportunity for Performance testing in this project.
- ##### 3) PAN

Brief Description on the project:

Tax Information Network (TIN) is a repository of nationwide Tax related information, and has been established by National Securities Depository Limited on behalf of Income Tax Department of India (ITD). Some of the services offered by TIN are Facility to apply for PAN, TAN & AIR online & offline via TIN-FC's, Reprint of PAN card & TAN with existing/revised details, Status enquiry of the applications etc.

Testing Activities:

- a) NSE-IT is involved in this project for around 2 years.

- b) Testing activities mainly include testing of modules PAN, TAN and AIR process flows.
- c) Participation in each phase of the STLC
- d) Involvement in the reviews & walkthrough of the QC process.
- 4) Speed-e

Brief Description on the project:

Any Participant of NSDL can subscribe to SPEED-e, the common infrastructure of NSDL. SPEED-e enables demat account holders (including Clearing Members) to submit delivery instructions directly on the Internet through SPEED-e.

Testing Activities

- a) NSE-IT is involved in this project for more than 2 years.
- b) The testing activities mainly involve functional manual end to end web based testing (UAT), database level testing, volume testing (bulk instruction posting and analysing the response time and memory utilization).
- 5) KRA

Brief Description on the project:

With a view to bring uniformity in the KYC requirements for the securities markets, SEBI has initiated usage of uniform KYC by all SEBI registered intermediaries. In this regard SEBI has issued the SEBI {KYC (Know Your Client) Registration Agency (KRA)}, Regulations, 2011.

Testing Activities:

- a) NSE-IT received testing opportunities in this project in this financial year 2011-12.
- b) The testing activities mainly involve functional manual end to end web based testing and file upload [specific format] based testing.
- c) The Company has also managed to get a performance testing opportunity in this project.

17. **BNP Paribas:**

BNP Paribas is a leader in banking and financial services in Europe. They are having their presence in 80 countries. The three main activities of BNP Paribas are complementary, providing strategic strength and assuring the bank financial solidity: Retail Banking, Investment Solutions and Corporate & Investment Banking. It also has India presence in Fixed Income, CLM, Equity, Derivatives and Corporate Banking APAC region. BNP Paribas India provides support to global IT and business operations.

The Company has partnered with BNP to provide services in areas of development, business analysis and testing, thereby growing this account to cover additional services and want to become a partner of choice in multiple areas.

18. **A V Ganapathy / JB Boda:**

A V Ganapathy is an actuary who along with a leading re-insurance group is engaged in rendering services pertaining to Actuarial Valuation of Employee Benefit Schemes.

With close to 800 customers the organization provides the actuarial valuation services for Gratuity,

Leave encashment, Pension, Sick leave, Incentive valuation, Provident Fund Interest Shortfall and Post retirement medical benefit.

The Company has helped the client to fully automate the current manual process. The new web based application was developed to provide a robust platform in terms of data management, close and quick interactions between the various stake holders, thereby reducing the load on the users.

The application is currently in final stages of acceptance and will be used in production by the customer independently.

19. **GIC:**

General Insurance Corporation (GIC) of India is the sole designated Indian Reinsurer. GIC provides reinsurance to the direct general insurance companies in the Indian and foreign market. GIC is managing the existing Indian Motor Third Party Insurance Pool (IMTPIP), under the reformation of the pool, as per the directive of IRDA; Indian Motor Third Party Declined Risk Pool was setup collectively by all General Insurers in India to service Commercial Vehicle Standalone Third Party Liability Insurance policies.

The system allows the member companies to upload the decline risk policies in the system which will help in distribution of premium within member companies on the basis of their market share. DR Pool Application allows all Member Companies to upload Policy, Endorsement, Cancellation and Claims data for vehicles.

The application was designed, developed within 3 months. All modules of the application are now live and being used by all the insurance companies since the last 2 years.

20. **Gravitas**

This is a testing assignment for Gravitas. The Company has augmented the Gravitas testing team by providing skilled resources for testing of an order management system.

21. **Cigna Healthcare:**

Cigna TTK Health Insurance Company Limited is one of the newest entrants in the Indian insurance market; it is a joint venture between the U.S. based global health services leader, Cigna Corporation and Indian conglomerate, TTK Group. The Company has received the regulatory license from IRDA in November 2013 and has launched operations from February 2014.

Cigna TTK's mission is to improve the health, well-being and sense of security of the people they serve. The Company will strongly leverage Cigna's global health service expertise along with the trust, credibility and experience of the TTK group, to offer products and services exclusively designed for Indian market. To support this, the Company has extensively invested in state-of-the-art technology, to give customers and distributors a completely hassle-free and personalized service experience. Cigna TTK's service philosophy is to make Customer experiences easy and reliable - in ways that they find our services proactive, personal and empathetic.

The Company has helped Cigna go-live with their business operations by ensuring testing of their applications. Testing was done for their 13 different applications within a stringent time frame and a challenging multi-vendor scenario.

Testing involved making sure that their disparate systems could work cohesively and meet the overall business objectives. In addition to the testing the core policy admin system the testing work also involved interfacing with other systems like CRM, Web interface, Oracle GL, bespoke underwriting system and new business customized systems.

Active reference from Cigna have helped us generate a highly pipeline amongst the other insurance companies.

22. LIC:

LIC is India's premier Insurance provider and continues to be the dominant life insurer even in the liberalized scenario of Indian insurance and is moving fast on a new growth trajectory surpassing its own past records. LIC has issued over one crore policies during the current year.

The work done by our team at LIC involved creation of web services for grievance handling system and also training their internal IT teams in these areas. The Company is looking forward to partnering with them in various areas in the coming year.

23. HDFC ERGO:

HDFC ERGO General Insurance Company Ltd. is a 74:26 joint venture between HDFC Ltd., India's premier Housing Finance Institution and ERGO International AG, the primary insurance entity of Munich Re Group. HDFC ERGO offers complete range of general insurance products ranging from Motor, Health, Travel, Home and Personal Accident in the retail space and customized products like Property, Marine and Liability Insurance in the corporate space. HDFC ERGO is the 4th largest private sector general insurance company in India. HDFC ERGO has been expanding its presence across the country and is today present across 87 cities with 104 branches with an employee base of more than 1700 plus professionals.

The Company has partnered with them to provide services in areas of development, business analysis and Testing. The Company is looking at partnering with them for their various challenging projects in the coming years.

24. IL&FS:

Started in 1997 as Schoolnet, IL&FS Education and Technology Services Limited (IL&FS Education) is the Social Infrastructure arm of IL&FS Group (www.ilfsindia.com). They manage large scale programmes focused on Education, Skill Development, Healthcare and Cluster Development in a Public Private Partnership (PPP) mode.

Currently, IL&FS work with more than 10 Central and 25 State Government departments, Public Sector Enterprises (PSEs), Multi National Agencies and other Private companies as a partner in their social development goals. Together with their subsidiary companies, IL&FS Skills and IL&FS Clusters they have impacted over 800,000 people in 27 states of India. They are also present in 15 countries of Africa offering services in education, skills and sustainable agriculture.

The Company has partnered with IL&FS to provide services in areas of development. Currently 2 developers are deployed to support .Net application development. Services in other area like UXD and responsive web application design and development are in progress.

25. SBI Life Insurance

SBI Life Insurance is a joint venture life insurance company between State Bank of India (SBI), the largest state-owned banking and financial services company in India, and BNP Paribas Assurance. SBI owns 74% of the total capital and BNP Paribas Assurance the remaining 26% of the capital. SBI Life Insurance has an authorized capital of 2000 crores and a paid up capital of 1000 crores.

When the government of India opened the life insurance sector to private companies, SBI started SBI Life as a joint venture with BNP Paribas in 2001. While in its initial stage its business was mainly from bancassurance channel, now it is developing its own agency team for selling its life insurance products.

OVERSEAS PROJECTS\

A. Nastel

This is an outsourcing engagement for Nastel running successfully over the past 3+ years. Over this period, NSE.IT has managed to successfully transition from being just an offshore development team to an equal partner in their next generation product development, Autopilot Transaction Works product line. As a result of this, NSE.IT is now an integral part of their long term strategy. Additionally, the development stream has now been extended with an opportunity in the upcoming jKool product line for building next generation product based on SAAS model using HTML5, Java and Cassandra.2 team members have been deputed onsite. Likewise, the testing stream has been extended with opportunities on the other products in the suite like M6 Web Console, APWMQ, etc.

Over the next year, there is a plan to mine this account further in the following areas:

- jKool product development
- Big Data
- Development of APWMQ

B. SSi

This is an outsourcing engagement for SSi. The Company has provided an offshore development team to help SSi develop, maintain and support its products and services in the telecom and healthcare domains. The Company was able to expand services into UXD and ETL technologies such as Pentaho. The Company plans to add onsite team members to expand services.

C. Avalon

- This is an outsourcing engagement for Avalon which has 2 streams Development and Testing on Vignette portal for their end client Mckesson. The portal deals with online ordering and tracking for Mckesson. With the ongoing success on both the streams, the engagement progressed to include an additional development resource for the same portal. The engagement, as a whole, has been running successfully since inception and there is a lot of trust and partnership between the client team and the offshore team.

Over the next year, the plan is to achieve the following:

- Off-shoring more components from application development and testing

D. STR (SelectTransportation Resources)

STR- SelectTransportation Resources LLC is a premiere network of heavy and medium duty truck dealerships across the Gulf Coast area since past 13 years. With locations in Houston, Beaumont, and Corpus Christi, SelectTransportation Resources provide various services towards the customer's trucking needs.

For ease of the day to day operations, STR is developing a comprehensive Dealership Management System(DMS), which provides for smooth processing of Procurement, Sales, Inventory Management, Accounting while automating activities involved in the various modules.

The Company is managing the entire development of the DMS using latest .Net technology stack using Agile methodology. Highly friendly user interface and ease of use for users are some of the key aspects of this system.

Once the implementation is completed at STR, The Company is looking for multiple implementations at similar dealerships in the US market along with STR.

E. OrderFlow Analytics

This is a development of proprietary indicators for the NinjaTrader platform. The Company has helped develop features of OrderFlow Analytics product into a NinjaTrader plugin. The plugin provides for a unique data classification of volumes, and provides custom indicators such as Volume Cluster, Exhaustion, Momentum and Stop Run Analysis. In the course of the year, The Company has added several new indicators, and is exploring options of adding similar features to platforms similar to NinjaTrader.

F. Ogg Trading LLC

Ogg Trading LLC provides a dark pool trading solution for institutional clients with forex instruments as the main asset class. The Company is engaged as the off shore team, comprising of Business Analysts, Software Developers and QA. The Company is helping the client achieve its objective of enhancing bandwidth to allow faster completion of product roadmap milestones. A dedicated QA track ensures better test coverage, resulting in a higher quality offering. The Company was able to expand into FIX and Grails technologies.

26. Software Products

1. AlgoNomics & TradeGenie

During the year, Company has consolidated and enhanced its Algorithmic Trading solution, called AlgoNomics and a chart based Automated Trading solution called TradeGenie.

AlgoNomics:

These products uses cutting edge technology stacks using low latency technology like In-memory Database XtremeDB, Complex Event Processing (CEP) Engine Espertech and SynCFusion's dynamic Grid for a robust market-watch.

The product provides various standard algorithmic trading strategies (viz. Cash-Futures arbitrage, Futures-Futures arbitrage, Cash-Cash arbitrage) as well as custom strategies, taken up as be-spoke development.

During the year, the Company has also undertaken a technical enhancement project to further improve the latency and throughput. The upgraded solution utilizes an in-memory database for computation of all Risk Management.

The Company expects to implement more custom strategies, and upgrade the product with technical enhancements.

TradeGenie:

TradeGenie is a unique solution that integrates one of the best state-of-the-art Charting Tools in India with an established Order Routing and Risk Management engine. TradeGenie is a solution that allows users to create Technical Indicator based strategies for almost all possible market situations for all the Market Segments in the country viz. Equities, Equity Derivatives and Currency Derivatives across the NSE & BSE. The Automated Order Routing capabilities puts it ahead of all the other Programmed Trading Solutions available currently by providing more than 300 Indicators which can be used in custom made strategies that can be developed at run time and executed real time.

Product Summary

- Professional Charting Tool with Real Time and historical charts
- Hundreds of ready to use automated strategies
- User Defined Entry and Exit conditions for Long and Short positions
- High-speed execution using Low Latency Order Routing System
- Back testing and Live testing tools to ensure good historical and current performance
- Fine tune your strategies with Simulator before executing in Live market
- Customizable daily profit and loss limits and position size limits
- Incorporate advanced risk control concepts

2. Exchange Simulator

The Company continues to maintain and provide support for its Exchange Simulator.

3. Back office – Ensettle

Ensettle is a product for post trade settlement for Trading and Clearing Member back office operations. The product has capabilities to address Risk Management and Reconciliation for Equity F&O, and currency derivatives market.

During the year, the Company has added one installation at Federal Bank and supported several key installations like Citi, Kotak, IndusInd, Deutsche bank and IDBI.

4. XpressSTP

It is a messaging Hub, facilitating brokerage firms, investors, & custodians, to exchange post trade transactions based messages. This is used for Institutional Trades. XpressSTP eases the work of user by combining all the process of conversion, signing and uploading of ISO file in one process. This saves time of the user. It also includes several audit reports that can give an overview of the activities performed by the user.

During the year continuous support was provided to approx. 180 clients and also a technical upgrade (to .net framework 4.0), introduction of support for 64 bit machines, introduction of 5 reports in the application which will reduce support calls and help improve customer support experience.

27. NSEIT User Experience Design Competency

- One-stop-shop for User Experience and User Interface Design along with end-to-end application development
- Strong technology background and business understanding helps leverage the features of the tool or product being deployed and is critical for good user experience
- Strong Branding and Communications background Interactive user-centered design approach, integrated with mainstream NSEIT SDLC
- Continuous research in emerging media and UI technologies
- Reusable Optimized UI Code Library and Flex Component Library reduce development effort and costs
- Low cost benefits for non user-centered stages of the execution process (prototype development, content analysis, graphical design etc.)
- Proven work with global clientele

28. UxD Engagements

Company has an ever increasing clientele operating in diverse domain across the globe. Leading players in Banking, Finance, Insurance, HealthCare are among our premium clients.

1. Nastel

NSE.IT has brought three products in a single platform to extract information, which is most relevant. This was accomplished by drilling down the data in depth. Clear and intuitive site structures that map the user's mental model. A Dashboard view provides information & quick access points upfront to the users after analyzing and evaluating user's experience on their applications. Creatively redone brand identity with improved screen level interactions

Developed Web Application built using FLEX & HTML5 and Web APP for Mobile

2. ICICI Lombard (*Pre- Authorization Cashless Request portal*)

NSE.IT provided Wireframes and HTML prototype of the online flow for Add/View Cashless Claim requests on the portal. Solution was redesigned keeping the actual end user in view and their environment to help them complete the tasks in minimal time.

HTML prototype was also tested with actual TPA users at hospitals to check the usability of the product and find out if there are any issues which may hamper the usage of the product.

Developed Web Application using HTML5

3. STR (Dealer Management System)

A complete solution for automobile dealership consisting of all transactional processes with smooth navigation and to be completed efficiently in less number of clicks and steps. Creative and intuitive system towards usage of the application. Integration of CRM with other modules of the application. An easy and efficient solution, capable of encouraging the Users to use the application who are otherwise reluctant to adapt a change in the regular way of working.

Desktop Application to built by developing WPF based screens using Microsoft Visio Studio merged with Sync fusion elements/Controls & Native IOS Mobile APP

5. Innosoft Mobile Hybrid APP

A Medical Emergency Mobile Application is to be used by anyone in case of medical crisis. Application provides listings of all nearby hospital locations, doctors, and other medical related urgent help information in case of emergency.

Development using JQuery Mobile and Phone Gap

6. SSI (Health Care App)

NSE.IT provided Graphical mockups of the web and Tablet App that handles easy and manageable data entry in quick, accurate and efficient manner.

Other UXD Engagements includes NSE Intranet Portal / Citi / Nseit Website Revamp / Nseit Assessment Service

29. Testing Services - Testing Competency (COE):

The Company has initiated a program for hiring Fresher batches for grooming them to testers. First batch of 10 testers was recruited in Sep 2013, and subsequently deployed on client projects. Looking at the success and profitability one more batch of 10 candidates was recruited in Feb 2014 and on track for achieving billable status by May.

Trainings are being conducted in test automation, for Selenium and HP Loadrunner. Quality and Domain trainings are also happening.

POCs conducted for various automation & performance related assignments. Also, performance testing guidance and service provided to various projects executed from Eco & TG space.

Going forward, the plan is to form a centralized regression team, which builds automation frameworks and scripts. These resources and best practices can then be shared across the organization for various projects. This will bring down the cost of quality and improve time to market.

30. Online Examinations

During the year, the Company continued its foray in the online examination space and ended its count of 225 examination centres across 222 cities/towns/districts which went live covering 28 states and 3 Union Territories. 100% online exam centres objective achieved since April 2011.

- Conducting 6.62 million assessments upto March 2014 with approximately 1,50,000 assessments per month
- More language modules were added - 11 Languages in Life insurance & 12 Languages in Non-Life insurance
- Built capacity of 60,000+ seats PAN India for event based large volume exams
- Added new customers during the year like TimesPro, UIDAI, AFMC, GEOJIT, CIEL, Kryterion & ICAI, BRITISH COUNCIL
- In July '13 - Successfully Completed BVCI 2nd Surveillance audit with "Zero NCs"
- New centre setup in Assam – JORHAT.
- Conducted successfully ICAI foundation course exams for 18,860 candidates
- In Feb 2014 - Successfully Completed BVCI Re-certification audits with "Zero NCs".
- Built capacity of 75,400+ seats PAN India for event based large volume exams

The company took various initiatives during the year which are highlighted below:

- During the year the OES team continued to add value to its existing customers such as NCFM, ITB, IBPS etc and added new customers to its kitty such as TimePro, UIDAI Aadhaar TCA Project, Ecole Online and Offline (proctoring) CII UK, CitiBank, Glaxo Smithkline Pharma Ltd. Geojit BNP Paribas, CIEL, Kryterion , AFMC etc. NCFM – exams conducted at 155+ centres covering 66 modules. More than 4,46,538 exams were conducted till March 2014.
- ITB - The Company provided end to end service from registration to exam software/ hosting and centre's infrastructure/invigilation. 24,007+ candidates appeared till March 2014 at 25 locations. The Company also conducted corporate drives at various offices covering 6 centres. Total candidates tested upto March 2014 – 841. .
- TimesPro – It is a managed service model whose content is Ability Test and Psychometric Test Offering is done by TalentQ. 5384 candidates have been tested upto March 2014 from 66 test centres.
- UIDAI Aadhaar TCA Project: The broad scope of work for these exams were: Application software design, development, implementation, hosting, maintenance and support, Design, develop and host a web portal for scheduling and registration, Simulation test, Setting up required test centres, Offline Payment for Certification fees, Administration and Conduct of the test and retest, Maintenance of database of test takers and results, Administration including award of score card and Certification to the test takers, Reporting. Total candidates appeared upto March 2014 exams.
- Ecole Offline Exams – Pen Paper exams are being conducted for:
National Examination Board in Occupational Safety and Health
American Council on Exercise
Exams are conducted in 6 cities.
- CII Pen Paper exams conducted in 6 cities for different modules of international certification in Insurance. Total Exams conducted from April 2012 to March 2014 – 1958.

One of the major breakthroughs that have happened in online examinations is by adding Kryterion as the international client who offers services of providing customizable assessment and certification products. 435 candidates have been tested at 10 NSE.IT examination Centres from Oct'13 to Mar'14. The test engine named Webassessor is provided by Kryterion.

Project 2x/ Gateway

- In order to cater to new customers across major cities, the Company continued its foray in Project 2X adding capacities and rooms in top cities in existing centres. Key customer for Project 2x is NSEIL. NSEIL NCFM examination is conducted at 155 + centres. NCFM exams at Mumbai is conducted at NSEIT Mumbai Centre . The Company added 66 modules including NSEIL – 37 modules, NISM – 16 modules, FPSB – 5 modules, FLIP – 4 modules, IMS Pre-school – 2 modules, NSDL – 1 module and NIFM – 1 module. 446,538 + candidates have been tested July'10 to Mar'14. The Company focuses on high level customer satisfaction and to prove this it conducted NCFM customer satisfaction surveys wherein more than 2563 feedbacks were taken from candidates from 47 centres. The Company achieved an average overall score of 4.65 on various parameters.
- During the year the Company added to its kitty conduction of foundation exams for the Institute

of Cost Accountants of India. 18,860 candidates have been tested at 95 venues on 28th & 29th Dec 2013.

During the year, the Company added a client named Tatsuno India Private Limited for whom online and offline exams were being undertaken by NSE.IT at 30 NSE.IT centres and 2 external centres. 153 candidates were tested on 16th April 2014

During the year, the Company has also contracted with the foundation level of the The Institute of Company Secretaries of India (ICSI) for June and December. The exams are MCQ type questions. Per drive 25,000 to 30,000 candidates are expected to apply.

Future Road Map

- o ITANAGAR – Arunachal Pradesh (Centre setup is in progress)
- o GANGTOK – Sikkim (Centre setup is in progress)
 - To add more locations across the country and enhance capacity in the big cities
 - Project 2X and Gateway

New Services

- Self service mode examination portal
- Remote proctoring
- Proctor-less examinations

Software

- Authoring Tool Development
- New Question Types
- Adaptive Tests,
- Voice Based Tests
- Simulation tests
- Incorporate new features in event based examination application
- Operations Management application deployment
- Develop Dynamic Registration Portal flexible for catering any customer requirement
- Content Management System

Content development/ sourcing

31. Infrastructure Management Services

The major activities undertaken in the IMS division during the year are as under:

Details of Stratus server supported at NSE:

- Continued to Maintain 100% uptime of all FT6210/6310 & V400/6308 servers
- Retail Debt Market made live with V series & FT server setup at BKC & BCP sites.
- Currency Derivatives Market made Live successfully with New-MKT setup on FT servers & V series similar to F&O at BKC & BCP sites.
- Installation & commissioning of Stratus F6400 servers, Total Qty:8 (5- Mumbai, 3- Chennai)

- Installation & commissioning of Stratus FT scalable Gen2 SAN, Total Qty: 8 (7-Mumbai, 1-Chennai)
- F&O- Post trade application gone live on FT servers at BKC & BCP sites.
- FT scalable Gen2 SAN upgraded with higher capacity disks on F&O MKT application FT servers.
- FT scalable firmware & flash card upgrade done successfully on F&O MKT application FT servers.
- Low latency application testing carried out on FT servers using latest technology NIC cards (Mellanox/Solarflare/10G Intel).
- Real time NTP time sync implementation on VOS & FT server Trading servers.
- F&O new MKT FT servers were setup with FT scalable SAN at BCP Chennai.
- Configured V series systems (released from F&O) in Capital Market at BCP.
- DC Power shutdown at BCP as a part of Maintenance activity.

NSE NOW / Dotex L3 Networking

- Planned & Implemented first BCP mock in NOW.
- Resolved the major issue of ISP2 Checkpoint Firewall cluster failure by configuring spare firewall and then replaced the faulty device.
- Planned and carried out up-gradation of ISP Checkpoint firewall and Management server from R70.30 to R75.47.
- Up-gradation of OpManager to solve routing protocol & Mac movement traps.
- Successfully upgraded the IBM-ISS XPU.
- Threshold notification alerts configured in PRTG.
- Readiness of NOW-Dotex Network Operational manual.
- Tap Server up-gradation carried out successfully twice in a year.
- New market BSE-CD added in regular operations & NOW-MIS report.
- New EMS EOD added in night shift operations.
- ACE / NCDEX /USE /NDM markets added in NOW-MIS report.
- Connection establishment done for new market CD IRF & trimmed NNF TAP in UAT segment
- Added UAT & production members though new trimmed NNF TAP.

NSE Colo DC support

- TBT FAO Snapshot System introduced in Colocation.
- Parallel CD broadcast stream allowed in colocation along with old streams.
- Migration of member's gateways connecting 1200+ Connections from firewall to Colocation Switches in phase of 1 month.
- Configuration of Multicast traffic using L3 connectivity in phase of 1 month
- Configuration of BCP-DR access to Colocation members for BCP Live trading through Colocation
- PIM timers change for Colocation switches
- Deployment of TBT on Multicast through Colocation.

- Deployment of NTP Service for Colocation members
- IOS up-gradation of Colocation switches.
- Migration of New TAP Application for all segments in Colocation
- installation of air filters in Colocation
- UPS Battery replacement in colocation datacentre
- Additional MUX installation for Reliance in Colocation Phase II
- Annual Maintenance activity for Colocation datacentre
- 10 Full and 23 Half additional racks allotted in Colocation ‘
- Reduction in the cost by resource movement
- Shifting of 4 members from Full to Half Rack.
- Re- Certification of ISO 20000 as per new Standard.
- Increase of IP in Full Rack from 20 to 30 & Half Rack from 10 to 12
- Access given for new Retail Debt Market through Colo firewalls
- Firewall access removed for CM, FO & CD as members allowed connecting directly to IP Net Servers
- Access-list applied on 129 VLANS for NEWDMZ Switch
- IDS -GX7800 with 10G interfaces deployed in IDS mode.

NCDEX Stratus support

- Managing a total of 3 mainframes including 2 (Production + UAT) at Kanjurmarg and 1 (DR + Development) at DR site.
- User Management for different purposes on different servers for various Applications including creation, Access management, deletion, Application access.
- Various Mock Supports, Recent is DR Mock drill carried out successfully.
- Made provision for in Production Mainframe for Live mock in two different but identical Applications.
- Dump Disk restoration carried out successfully.
- Installed new mainframe UAT (omkar) in KM environment.
- Data Management and restoration check by restoring old data.
- Hardware and networking support.
- Trading Application support including creating new environment, taking backups, restoration etc.

Tea Board IMS support

- Successfully completed post launch 1 year of Infra & Application Support Operations for TeaWaste E-Auction Project with 100% call resolution.
- Successfully Hosted & Pre-Post launch support for new project Tea Council of India
- Successfully Completed 5th Year of Tea E-auction System Infra & Application Support without any Escalation
- Successfully Completed MPLS Auto Failover Configuration with Teaboard Vendors Reliance & Tata Tele

- Achieved customers satisfaction by providing a wide range of statistical report on time to time.
- 100 % Server Uptime, Network Uptime (DC LAN), Database Uptime, Application Uptime (Customized E-Auction applications)
- Proactive Monitoring for WAN, DC Infrastructure & E-Auction applications
- Successfully Completed Firmware up-gradation for SonicWall Firewalls
- Successfully Completed Firmware, BIOS up-gradation for Dell Servers
- Achieved 0% Time Escalations while doing DC Infrastructure Maintenance Plan Events.
- Zero-error while deployment of application release for Tea e-Auction, TeaWaste & TeaCouncil Projects
- Achieved Highest Sold of Tea through e-Auction platform after its inauguration.

NSDL

- Communicate with SEZ Online Team & NSDL Team for problem discussion and if any changes is needed through back-end of the user in regular basis.
- Continued to support SEZ-e application at 5 locations to perform daily reporting.
- Give inputs to enrich the application and processes of online custom transactions.
- Engage in making and maintaining Master & Statistical data with Custom officials for record purpose.
- Most of the issues/grievances are, faced by the users, resolved instantly on the spot.
- New user creation for DSC
- Installed DSC related software, pfx file, e-token drivers, active x manual setting to all respective users by visiting DC/Customs/Units if possible then done through team viewer.
- Handling online assessment of custom transaction with immense pressure and responsibility.
- Provided bank details to users to deposit amount for the purpose of Top-up, AMC and registration fees. After cheque realization if amount is not approved in sezone System then it is informed to NSDL Team via email/Phone calls on regular basis.
- Have strong understanding with other onsite team members which helps activities smooth and easy to perform.
- Always make very healthy relationship with the unit holders.
- Engage in regular & repeated self training sessions for upgradation of application knowledge.
- Support to generate Import/Export,DTA report on every month.
- Attend meetings with Government Officials & unit holders for helping them to understand Sezone application.
- Organizing Training sessions for the users to get them acquainted with the New features of the application . Every user suggestions are understood and analyzed. Important and valuable suggestions are then compiled and communicated to NSDL Team on regular basis.
- Support to Speed-e and Steady Project for NSDL Lower Parel Office.

CCIL

- Provided support for CCIL DR (Disaster Recovery site).

- NSE.IT is provided the following Managed Services at the Alternate User Location (IR Site).
 - Carrying out health checkups for IT equipment on regular basis.
 - Provide network support for LAN/WAN.
 - Check the output on PC screen to check if CCTV cameras are working properly or not.
 - Check the output reading on UPS and status of UPS and make a note of it.
 - Check the air conditioner reading and make a note of it
 - Check the status of fire fighting equipments
 - Arrange AC UPS & DG maintenance on frequent intervals.
 - Provide 24*7 common security services with CCIL vendors.

IRDA

Continued to support the IRDA portal infrastructure at IDC and DR site

Future Roadmap

There are multiple initiatives planned for the next year to augment the revenue and to lay the foundation for Cloud and Security based services by the IMS team.

The main purpose is

- **To Value add on the Current Services Offerings**
- **To provide Additional turnover to the Company**
 - Provide Growth for the company
- **To Focus on Bottom Line**
- **To accelerate transition to “Solutions Company”**

IaaS (at Phase IV BKC & for DR)

NSE.IT is proposing Infrastructure as a Service for our Member customers at NSE BKC Phase IV and also offer this as DR Service for the Member customers at Third Party Data Centre as Near DR.

Here the customer will provision his service through a web portal and we shall provide compute, storage and Networking on cloud. We shall also provide customer OS, DB Network and security on a managed services portfolio.

On Demand Solution (CNAM)

We are launching an on-demand security based services called CNAM (Comprehensive Network Attack Management). This is an all encompassing Security solution which ensures immediate Network attack mitigation on Real Time Basis and ensures a 360 degree Security for our customers

To enable proper execution of above thought process a total of 10 projects have been launched in the FY 14-15 by the IMS team

- **Phase I to III : NSE BKC**
 - Project 1: Managed Service Model for COLO customers
 - Project 2: 10 G Infra upgrade
 - Project 3: AMC
 - Project 4: Audit
 - Project 5: Create DR for COLO Members (Colocated at NSE BKC)

- **Phase IV : NSE BKC**
 - Project 6: Cloud Based Infra for Members (Pay-per-use)
- **On Demand Security Services CNAM (Comprehensive Network Attack and Management)**
 - Project 7 : Security on an on-Demand model for BFSI segment
- **Stratus Business :**
 - Project 8: Stratus Business Opportunities (New Customers)
- **Consulting:**
 - Project 9: DC Consulting & Build Opportunities
- **RIM:**
 - Project 10: RIM Set-up at TG for India / US clients

32. Human Resource Development

The employee count for the Company at the end of the year was 738 as compared to 712 in the previous year, a net increase of around 4%. The Training department processes have been approved for CMMi Level 3. This year the organization has achieved 2273 man days of training. The fresher on boarding program was re-launched by making it competency based. This 30 day boot camp focused on our core competencies Java / Dot Net / C++ and domains like Insurance / Capital markets. Simultaneously the existing employees were trained on HTML 5, Silverlight, FIX Protocol, SVN, Share point etc. To ensure soft skill development, Business communication programmes were conducted for freshers as well as existing employees. A program for First Time Managers was also rolled out. We are now embarking on creating a framework for leadership development in the organization. This program is for the emerging leaders and will revolve around coaching. This year we have embarked on our H1 journey to look at expanding our base overseas.

33. Directors

Retirement by rotation

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. Ravi Narain is liable to retire by rotation and is eligible for re-appointment. Rajendra Chitale was appointed as an additional director on 13th November 2013. He holds office upto the ensuing AGM and his appointment is subject to the approval of the Members at the ensuing AGM. During the year, Mr. Dileep Choksi resigned as Director wef 16th August 2013.

34. Transfers of Shares

During the year, 1,00,00,010 equity shares of ₹ 10 each, representing 100% shareholding were transferred from National Stock Exchange of India Limited to NSE Strategic Investment Corporation Limited on 28th June 2013. By virtue of this, NSICL became the holding company of the Company.

35. Dividend

Based on the Company's performance, the Directors are pleased to recommend, for approval of the Members a Final Dividend of ₹ 4.50/- per share on Equity Shares of ₹10/- each of the Company for the financial year 2013-14. The Final Dividend on the Equity Shares, if declared as above, would involve an outflow of ₹ 5,26,47,803/- towards dividend and dividend distribution tax.

Transfer to Reserves

The Company proposes to transfer ₹ 7,00,00,000/- to the General Reserve out of the amount available for appropriations.

36. Directors' Responsibility Statement

The Directors' report;

- i. that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. that 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 the company at the end of the financial year and of the profit and loss account of the company for that period;
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting standards in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. that the directors had prepared the annual accounts on a going concern basis.
- v. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

37. Board Meeting

During the year 4 Board Meetings were held on 16th May 2013, 8th August 2013, 13th November 2013 & 23rd January 2014.

38. Audit Committee

The Audit Committee appointed by the Board currently comprises of the following members:

1. Mr. Rajendra Chitale, Chairman of the Committee and an Independent Director
2. Mr. V.Babuji, an Independent Director and
3. Mr. J. Ravichandran, Non-Executive Director.

During the course of the financial year 2013 – 14, the Audit Committee met on 16th May 2013, 8th August 2013, 13th November 2013, and 23rd January 2014. The composition of the current Audit Committee is in compliance with Section 177 of the Companies Act 2013 (erstwhile Section 292A of the Companies Act, 1956).

39. Corporate Social Responsibility Policy

The Board has constituted a CSR Committee on 23rd January 2014 comprising of the following Directors as members:

Mr. V Babuji

Mr. J Ravichandran

Mr. Ramesh Padmanabhan

A CSR policy as framed by the group was adopted by the Company. The Company shall venture in such CSR activities as devised by the Group in the coming year.

40. Nomination and Remuneration Committee

During the year, the Company has reconstituted the Nomination and Remuneration Committee with Mr. Ravi Narain, Mr. Rajendra Chitale and Mr. V Babuji as its Members. The Nomination and Remuneration policy is framed pursuant to the Companies Act, 2013 for the senior management personnel, the Key managerial personnel and the general employees based on their qualifications, skills, experience, company and industry benchmarking and other attributes.

41. Related party contracts

The Company has business transactions with Companies in which there are common Directors. All the transactions are services related and are at arms' length and are in the ordinary course of business.

42. Terms of reference of Audit Committee

Pursuant to the Companies Act, 2013, the terms of reference of Audit Committee have been revised and the same are reproduced inter alia as under:

- (i) The recommendations for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditor's report thereon;
- (iv) Approval or any subsequent modifications of transactions of the company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters.

43. Sexual harassment Committee

In view of the enactment of the sexual harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company has framed a policy towards the same. An Internal Complaints Committee has also been constituted where all sexual harassment cases can be reported and redressed. The Company is very sensitive about any such issues and is committed to provide a safe working environment.

44. Employees' Stock Option

The Company has not offered any shares under the Stock Option Plans to any of its employees.

45. Auditors

M/s Gokhale & Sathe, Chartered Accountants, Statutory Auditors of the Company, are recommended to be reappointed for a term of three years with effect from the date of ensuing AGM. Pursuant to Section 139 of the Companies Act, 2013, members of the Company shall reappoint and fix their remuneration at the ensuing AGM. The Company has received the requisite certificate from the Auditors under Section 139 and 141 of the Act.

46. Deposits

During the period the Company has not accepted any deposits from the public.

47. Buy Back Of Shares

The Company has not offered for buy back any its shares from the shareholders. As such the reasons for failure to complete the buy back within the time specified as is required to be disclosed in terms of the requirements under Sub-section (4) of Section 77A of the Companies Act, 1956 is not applicable to the Company.

48. Conservation Of Energy, Technology Absorption And Foreign Exchange Earning/Outgo**1. Conservation of energy, technology absorption:**

As the Company does not have any manufacturing activities, particulars required to be disclosed with respect to conservation of energy and technology absorption in terms of Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, are not applicable.

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

During the period foreign exchange earnings were ₹ 2241.18/- lakhs and outgo was ₹ 727.78/- lakhs.

49. Particulars Of Employees

Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, a statement relating to particulars of employees forming part of this report has been given in the annexure attached herewith.

50. Note On Subsidiary**USA SUBSIDIARY**

During the year, the Company's wholly owned subsidiary in USA continued its foray for servicing its clients namely, Ogg trading, Kryterion, Nastel, STR and have tied up with several US companies for alliance/reselling such as Informatica, Atlantic Crossing LLC and is planning many new initiatives in the current year.

51. Appreciation

Your Directors would like to place on record their sincere appreciation for the confidence support and co-operation received from the holding company, its employees, Banks, Reserve Bank of India, Registrar of Companies (ROC), Government Authorities, suppliers, customers, shareholders and all other stakeholders

For and on behalf of the Board of Directors

Sd/-

**RAVI NARAIN
CHAIRMAN**

Place: Mumbai
Date: 23rd April 2014

ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975, AS AMENDED :

Sr. No.	Name and Qualification	Age in years	Designation / Nature of Duties	Gross (₹)	Net (₹)	Experience (no. of yrs)	Date of Commencement of employment	Last employment
1.	Mr. Ramesh Padmanabhan B.Sc and Post Graduate in Software Technology	52	Managing Director and Chief Executive Officer	11,220,000	6,431,711	25	May 15,2008	Chief Delivery Officer of Mphasis Ltd
2.	Mr. Shailesh Chitre, B.Sc and DCST	49	Vice President	7,085,182	4,765,000	25	November 17, 2008	Head Sales- Asian CERC Information Technology Limited

NOTES

Gross remuneration includes Salary and other allowances, Company's contribution to Provident Fund, Superannuation Fund, Gratuity Fund and taxable value of perquisites etc. Net remuneration has been arrived at by deducting from gross remuneration, Company's contribution to provident fund, superannuation fund, taxable value of perquisite, amount deducted as profession tax and income tax.

The nature of employment is contractual in all above cases.

None of the employees mentioned above is a relative of any Director.

None of the employees owns more than 2% of the outstanding shares of the Company as on 31st March 2014.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NSE.IT LIMITED

Report on the financial statements

We have audited the accompanying financial statements of **NSE.IT LIMITED** (the company), which comprise the balance sheet as at 31st March 2014, and the statement of profit and loss and cash flow statement for the year 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 principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013. 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.

Auditor's 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 auditor's judgement, 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 31st March 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 (Auditor's 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, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013.
 - e. On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Gokhale & Sathe**
Chartered Accountants
Firm Reg. No.: 103264W

Kedar A Mehendale
Partner
Membership No 116065

Place: Mumbai

Date: 23rd April 2014

FINANCIAL YEAR ENDED 31ST MARCH 2014**ANNEXURE TO THE AUDITOR'S REPORT AS REQUIRED BY THE
COMPANIES (AUDITOR'S REPORT) ORDER, 2003**

*(Referred to in Paragraph 1 of the section 'Other legal & regulatory requirements' of our
Report of even date on accounts of NSE.IT Ltd. as at 31st March 2014)*

As required by the Companies (Auditors Report) Order 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act 1956, on the basis of the checks, as we considered appropriate, we report on the matters specified in paragraph 4 and 5 of the said order to the extent applicable to the company.

- (i) a) The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.
- b) We have been informed that the physical verification of fixed assets was carried out by the management during the year, which in our opinion is reasonable having regard to the size of the company and nature of the assets. We have been informed that no material discrepancy was noted on such verification.
- c) The fixed assets disposed of during the year, in our opinion; do not constitute a substantial part of the fixed assets of the company so as to affect its going concern status.
- (ii) Considering the nature of the business and services rendered by the company, clause 4 (ii) is not applicable.
- (iii) a) The Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in register maintained u/s 301 of the Companies Act, 1956 and accordingly provision of clause 4 (iii) (b), (c), (d) are not applicable.
- e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (f) and (g) are not applicable.
- (iv) On the basis of selective checks carried out during the course of audit and according to the information and explanation given to us, in our opinion there is an adequate internal control system commensurate with the size of the Company and the nature of business with regard to the purchase of fixed assets and with regard to the service rendered. During the course of our audit we have not observed any continuing failure to correct major weakness in internal controls system.
- (v) a) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act 1956. Therefore, clause 4 (v) (b) is not applicable
- (vi) The Company has not accepted any deposits from public and accordingly the provisions of section 58A, 58AA of the Act, and Rules framed there under and any directive issued by the Reserve Bank of India are not applicable.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) As informed to us, maintenance of Cost Records by the Company has not been prescribed by the Central Government u/s 209 (1) (d) of the Companies Act.

- (ix) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues as applicable to it.
- According to the information and explanations given to us, no undisputed amounts payables in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears, as at 31st March 2014 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute.
- (x) There are no accumulated losses. Further the Company has not incurred cash losses during the year covered by our audit report and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not taken any loan and no amounts were due towards principal or interest to any financial institution, bank, or debenture holders during the year covered by our audit report.
- (xii) As per information given to us, the Company has not granted loans and 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 4 (xiii) are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments.
- (xv) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, the company has not taken any term loan.
- (xvii) According to the information and explanations given to us, the company has not raised any funds.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares.
- (xix) According to the information and explanation given to us, the company has not issued any debentures during the year covered by our audit report.
- (xx) During the year covered by our audit report, the Company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Gokhale & Sathe**
Chartered Accountants
Firm's Reg. No. 103264W

Kedar A. Mehendale
Partner
Membership No.: 116065

Place: Mumbai.
Date: 23rd April 2014

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No.	As at 31-Mar-2014 ₹	As at 31-Mar-2013 ₹
I. Equity and Liabilities			
(1) Shareholders' Funds			
(a) Share Capital	2	100,000,100	100,000,100
(b) Reserves and surplus	3	541,103,233	453,371,940
(2) Share application money pending allotment			
		-	-
(3) Non-current liabilities			
(a) Deferred tax liabilities (Net)	4	10,775,787	10,396,111
(b) Long-term provisions	5	3,606,828	5,380,565
(4) Current liabilities			
(a) Trade payables	6	35,736,523	21,929,839
(b) Other current liabilities	6	56,948,967	99,452,978
(c) Short-term provisions	5	93,257,645	79,975,883
Total		841,429,083	770,507,416
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	102,974,121	119,201,461
(ii) Intangible assets	7	11,741,981	3,156,733
(iii) Capital work-in-progress	22	-	1,438,596
(b) Non-current investments	8	76,161,061	45,334,854
(c) Long-term loans and advances	9	127,541,616	132,243,661
(d) Other non-current assets	12	471,187	253,230
(2) Current Assets			
(a) Inventories	10	134,012	129,249
(b) Trade receivables	11	202,049,266	287,562,249
(c) Cash and bank balances	13	282,497,082	164,833,812
(d) Short-term loans and advances	9	5,416,798	4,063,421
(e) Other current assets	12	32,441,959	12,290,150
Total		841,429,083	770,507,416

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For Gokhale & Sathe.

 Chartered Accountants
 (Reg No : 103264W)

KEDAR MEHENDALE
 Partner
 Membership No.116065

For and on behalf of Board of Directors
RAVI NARAIN
 Chairman

V. BABUJI
 Director

KANKESH KAMATH
 Chief Financial Officer

RAMESH PADMANABHAN
 Managing Director & CEO

J. RAVICHANDRAN
 Director

CHIRAG SHAH
 Company Secretary

Place : Mumbai
Date : 23rd April 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

S.No	Particulars	Note No.	For the year ended	For the year ended
			31-Mar-2014	31-Mar-2013
			₹	₹
I.	Revenue from operations	14	1,226,002,393	1,125,939,639
II.	Other income	15	42,973,089	32,375,554
III.	Total Revenue (I + II)		1,268,975,482	1,158,315,193
IV.	Expenses:			
	Purchases of Stock-in-Trade	16	354,450	453,144
	Changes in inventories of Stock-in-Trade	17	(4,763)	124,329
	Employee benefits expense	18	429,458,301	448,997,786
	Depreciation and amortisation expense	7	27,409,812	28,802,648
	Other expenses	19	593,634,394	554,903,556
	Prior Period Expenses		821,762	-
	Total expenses		1,051,673,956	1,033,281,463
V.	Profit before exceptional and extraordinary items and tax (III-IV)		217,301,526	125,033,730
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		217,301,526	1,25,033,730
VIII.	Extraordinary Items	32	-	56,869
IX.	Profit before tax (VII - VIII)		217,301,526	124,976,861
X.	Tax expenses:	20		
	(1) Current tax		76,542,754	41,814,040
	(2) Deferred tax		379,676	(2,709,698)
XI.	Profit/(Loss) for the period from continuing operations (IX - X)		140,379,096	85,872,519
XII.	Profit/(Loss) from discontinuing operations		-	-
XIII.	Profit/(Loss) for the year (XI + XII)		140,379,096	85,872,519
XIV.	Earnings per equity share:			
	(1) Basic		14.04	8.59
	(2) Diluted		14.04	8.59
	Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Gokhale & Sathe.
Chartered Accountants
(Reg No : 103264W)

KEDAR MEHENDALE
Partner
Membership No.116065

Place : Mumbai
Date : 23rd April 2014

For and on behalf of Board of Directors

RAVI NARAIN
Chairman

V. BABUJI
Director

KANKESH KAMATH
Chief Financial Officer

RAMESH PADMANABHAN
Managing Director & CEO

J. RAVICHANDRAN
Director

CHIRAG SHAH
Company Secretary

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

	2013-2014 ₹	2012-2013 ₹
A CASH FLOW FROM OPERATING ACTIVITIES		
<i>Net Profit before tax</i>	217,301,526	125,033,730
<i>Add : Adjustments for</i>		
Depreciation	27,409,812	28,802,648
Loss on Disposal / Sale of Fixed Assets	-	(117,658)
<i>Less : Adjustments for</i>		
Interest from Fixed Deposits	(21,882,892)	(12,167,837)
Operating profit before working Capital Change	222,828,446	141,550,883
<i>Change in Working Capital</i>		
Decrease / (Increase) in Sundry Debtors	85,512,983	(75,133,166)
Decrease / (Increase) in Inventory	(4,763)	124,329
Decrease / (Increase) in Loans & Advances	(19,887,183)	3,225,733
Decrease / (Increase) in Interest accrued	(43,739)	(948,345)
(Decrease) / Increase in Long Term Provisions	(1,773,737)	613,417
(Decrease) / Increase in Current Liabilities & Prov	(43,494,393)	68,427,821
Cash Generated from Operations	243,137,614	137,860,672
Direct Taxes Paid (Net of Refunds)	(73,632,930)	(66,470,788)
Net Cash from Operating Activities (before extraordinary activities)	169,504,684	71,389,884
CASH FLOW FROM EXTRAORDINARY ACTIVITIES		
Expense of subsidiary written off	-	(56,869)
Net Cash from Operating Activities-(after extraordinary activities)	169,504,684	71,333,015
B CASH FLOW FROM INVESTING ACTIVITIES		
Interest from Fixed Deposits	21,882,892	12,167,837
(Additions) / Deductions in Investments	(30,826,207)	79
Addition to fixed assets (net)	(19,767,720)	(6,727,955)
Addition to CWIP	1,438,596	(794,937)
Cash flow from investing activity - Total (B)	(27,272,439)	4,645,024

	2013-2014 ₹	2012-2013 ₹
C CASH FROM FINANCING ACTIVITY		
Dividend Paid	(21,000,021)	(37,000,037)
Dividend distribution tax	(3,568,954)	(6,002,331)
	(24,568,975)	(43,002,368)
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENT	117,663,270	32,975,671
Opening balance of Cash & Cash Equivalent	164,833,812	131,858,141
Closing balances of Cash & Cash Equivalent	282,497,082	164,833,812
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENT	117,663,270	32,975,671

Notes to Cash flow statement

Cash and cash equivalent represent cash, bank balances and balances in fixed deposits

The above cash flow has been prepared under the "Indirect method" as set out in the Accounting Standard -3

As per our report of even date attached

For Gokhale & Sathe.
Chartered Accountants
(Reg No : 103264W)

For and on behalf of Board of Directors

KEDAR MEHENDALE
Partner
Membership No.116065

RAVI NARAIN
Chairman

RAMESH PADMANABHAN
Managing Director & CEO

V. BABUJI
Director

J. RAVICHANDRAN
Director

Place : Mumbai
Date : 23rd April 2014

KANKESH KAMATH
Chief Financial Officer

CHIRAG SHAH
Company Secretary

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

NOTE 1 : Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared under the historical cost convention on accrual system and in accordance with the generally accepted accounting principles.

b. Revenue recognition

Revenue from sale of software product licenses and sale of digital certificates is recognised on dispatch.

Revenue from resale of hardware and software is recognised on dispatch.

Revenue from fixed price contracts is recognised on the basis of the deliverables provided.

Revenues from maintenance contracts and technical support agreements are recognised on a pro-rata basis over the period in which such services are rendered under the terms of the contracts and agreements.

Revenues from software development and maintenance on time and material basis and consultancy charges are recognised based on the terms agreed with the customers.

Revenue from e-learning activity is recognised on the basis of enrollment.

Revenue from online examination services are recognized on the basis of exams conducted.

Interest on deployment of funds is recognised using the time proportion method, based on interest rates implicit in the transaction.

Income excludes applicable taxes and other levies

c. Expenditure

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities.

Since the company does not visualise any major expenditure on account of warranty given for maintaining the software product licenses sold, no provisions are made on this account. Any expenditure that may have to be incurred towards honouring the warranty shall be accounted for in the year in which it is incurred.

d. Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairments, if any. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

Individual low cost assets (acquired for less than ₹5000/-) are depreciated at the rate of 100% in the year of acquisition.

Fixed Furniture and fixtures, electrical installation and office equipment including civil improvements at lease hold premises are depreciated over the lease period.

Expenditure incurred during the year for acquiring software copyright, source code and other deliverables along with the in-house development cost is capitalised and depreciated @ 33 1/3 % on Straight Line Method, which is higher than the rates prescribed in the aforesaid schedule.

Software products/ licenses purchased/ acquired for internal use of the Company which have expected longer life are capitalised and depreciated @ 33 1/3 % on Straight Line Method, which is higher than the rates prescribed in the aforesaid schedule. Depreciation on fixed assets other than above is provided using straight line method at the rates specified in schedule XIV to Companies Act, 1956.

e. Inventory

The Inventory is valued at cost or net realizable value whichever is lower.

f. Forward Exchange Contract

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability. The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

g. Foreign currency transactions

Transactions in foreign exchange are accounted at the exchange rates prevailing on the date on which transactions have taken place. Outstanding if any, at the end of the year are converted at the year end rates.

h. Employee Retirement Benefits

Gratuity

The Company has maintained a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India towards which it annually contributes a sum determined by Life Insurance Corporation of India. The Company has made provision for gratuity liability estimated as per actuarial report as on the balance sheet date to comply with the Accounting Standard 15 for employee benefits.

Superannuation

Superannuation benefit for employees designated as managers and above is covered by Group Superannuation Scheme with the Life Insurance Corporation of India towards which it annually contributes a sum based on a specified percentage of each covered employees' salary. The contribution paid for the year on the Group Superannuation Scheme is charged to revenue.

Provident Fund

We.f. 1st August 2010. the company had transferred the corpus balance of the NSE.IT Ltd. Employees Provident Fund Trust to the Regional Provident Fund Office, Kandivali, Mumbai. As per the applicable rule the company contributes 12% of the employee's basic salary to the said recognized provident fund and the same is charged to revenue.

Leave Encashment

Leave encashment paid to the employees while in service is charged to revenue as the same is considered as a short term benefit. Provision for leave encashment on retirement is made on the basis of actuarial valuation at the end of the year.

i. Investments

Long-term investments are carried at cost. Provision for diminution is made to recognize a decline, other than temporary, in their value.

j. Income Tax

Provision for Income Tax is made on the basis of the prevailing rates under the Income Tax Act, 1961. Company has accounted deferred tax liability/asset in accordance with the Accounting Standard 22 – Accounting for Taxes on Income.

NOTE 2 : SHARE CAPITAL

	31-Mar-14 ₹	31-Mar-13 ₹
Authorised		
15,000,000 (15,000,000) Equity Shares of ₹ 10/- each	150,000,000	150,000,000
Issued, Subscribed and Paid-up		
10,000,010 (10,000,010) Equity shares of ₹ 10/- each fully paid up	100,000,100	100,000,100
TOTAL	100,000,100	100,000,100

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

	31-Mar-14		31-Mar-13	
	Nos.	₹	Nos.	₹
At the beginning of the period	10,000,010	100,000,100	10,000,010	100,000,100
Issued during the period	-	-	-	-
Outstanding at the end of the period	10,000,010	100,000,100	10,000,010	100,000,100

b. Terms / rights attached to equity shares

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 company declares and pays dividends in Indian rupees. 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 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.

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates.

	31-Mar-14 ₹	31-Mar-13 ₹
NSE Strategic Investment Corporation Ltd, the holding company		
10,000,010 (31 March 2013 : NIL) equity shares of ₹ 10/- each fully paid	100,000,100	-
NSE Stock Exchange of India Ltd, the holding company		
NIL (31 March 2013 : 10,000,010) equity shares of ₹ 10/- each fully paid	-	100,000,100

d. Details of shareholders holding more than 5% in the Company

	31-Mar-14		31-Mar-13	
	Nos.	%	Nos.	%
Equity shares of ₹ 10/- each fully paid NSE Strategic Investment Corporation Ltd.	10,000,010	100%	-	-
NSE Stock Exchange of India Ltd	-	-	10,000,010	100%

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. Shares reserved for issue under options

In terms of the authority granted by the General Meeting held on September 25th, 2006, the Company has formulated an Employee Stock Option Plan 2006 (ESOP). Under the said ESOP, 3,47,350 Options for equivalent number of Equity Shares of the company have been granted as an incentive scheme to the employees covered under the scheme. The Scheme provides that the Options shall vest in a graded manner over a period of 4 years in the ratio of 25%, 30%, 35% and 10% respectively. The exercise period shall be three years from the vesting of each tranche of the aforesaid options. Each option entitles the holder of the option to 1 Equity Share of the Company at an exercise price of ₹53/- per share, which is also the Fair Market Value (FMV) of the share on the date of the grant as determined by a valuation report obtained from an independent valuer.

The Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Employee Share Based Payments requires accounting of the expense in regard to the ESOPs. The Company has adopted the Intrinsic Value Method as given in the said Guidance for accounting for the same. The Company has obtained expert opinion that since the Exercise Price is equal to the FMV of the shares on the grant date; it would not be required to recognize any compensation expense since the "intrinsic value" of the options is NIL.

Particulars	F.Y. 2013 – 14 Quantity (Nos.)	F.Y. 2012-13 Quantity (Nos.)
Options at the beginning of the year	13,437	62,031
Options granted during the period	Nil	Nil
Options lapsed during the period	13,437	48,594
Options Exercised during the period	Nil	Nil
Options expired during the period	Nil	Nil
Balance Options in force	Nil	13,437

NOTE 3 : RESERVES & SURPLUS

	31-Mar-14 ₹	31-Mar-13 ₹
General Reserve		
Balance as per the last financial statements	398,506,069	328,506,069
Add : amount transferred from the surplus balance in the statement of profit & loss	70,000,000	70,000,000
Closing Balance	468,506,069	398,506,069

	31-Mar-14 ₹	31-Mar-13 ₹
Surplus / (deficit) in the statement of profit & Loss		
Balance as per the last financial statements	54,865,871	63,562,327
Add : Profit / (Loss) for the year	140,379,096	85,872,519
Less : Transfer to General Reserve	70,000,000	70,000,000
Less : Proposed Equity Dividend per share ₹ 4.50/- (31st March 2013: ₹ 2.10/-)	45,000,045	21,000,021
Less : Tax on proposed equity dividend	7,647,758	3,568,954
Net Surplus in the statement of profit and loss.	72,597,164	54,865,871
TOTAL	541,103,233	453,371,940

NOTE 4 : DEFERRED TAX LIABILITY (NET)

	31-Mar-14	31-Mar-13
Deferred tax liability		
Fixed assets: Impact of difference between depreciation /amortization charged for the financial reporting and tax depreciation	12,305,055	12,342,452
Gross Deferred Tax Liability	12,305,055	12,342,452
Deferred tax Asset		
Fixed Assets : Impact of difference arising on account of impairment of intangible asset and tax depreciation	1,529,268	1,946,341
Gross Deferred Tax Asset	1,529,268	1,946,341
Net Deferred Tax Liability	10,775,787	10,396,111

NOTE 5 : PROVISIONS

	Long Term		Short Term	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Provision for Employee benefits				
Provision for Gratuity (Funded Assets/ Non Funded Obligation)	-	1,486,543	1,721,254	257,868
Provision for Leave Benefits	3,606,828	3,894,022	2,045,153	1,977,345
Provision for other Employee Benefits	-	-	26,656,906	33,205,310
	3,606,828	5,380,565	30,423,313	35,440,523
Other Provisions				
Provision for outstanding expenses	-	-	10,186,529	19,966,385
Provision for Proposed Dividend	-	-	45,000,045	21,000,021
Provision for Dividend Distribution Tax	-	-	7,647,758	3,568,954
	-	-	62,834,332	44,535,360
	3,606,828	5,380,565	93,257,645	79,975,883

NOTE 6 : TRADE PAYABLE AND OTHER CURRENT LIABILITIES

	31-Mar-14	31-Mar-13
Trade payables (refer note 33 for details of dues to micro and small enterprises)	35,736,523	21,929,839
	35,736,523	21,929,839
Other Current Liabilities		
(a) Income received in advance (deferred revenue)	5,730,001	6,918,341
(b) Advance received from customers	40,905,976	84,948,172
(c) Other Payables		
Government Dues (Sales Tax, Service Tax, TDS etc.)	10,312,990	7,586,465
	56,948,967	99,452,978

Note 7: Fixed Assets

Sl No.	Category	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As on 1-Apr-13	Additions	Deductions	As on 31-Mar-14	For the year	Deductions	As on 31-Mar-14	As on 31-Mar-13
A	<u>Tangible Assets</u>								
1	Computer Hardware & Server	114,426,262	3,269,896	233,980	117,462,178	13,762,864	154,122	79,024,522	38,437,656
2	Office Equipment	57,214,562	2,227,897	-	59,442,459	3,753,596	-	17,914,897	41,527,562
3	Furniture & Fixtures	34,408,283	135,978	-	34,544,261	3,419,278	-	15,931,186	18,613,075
4	Building - Civil Work	7,603,550	-	-	7,603,550	845,515	-	3,207,722	4,395,828
		213,652,657	5,633,771	233,980	219,052,448	21,781,253	154,122	116,078,327	102,974,121
B	<u>Intangible Assets</u>								
1	Computer Software	47,020,168	14,213,807	-	61,233,975	5,628,559	-	49,491,995	11,741,980
2	Software copyrights	25,906,099	-	-	25,906,099	-	-	25,906,098	1
		72,926,267	14,213,807		87,140,074	5,628,559		75,398,093	11,741,981
	GRAND TOTAL	286,578,924	19,847,578	233,980	306,192,522	27,409,812	154,122	191,476,420	122,358,194
	PREVIOUS YEAR	304,631,083	10,150,476	28,202,635	286,578,924	28,802,648	24,897,772	164,220,730	144,315,229

NOTE 8 : NON CURRENT INVESTMENTS

	31-Mar-14	31-Mar-13
Trade Investments (Valued at cost)		
Unquoted Equity Instruments		
Investments in wholly owned subsidiaries		
NSE.IT(US) Inc. [1000000 (500000) Equity share of \$ 1 each fully paid]	53,368,702	22,542,495
Non-trade Investments (Valued at cost)		
Quoted Mutual Funds (at cost)	22,792,359	22,792,359
[Market Value as on 31-Mar-14 ₹43645246/- (₹40053354/-)]		
	76,161,061	45,334,854

NOTE 9 : LOANS AND ADVANCES

	Non-current		Current	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
a. Security Deposits	49,225,980	50,989,859	-	-
(Unsecured, considered good)				
b. Loans and advances to related parties	-	-	-	-
Unsecured, considered doubtful	-	-	-	-
c. Other loans and advances				
(unsecured, considered good)				
Income Tax Refund (Net of Provision)	77,559,731	80,469,555	-	-
Sales Tax Refund	755,905	784,247	-	-
Advance for Expenses (Staff)	-	-	3,589,161	1,327,407
Advance to creditors	-	-	1,401,628	2,277,909
Salary Advance	-	-	-	32,096
Other Advances	-	-	426,009	426,009
	78,315,636	81,253,802	5,416,798	4,063,421
(a + b + c)	127,541,616	132,243,661	5,416,798	4,063,421

NOTE 10 : INVENTORIES
Traded goods

 Stock of Digital Certificates
 (Valued at lower of cost and net realizable value)

	31-Mar-14	31-Mar-13
	134,012	129,249
	134,012	129,249

NOTE 11 : TRADE RECEIVABLES
Trade receivables
Unsecured, Considered good

Outstanding for a period exceeding six months from the date they are due for payment

Other receivables

	Current	
	31-Mar-14	31-Mar-13
	42,895,300	80,924,178
	159,153,966	206,638,071
	202,049,266	287,562,249

NOTE 12 : OTHER ASSETS

	Non-current		Current	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Interest Accrued but not due	-	-	3,270,381	3,226,642
Open Forward Contract	-	-	906,008	-
Service Tax Input Credit	-	-	731,142	504,278
Prepaid Expenses	471,187	253,230	8,659,767	8,559,230
Unbilled Revenue	-	-	18,874,661	-
	471,187	253,230	32,441,959	12,290,150

NOTE 13 : CASH AND BANK BALANCES

	Current	
	31-Mar-14	31-Mar-13
Cash and Cash Equivalent		
Cheques/Drafts in hand	-	4,751,612
Balances with banks in current Accounts including auto FD	196,605,156	158,420,096
	196,605,156	163,171,708
Other Bank Balances		
Term Deposits having remaining maturity of 12 months or less	85,891,926	1,662,104
	282,497,082	164,833,812

NOTE 14 : REVENUE FROM OPERATIONS

	31-Mar-14	31-Mar-13
Sale of Products		
Software Products	6,584,217	8,568,582
Traded Goods	3,900,008	2,877,139
	(A)	11,445,721
Sale of Services		
Software Product Revenues	10,878,891	11,034,885
Application Development & Maintenance Services	297,867,654	272,242,660
Infrastructure Management Services	314,240,098	294,321,362
E-Learning Solutions	565,528,177	501,701,469
Customer Care Services	27,003,348	35,193,542
	(B)	1,114,493,918
	(A + B)	1,125,939,639

NOTE 15 : OTHER INCOME

	31-Mar-14	31-Mar-13
Interest income		
Interest on Short Term Deposits & Auto Fixed Deposits with Bank	21,882,892	12,167,837
Other non-operating income		
Excess Provision Written Back	10,435,246	11,465,159
Gain from Foreign Exchange Fluctuations (Net)	7,167,830	7,224,060
Profit on sale of assets	-	117,658
Miscellaneous Income	3,487,121	1,400,840
	42,973,089	32,375,554

NOTE 16 : PURCHASES OF STOCK-IN-TRADE

	31-Mar-14	31-Mar-13
Purchase of Digital Certificates	354,450	453,144
	354,450	453,144

NOTE 17: CHANGES IN INVENTORIES OF STOCK-IN-TRADE

	31-Mar-14	31-Mar-13
Opening Inventories of Digital Certificates	129,249	253,578
Closing Inventories of Digital Certificates	134,012	129,249
	(4,763)	124,329

NOTE 18 : EMPLOYEE BENEFITS EXPENSES

	31-Mar-14	31-Mar-13
Salaries & Allowances	408,769,164	423,318,658
Contribution to Provident Fund	12,064,197	12,271,635
Contribution to Group Gratuity Scheme	3,659,847	4,716,696
Contribution to Superannuation Scheme	1,255,500	1,249,742
Staff Welfare Expenses	3,709,593	7,441,055
	429,458,301	448,997,786

NOTE 19 : OTHER EXPENSES

	31-Mar-14	31-Mar-13
Power and fuel	27,397,541	26,174,582
Rent	125,720,009	128,539,841
Repairs to machinery	5,060,210	8,131,261
Insurance	6,685,845	7,558,863
Rates and taxes, excluding taxes on income	1,039,955	501,137
Travelling expenses	24,316,349	22,637,235
Project Related Purchases	12,151,485	798,952
Professional Fees	8,071,060	10,437,176
Conveyance	5,667,442	5,374,662
Telephone & Internet Expenses	24,048,033	26,987,859
Security Services Charges	15,709,413	18,952,798
Fees & Subscription	77,793,597	64,846,951
Technical & Sub Contract Charges	226,801,707	200,642,463
Auditors Remunerations		
--- Audit fees	365,170	233,497
--- Other Matter	33,708	33,708
Office Expenses	9,471,375	9,298,310
Miscellaneous expenses	23,301,495	23,754,261
	593,634,394	554,903,556

NOTE 20 : TAX EXPENSE

	31-Mar-14	31-Mar-13
(a) Current Tax	72,000,000	40,000,000
Short / Excess Provision for taxes (net)	4,542,754	1,814,040
	76,542,754	41,814,040
(b) Deferred tax	379,676	(2,709,698)
	76,922,430	39,104,342

NOTE 21 : CONTINGENT LIABILITIES:

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 1,62,18,431/- (Previous Year: 1,86,856/-).
- (ii) On account of bank guarantees: ₹ 20,00,000/- (Previous Year: ₹ 1,00,000/-).
- (iii) On account of corporate guarantee: Rs Nil (Previous Year: ₹ Nil)
- (iv) On account of disputed demand of income tax Nil (Previous Year: ₹ Nil)
- (v) On account of disputed demand of sales tax: ₹ Nil (Previous year ₹ Nil)

NOTE 22 : Capital Work in Progress includes following assets purchased during the Year but not installed :

Particulars	For the year ended	
	31-Mar-14	31-Mar-13
HRMS Software - Claim Management Module	-	1,415,736
HRMS Software - Shift Management Module	-	22,860
Total	-	1,438,596

NOTE 23 : Expenditure in foreign exchange:

Particulars	For the year ended	
	31-Mar-14	31-Mar-13
Travelling	980,653	979,445
Direct Fees & Subscriptions	2,574,700	8,087
Subcontract/ Technical Fees	220,563,201	185,851,988
Software Licenses	-	69,250
Total	224,118,554	186,908,770

C.I.F. Value of imports in respect of Capital goods : Nil (Previous Year : Nil)

NOTE 24: Earnings in foreign exchange:

Particulars	For the year ended	
	31-Mar-14	31-Mar-13
Application Development and Maintenance Services	70,519,016	59,423,539
E-Learning	2,158,801	1,218,806
Total	72,677,817	60,642,345

NOTE 25 : Details of exchange fluctuation:

Particulars	For the year ended	
	31-Mar-14	31-Mar-13
(Loss) on Foreign Exchange transactions	(1,621,923)	(4,045,413)
Gain on Foreign Exchange Transactions	8,789,753	11,269,473
Net Gain / (Loss)	7,167,830	7,224,060

NOTE 26 : Segment Reporting

In the opinion of the management, the company has two reportable business segment viz. offering “End to End solutions” which includes revenues from sale and maintenance of software products, software consultancy services, custom software development, information technology infrastructure services provided predominantly to market participants in the securities and commodity markets and “E-learning Solutions” which includes sale and maintenance of e-learning software products, online education and examination services and other incidental services as its primary segments. This takes into consideration the commonality in the risks and rewards of the products/ solutions and related services offered nature of services, type / class of customers for the products / services, management structure and system of financial reporting. Accordingly, the results of the said segments have been disclosed hereunder. Further, the company has no reportable geographical segments and on that basis, no secondary segment information is furnished.

Primary Business Segments

Year ended March 31, 2014

Particulars	End to EndSolutions	E-learning Solutions	Total
Revenues	660,463,839	565,538,552	1,226,002,391
	<i>624,238,170</i>	<i>501,701,469</i>	<i>1,125,939,639</i>
Identifiable operating expenses	558,354,614	377,364,753	935,719,367
	<i>204,900,809</i>	<i>251,368,919</i>	<i>456,269,728</i>
Allocated expenses	63,444,937	51,687,888	115,132,825
	<i>401,306,521</i>	<i>175,762,083</i>	<i>577,068,604</i>
Segmental operating income / (loss)	38,664,288	136,485,911	175,150,199
	<i>18,030,840</i>	<i>74,570,467</i>	<i>92,601,307</i>
Other income			42,973,089
			<i>32,375,554</i>
Prior period adjustment			821,762
			-
Net profit before taxes			217,301,526
			<i>124,976,861</i>
Income taxes			76,922,430
			<i>39,104,342</i>
Net profit after taxes			140,379,096
			<i>85,872,519</i>

(Figures in *Italics* are for Previous Year)

Fixed assets used in the Company’s business or liabilities contracted have not been indentified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly no disclosure relating to total segment assets and liabilities are made.

NOTE 27 : Related Party Discloser

In compliance with Accounting Standard 18 “Related Party Disclosures”, the required disclosures are given in the table below:

A) Names of the related parties and relationship:

SN	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	Ultimate Holding Company
2	NSE Strategic Investment Corporation Ltd	Holding Company
3	National Securities Clearing Corporation Limited	Fellow Subsidiary
4	DotEx International Limited	Fellow Subsidiary
5	NSE Infotech Services Limited	Fellow Subsidiary
6	NSE.IT (US) Inc.	Wholly owned Subsidiary Company
7	India Index Services & Products Limited	Joint Venture of Holding Company
8	Power Exchange India Limited	Joint Venture of Holding Company
9	Mr. Ramesh Padmanabhan – Managing Director & CEO	Key Management Personnel

The entire shareholding of the company held by National Stock Exchange of India Ltd along with its nominees were transferred to NSE Strategic Investment Corporation Limited along with its nominees on 28th June 2013 with Board's approval vide circular resolution, thereby making NSE Strategic Investment Corporation Limited the immediate holding company and National Stock Exchange of India Ltd as the ultimate holding company.

B) Details of transactions with related parties as follows:

Name of the related party	Nature of transactions	Year ended 31/03/14	Year ended 31/03/2013
National Stock Exchange of India Limited	Infrastructure Management Services	261,832,181	227,869,816
	Application Development and Maintenance Services	70,804,229	63,617,916
	Software Product Revenues	23,410	Nil
	E- Learning	69,494,840	66,558,820
	Applicable taxes recovered	56,364,862	49,814,630
	Reimbursement of expenses received		Nil
	CTCL empanelment fee paid	Nil	Nil
	Rent Paid	656,459	10,297,279
	Usage Charges paid – STP Central HUB & other	4,535,139	75,272
	Reimbursement paid for other expenses incurred	44,729	859,669

Name of the related party	Nature of transactions	Year ended 31/03/14	Year ended 31/03/2013
	Purchase of fixed assets		Nil
	Dividend paid	21,000,021	37,000,037
	Loan Taken during the Year	Nil	Nil
	Loan Repaid during the Year	Nil	Nil
	Interest on Loan paid during the Year	Nil	Nil
	Closing Balance - Dr./ (Cr.)	33,905,820	41,984,165
National Securities Clearing Corporation Limited	Application Development and Maintenance Services	4,675,662	5,730,573
	Applicable taxes recovered	577,923	708,318
	Closing Balance - Dr./ (Cr.)	1,328,729	522,942
NSE Infotech Services Limited	Software Product Revenues	2,360	5,117
	Reimbursement of expenses received	Nil	Nil
	Reimbursement paid for expenses incurred	Nil	Nil
	Applicable taxes recovered	410	Nil
	Closing Balance - Dr./ (Cr.)	Nil	Nil
DotEx International Limited	Reimbursement of Expenses received	Nil	Nil
	Reimbursement for Expenses recoverable	157,105	269,712
	Application Development and Maintenance Services	Nil	595,560
	Customer Care Services	20,912,266	26,598,015
	Infrastructure Management Services	5,091,176	4,859,777
	Applicable taxes recovered	3,231,357	3,977,438
	Closing Balance - Dr./ (Cr.)	6,126,622	4,965,640
Power Exchange India Limited	Application Development and Maintenance Services	7,116,754	28,005,041
	Software Product Revenues	2,360	2,000
	Reimbursement of expenses received	Nil	3,650
	Infrastructure Management Services	Nil	6,432,777
	Applicable taxes recovered	880,049	4,256,871
	Closing Balance - Dr./ (Cr.)	25,388,777	38,808,692
NSE Strategic Investment Corporation Ltd	Software Product Revenues	2,360	Nil
	Applicable taxes recovered	410	Nil
	Closing Balance - Dr./ (Cr.)	Nil	Nil

Name of the related party	Nature of transactions	Year ended 31/03/14	Year ended 31/03/2013
NSE.IT US Inc	Application Development and Maintenance Services	70,268,469	58,655,210
	E- Learning	222,983	Nil
	Reimbursement of expenses received	125,699	Nil
	Applicable taxes recovered	27,561	
	Closing Balance - Dr./ (Cr.)	51,777,539	74,862,776
Key Management Personnel - Ramesh Padmanabhan – MD &CEO	Gross remuneration including allowances, perquisites and contribution to Provident Fund and Superannuation Fund etc.	11,220,000	15,470,778

The income figures are excluding applicable taxes recovered.

NOTE 28 : Future Lease Rent Obligations

The Company has taken following assets on non-cancelable renewable operating lease basis:

Office Premises : Leave & License Agreement for maximum of 108 months

The maximum future rent obligations as per the respective agreements are as follows:-

Future Lease Rent obligations	For the year ended	
	31-Mar-14	31-Mar-13
Office Premises not later than 1 year	116,022,493	159,383,246
later than 1 year not later than 5 years	284,493,563	295,804,454
later than 5 years	-	40,924,692
Total	400,516,056	496,112,392

NOTE 29: Earnings Per Share

In accordance with Accounting Standard – 20 “Earning per Share”, the required disclosure is given below:

Particulars	For the year ended	
	31-Mar-14	31-Mar-13
Net Profit attributable to Shareholders (₹)	140,379,096	85,872,519
Weighted Average number of equity shares issues (in Nos).	10,000,010	10,000,010
Basic/diluted earnings per share of ₹ 10 each (₹)	14.04	8.59

The dilutive impact of ESOPs granted as mentioned in Note 2 e on the EPS mentioned below is considered nominal and not material and therefore, no separate diluted EPS has been computed

NOTE 30 : Provision for Employees benefits

In accordance with Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets", the company has made provision for "Performance Pay" payable to the employees and "Leave Encashment". The particulars of these provisions are as under:

Particulars	F.Y. 2013-14		F.Y. 2012-13	
	Performance Pay (₹)	Leave Encashment (₹)	Performance Pay (₹)	Leave Encashment (₹)
Carrying amount at the beginning of the year	31,930,620	5,871,367	32,282,519	3,939,465
Amounts used during the year	38,972,915	1,861,427	37,887,037	1,818,740
Amounts unused reversed during the year	5,975,911	-	10,593,691	-
Provisions made during the year	37,918,206	1,642,041	48,128,829	3,750,642
Carrying amount at the end of the year	24,900,000	5,651,981	31,930,620	5,871,367

In case of provision for performance pay, it is expected that these obligation will be met in the next financial year

NOTE 31 : Gratuity Expenses

Effective April 1, 2007 the company adopted the Accounting Standard 15 "Employee Benefits". Company has charged the gratuity expenses to revenue based on gratuity liability estimated as per actuarial report furnished by independent actuarial valuer. The report which uses projected unit credit method shows the position as at March 31, 2014 as under.

Particulars	31-Mar-2014	31-Mar-13
Obligation at period beginning	16,083,675	11,612,151
Service Cost	4,623,091	4,179,239
Interest Cost	1,286,694	987,033
Actuarial (gain)/loss	(959,404)	481,252
(Benefits paid)	(1,064,750)	(1,176,000)
Obligation at period end	19,969,306	16,083,675
Change in plan assets		
Plan assets at period beginning, at fair value	14,339,264	9,671,460
Expected return on plan assets	1,247,516	831,746
Actuarial gain / (Loss)	43,018	99,082
Contributions	3,683,004	4,912,976
(Benefits paid)	(1,064,750)	(1,176,000)
Plan assets at period end, at fair value	18,248,052	14,339,264

Reconciliation of present value of the obligation and the fair value of the plan assets:

Particulars	31-Mar-2014	31-Mar-13
Fair value of the plan assets at the end of the period	18,248,052	14,339,264
Present Value of the defined obligations at the end of the period	19,969,306	16,083,675
Funded Status	(1,721,254)	(1,744,411)
Asset / (liability) recognised in Balance Sheet	(1,721,254)	(1,744,411)
Assumptions		
Interest Rate	9.31%	8.00%
Gratuity Cost for the period		
Service Cost	4,623,091	4,179,239
Interest Cost	1,286,694	987,033
Expected return on plan assets	(1,247,516)	(831,746)
Net Actuarial (gain) / loss recognised in the year	(1,002,422)	382,170
Expenses recognised in statement of Profit & loss	3,659,847	4,716,696

The estimate of future salary increases, considered in actuarial valuation, take account of inflation, promotion and other relevant factors such as supply and demand factors in the employment market

NOTE 32 : Extra ordinary item

The company has woundup its subsidiary NSE.IT (UK) Limited, as of 31st March 2013 and consequently losses / expenses relating thereto has been written-off in the books of the company.

Particulars	For the year ended	
	31-Mar-14	31-Mar-13
Losses of Subsidiary Company	-	56,869

NOTE 33 : Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	31-Mar-14	31-Mar-13
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-- Principal amount due to micro and small enterprises	-	-
-- Interest due on above	-	-
	-	-
The amount of interest u/s 16 of the MSMED Act 2006		

Particulars	31-Mar-14	31-Mar-13
-- Interest paid along with payments made beyond the appointed day	-	-
-- Interest due and payable for payments made beyond the appointed day	-	-
-- Interest accrued and unpaid at the end of each accounting year	-	-
-- Interest due and payable in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as deductible u/s 23 of the MSMED Act 2006	-	-

NOTE 34: Regrouping

The previous year figures are regrouped, reclassified and rearranged, wherever necessary

As per our report of even date attached
For Gokhale & Sathe.

Chartered Accountants
(Reg No : 103264W)

KEDAR MEHENDALE

Partner
Membership No.116065

Place : Mumbai

Date : 23rd April 2014

For and on behalf of Board of Directors
RAVI NARAIN

Chairman

V. BABUJI

Director

KANKESH KAMATH

Chief Financial Officer

RAMESH PADMANABHAN

Managing Director & CEO

J. RAVICHANDRAN

Director

CHIRAG SHAH

Company Secretary

ENCLOSURE FORMING PART OF ACCOUNTS

Balance Sheet Abstract and Company's General Business Profile

(information pursuant to Notification No. GSR No. 388(E) [F No.3/24/94-CLV] dated 15-5-1995, issued by the Department of Company Affairs, Ministry of Law, Justice and Company Affairs)

(Part IV of Schedule VI to the Companies Act, 1956)

I Registration Details

Registration No.	122456
State Code	11
Ba lance Sheet Date	31-Mar-2014

II Capital Raised during the Year

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placements	NIL

III Position of Mobilisation and Deployment of Funds

₹ In Thousands

Total Liabilities	841,429
Total Assets	841,429

Sources of Funds

Paid-up Capital	100,000
Reserves & Surplus	541,103
Secured Loans	NIL
Unsecured Loans	NIL
Deferred Tax Liability	10,776
Non Current Liability	3,607
Current Liabilities	185,943

Application of Funds

Net Fixed Assets	114,716
Investments	76,161
Non-Current Assets	128,013
Current Assets	522,539
Misc. Expenditure	NIL
Accumulated Losses	NIL

IV Performance of Company	₹ In Thousands
Turnover	1,268,975
Total Expenditure	1,051,674
Profit Before Tax	217,301
Profit After Tax	140,379
Earning Per Share (₹), on par value of Rs.10 per share	14.04
Dividend Rate	45%
VI Generic Names of Three Principal products / Services of Company (as per monetary terms)	
Item Code No. (ITC Code)	N.A.
Product Description	Software Products and Services

For and on behalf of Board of Directors

RAVI NARAIN
Chairman

RAMESH PADMANABHAN
Managing Director & CEO

V. BABUJI
Director

J. RAVICHANDRAN
Director

KANKESH KAMATH
Chief Financial Officer

CHIRAG SHAH
Company Secretary

Place: Mumbai

Date: 23rd April 2014

NSE.IT LIMITED

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

SN	Particulars	Name of the Subsidiary
		NSE.IT (US) Inc.
1	Financial Period ended	31-Mar-14
2	Holding Company's interest	100%
3	Shares held by the Holding Company in the Subsidiary	1000000 Equity Shares
4	Aggregate of profits or losses of the subsidiary for the current period so far as it concerns the Members of the holding company	
(a)	dealt with or provided for in the accounts of the holding company	NIL
(b)	not dealt with or provided for in the accounts of the holding company	(5,778,346)
5	The net aggregate of profits or losses of previous financial years of the subsidiary so far it concerns the members of the holding Company	
(a)	dealt with or provided for in the accounts of the holding company	NIL
(b)	not dealt with or provided for in the accounts of the holding company	(56,571,633)
	Issued, Subscribed & Paid-up Share Capital	61,120,000
	Reserves	(62,349,979)
	Loans	-
	Total Assets	51,929,569
	Total Liabilities	51,929,569
	Investments	-
	Turnover	91,991,895
	Profit	(5,778,346)

Note : Figures are valued at Exchange rates prevailing as on 31st March 2014.

For and on behalf of Board of Directors
RAVI NARAIN
 Chairman

RAMESH PADMANABHAN
 Managing Director & CEO

V. BABUJI
 Director

J. RAVICHANDRAN
 Director

KANKESH KAMATH
 Chief Financial Officer

CHIRAG SHAH
 Company Secretary

Place: Mumbai

Date: 23rd April 2014

NSE.IT (US) INC.

(A wholly owned subsidiary of NSE.IT Limited)



SEVENTH ANNUAL REPORT
2013 – 14



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BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No.	As at 31-Mar-2014 US \$	As at 31-Mar-2013 US \$
I. Equity and Liabilities			
(1) Shareholders' Funds			
(a) Share Capital	5	1,000,000	500,000
(b) Reserves and surplus	6	(1,020,124)	(925,583)
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term provisions		-	-
(4) Current liabilities			
(a) Trade payables	7	847,146	1,386,346
(b) Other current liabilities	7	8,183	10,837
(c) Short-term provisions	8	14,428	36,309
Total		849,633	1,007,909
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	-	-
(ii) Intangible assets		-	-
(b) Long-term loans and advances	9	3,500	3,500
(c) Other non-current assets		-	-
(2) Current Assets			
(a) Trade receivables	10	347,737	300,791
(b) Cash and bank balances	11	498,006	703,228
(c) Short-term loans and advances	9	390	390
(d) Other current assets		-	-
Total		849,633	1,007,909

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

For NSE.IT (US) Inc.

RAMESH PADMANABHAN
 Director

Date : 15th April 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

S.No	Particulars	Note No.	For the year ended 31-Mar-2014 US \$	For the year ended 31-Mar- 2013 US \$
I.	Revenue from operations	13	1,504,990	1,392,953
II.	Other income	14	113	28
III.	Total Revenue (I + II)		1,505,103	1,392,981
IV.	Expenses:			
	Employee benefits expense	15	359,946	481,643
	Depreciation and amortisation expense	12	–	–
	Other expenses	16	1,237,698	1,230,678
	Total expenses		1,597,644	1,712,321
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(92,541)	(319,340)
VI.	Exceptional items		–	–
VII.	Profit before extraordinary items and tax (V - VI)		(92,541)	(319,340)
VIII.	Extraordinary Items		–	–
IX.	Profit before tax (VII - VIII)		(92,541)	(319,340)
X.	Tax expenses:	17		
	(1) Current tax		2,000	–
	(2) Deferred tax		–	–
XI.	Profit/(Loss) for the period from continuing operations (IX - X)		(94,541)	(319,340)
XII.	Profit/(Loss) from discontinuing operations		–	–
XIII.	Profit/(Loss) for the year (XI + XII)		(94,541)	(319,340)
XIV.	Earnings per equity share:			
	(1) Basic		(0.16)	(0.64)
	(2) Diluted		(0.16)	(0.64)
	Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

For NSE.IT (US) Inc.

Date : 15th April 2014

RAMESH PADMANABHAN
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	Year ended 31-Mar-2014 (US \$)	Year ended 31-Mar-2013 (US \$)
A CASH FLOW FROM OPERATING ACTIVITIES		
<i>Net Profit before tax</i>	(92,541)	(319,340)
<i>Add : Adjustments for</i>		
Depreciation	-	-
Operating profit before working Capital Change	(92,541)	(319,340)
<i>Change in Working Capital</i>		
Decrease / (Increase) in Sundry Debtors	(46,946)	(142,022)
Decrease / (Increase) in Loans & Advances	-	8,250
(Decrease) / Increase in Current Liabilities & Prov	(565,735)	611,192
Cash Generated from Operations	(705,222)	158,080
Direct Taxes Paid (Net of Refunds)	-	-
Net Cash from Operating Activities- Total (A)	(705,222)	158,080
B CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Equity Share Capital	500,000	-
Addition to fixed assets (net)	-	-
Cash flow from investing activity - Total (B)	500,000	-
C CASH FROM FINANCING ACTIVITY		
Dividend Paid	-	-
	-	-
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENT	(205,222)	158,080
Opening balance of Cash & Cash Equivalent	703,228	545,148
Closing balances of Cash & Cash Equivalent	498,006	703,228
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENT	(205,222)	158,080

Notes to Cash flow statement

Cash and cash equivalent represent bank balances.

The above cash flow has been prepared under the "Indirect method" as set out in the Accounting Standard - 3

For NSE.IT (US) Inc.

RAMESH PADMANABHAN
Director

Date : 15th April 2014

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

NOTE 1: COMPANY PROFILE

The following is a brief profile of the business:

A: The business is a corporation.

B: The business's main source of revenue is from software development and maintenance services.

NOTE 2: ACCOUNTING POLICY

The corporation uses the accrual method of accounting, which is the method of recording transactions, by which revenue and expenses are reflected in the accounts in the period which they are considered to be earned and incurred, respectively, whether or not such transactions have been finally settled by receipt or payment of cash or its equivalent. Also, depreciation expense is computed and recorded in the business's financial statements in accordance with the Internal Revenue Code, which may result in material differences from depreciation computed using useful lives.

NOTE 3: METHOD OF DEPRECIATION

The business uses the methods prescribed by the Internal Revenue Code to calculate the current year's depreciation expense.

NOTE 4: FEDERAL INCOME TAX

No provision for Federal income taxes has been made in business's financial statement on account of the net loss incurred during the year.

NOTE 5: SHARE CAPITAL

	31-Mar-14 US \$	31-Mar-13 US \$
Authorised		
10,00,000 (10,00,000) Equity shares of \$ 1/- each fully paid up	1,000,000	1,000,000
Issued, Subscribed and Paid-up		
10,00,000 (500,000) Equity shares of \$ 1/- each fully paid up	1,000,000	500,000
TOTAL	1,000,000	500,000

a. **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.**

	31-Mar-14		31-Mar-13	
	Nos.	US \$	Nos.	US \$
At the beginning of the period	500,000	500,000	500,000	500,000
Issued during the period	500,000	500,000	–	–
Outstanding at the end of the period	1,000,000	1,000,000	500,000	500,000

b. **Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of \$ 1/- per share. Each holder of equity shares is entitled to one vote per share.

During the year ended 31st March 2014, the amount of per share dividend recognized as distributions to equity shareholders is \$ NIL (31st March 2013 : \$ NIL)

In the event of liquidation of the company, the holders of 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.

c. **Shares held by holding/ultimate holding company and/or their subsidiaries/associates.**

	31-Mar-14 US \$	31-Mar-13 US \$
NSE.IT Limited, the holding company 1000000 (31 March 2013 : 500000) equity shares of \$ 1/- each fully paid	1,000,000	500,000

d. **Details of shareholders holding more than 5% in the Company**

	31-Mar-14		31-Mar-13	
	Nos.	%	Nos.	%
Equity shares of \$ 1/- each fully paid NSE.IT Limited (the holding company)	1,000,000	100%	500,000	100%

As per records of the company, the above shareholding represents both legal and beneficial ownership of shares.

NOTE 6: RESERVES & SURPLUS

	31-Mar-14 US \$	31-Mar-13 US \$
General Reserve		
Balance as per last financial statement	(925,583)	(606,243)
Add : amount transferred from the surplus/(deficit) balance in the statement of profit & loss	(94,541)	(319,340)
TOTAL	(1,020,124)	(925,583)

NOTE 7 : TRADE PAYABLE AND OTHER CURRENT LIABILITIES

	31-Mar-14 US \$	31-Mar-13 US \$
Trade payables	847,146	1,386,346
	847,146	1,386,346
Other Current Liabilities		
Liability for Expenses	8,183	10,837
	8,183	10,837

NOTE 8: PROVISIONS

	Short Term	
	31-Mar-14 US \$	31-Mar-13 US \$
Provision for Employee benefits	–	24,586
	–	24,586
Other Provisions		
Provision for outstanding expenses	9,178	8,473
Provision for taxes	5,250	3,250
	14,428	11,723
	14,428	36,309

NOTE 9 : LOANS AND ADVANCES

	Non-current		Current	
	31-Mar-14 US \$	31-Mar-13 US \$	31-Mar-14 US \$	31-Mar-13 US \$
a. Security Deposits (Unsecured, considered good)	3,500	3,500	–	–
b. Loans and advances to related parties	–	–	–	–
c. Other loans and advances (unsecured, considered good)				
Advance Income Tax	–	–	390	390
Advance to creditors	–	–	–	–
	–	–	390	390
(a + b + c)	3,500	3,500	390	390

NOTE 10 : TRADE RECEIVABLES

	Current	
	31-Mar-14 US \$	31-Mar-13 US \$
Trade receivables		
Unsecured, Considered good		
Outstanding for a period exceeding six months from the date they are due for payment	–	–
Other receivables	347,737	300,791
	347,737	300,791

NOTE 11 : CASH AND BANK BALANCES

	Current	
	31-Mar-14 US \$	31-Mar-13 US \$
Cash and Cash Equivalent		
Balances with banks	498,006	703,228
	498,006	703,228

NOTE 12 : Fixed Assets

(All figures in US \$)

Sl No.	Category	GROSS BLOCK			DEPRECIATION/AMORTIZATION			NET BLOCK	
		As on 1-Apr-13	Additions	Deductions	As on 31-Mar-14	For the Period	Deductions	As on 31-Mar-14	As on 31-Mar-13
	<u>Tangible Assets</u>								
1	Computer Hardware	4,561.10	-	-	4,561.10	-	-	4,561.10	-
2	Office Equipment	244.61	-	-	244.61	-	-	244.61	-
3	Furniture & Fixtures	775.00	-	-	775.00	-	-	775.00	-
	GRAND TOTAL	5,580.71	-	-	5,580.71	-	-	5,580.71	-
	PREVIOUS YEAR	1,344.98	4,235.73	-	1,344.98	4,235.73	-	5,580.71	-

NOTE 13 : REVENUE FROM OPERATIONS

	31-Mar-14 US \$	31-Mar-13 US \$
Software Application Development	1,500,565	1,392,953
E-Learning Solutions	4,425	–
	1,504,990	1,392,953

NOTE 14 : OTHER INCOME

	31-Mar-14 US \$	31-Mar-13 US \$
Other non-operating income		
Miscellaneous Income	113	28
	113	28

NOTE 15 : EMPLOYEE BENEFITS EXPENSES

	31-Mar-14 US \$	31-Mar-13 US \$
Salaries & Allowances	320,720	426,408
Company's contribution to Employee's retirement plan	8,298	13,531
Company's Contribution to Payroll Tax	30,928	41,704
	359,946	481,643

NOTE 16 : OTHER EXPENSES

	31-Mar-14 US \$	31-Mar-13 US \$
Technical & Sub Contract Charges	1,144,086	1,110,954
Professional Fees	9,546	30,633
Insurance	28,186	12,082
Travelling expenses	14,754	12,756
Bad Debts Written Off	2,288	–
Rent	18,879	18,841
Conveyance	7,495	9,466
Entertainment Expenses	3,477	5,132

	31-Mar-14 US \$	31-Mar-13 US \$
Telephone & Internet Expenses	5,125	7,693
Power and fuel	1,114	1,118
Miscellaneous expenses	2,748	22,003
	<u>1,237,698</u>	<u>1,230,678</u>

NOTE 17: Tax expense

	31-Mar-14 US \$	31-Mar-13 US \$
(a) Current Tax	2,000	-
	<u>2,000</u>	<u>-</u>

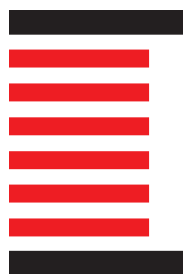
For NSE.IT (US) Inc.

RAMESH PADMANABHAN
Director

Date : 15th April 2014

India Index Services & Products Limited

(A Wholly owned Subsidiary of NSE Strategic Investment Corporation Limited)



IISL

SIXTEENTH ANNUAL REPORT
2013-14



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CORPORATE INFORMATION

BOARD OF DIRECTORS*

Mr. Ravi Narain : Chairman

Ms. Chitra Ramkrishna

Mr. J. Ravichandran

Mr. R. Sundararaman

AUDITORS

: M/s. K. S. Aiyar & Co.
Chartered Accountants
F 7, Laxmi Mills
Shakti Mills Lane
(Off. Dr. E. Moses Road)
Mahalaxmi
Mumbai - 400 01

REGISTERED OFFICE

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

* As on April 25, 2014



DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the Sixteenth Annual Report and the Audited Accounts of India Index Services & Products Limited (IISL) for the year ended March 31, 2014.

I. OPERATIONS AND EVENTS DURING THE YEAR

Developments:

Your Company continued to be the primary provider of indices and related products and services to various participants in the Capital Market in India, in the sixteenth year of its operation.

The CNX Nifty Futures traded on National Stock Exchange (NSE) recorded a turnover of ₹ 22,73,236 crores in the financial year 2013-14 as compared to a turnover of ₹ 18,67,489 crores in the financial year 2012-13, thus registering an increase of 21.73%. Turnover of CNX Nifty Options traded on NSE increased from ₹ 2,20,22,532 crores in the financial year 2012-13 to ₹ 2,60,00,268 crores in the financial year 2013-14, registering an increase of 18.06%.

The CNX Nifty Futures traded on Singapore Exchange (SGX) recorded volume of 16.50 million contracts in the financial year 2013-14 as compared to a volume of 14.74 million contracts in the financial year 2012-13, thus registering an increase of 11.94%.

During the financial year 2013-14, your Company granted licenses to 6 domestic and 8 international clients for launching exchange traded funds, active funds, index funds and structured products.

Currently, 19 index funds & 23 ETFs are linked to your Company's indices, details of which are as follows:

1. Fifteen index funds and eight ETFs on CNX Nifty Index available in India
2. Five ETFs on CNX Nifty Index listed outside India
3. Two Index Funds and one ETF on CNX Nifty Junior Index available in India
4. Two ETFs of CNX 100 index listed in India
5. Two ETFs on CNX Bank Index listed in India
6. One ETF on CNX Midcap Index listed in India
7. One ETF on CNX Infrastructure Index listed in India
8. Two ETFs on CNX PSU Bank Index listed in India
9. One ETF on CNX Nifty Shariah Index listed in India
10. One Index Fund on CNX 500 Index listed in India
11. One Index Fund on CNX Dividend Opportunities Index available in India

Note: Additional 3 ETFs on CPSE Index, CNX Dividend Opportunity Index and CNX Consumption index are expected to list in coming months.



The corpus of index linked funds/ ETFs based on IISL indices as on March 31, 2014 is given below:

Sr. No.	Name of Index	AUM (₹Cr.)
1	CNX Nifty	5,724.20
2	CNX Nifty Junior	92.39
3	CNX 500	58.27
4	CNX Bank	55.98
5	CNX Midcap	49.58
6	CNX 100	25.40
7	CNX Div. Opp.	22.65
8	CNX PSU Bank	17.85
9	CNX Infrastructure	12.08
10	CNX Nifty Shariah	0.77
	Total	6,059.17

Your Company provides index and index related services to various stock exchanges, asset management companies, insurance companies, investment banks and other organisations across the globe for business purposes. Apart from the indices being used for index linked funds and trading of index based derivative contracts, the indices of your Company are being used by the asset management companies for benchmarking the performance of their funds.

During the year, your Company provided licenses to various clients for using your Company's indices as underlying for their products. These clients issue products such as index linked notes / certificates, index linked bonds, index linked certificates of deposit, Exchange Traded Funds (ETFs), etc., using IISL Indices as the underlying for their products. Your Company also provides annual licenses to its clients who issue many structured products with IISL indices as underlying for such products.

In continuation of its efforts to develop indices that meet the requirements of market participants, your Company launched 3 new equity indices during the year viz. CNX 100 Equal Weight, CPSE index and NV20 index. To enter into fixed income asset class, your Company launched 2 fixed income indices i.e. GSECBM NSE index & GSEC10 NSE index.

In order to expand portfolio of offerings and increase global footprints, your Company has entered into arrangement for providing index construction service to an International Stock Exchange.

In order to expand global reach, your Company signed agreement with another International Stock Exchange in current year and Nifty futures have started trading on that Exchange effective March 24, 2014. Your Company has also signed a license agreement with a leading AMC in South Korea. An ETF on CNX Nifty is expected to be launched in South Korea in the coming year.

Your company was selected as an index provider for development of underlying index for prestigious CPSE ETF, which is government of India's initiative.



Products:

The financial products based on IISL indices currently available are:

(I) Derivative Contracts:

1. Futures and Options on CNX Nifty Index traded on the NSE and SGX
2. Futures and Options on CNX IT Index traded on the NSE
3. Futures and Options on CNX Bank Index traded on the NSE
4. Futures and Options on CNX PSE Index traded on the NSE
5. Futures and Options on CNX Infrastructure Index traded on NSE
6. Futures and Options on Nifty Midcap 50 Index traded on NSE
6. Futures on CNX Nifty Index traded on the CME
7. Futures on CNX Nifty index traded on the OSE

(II) Mutual Fund Products:

1. Index Funds based on-
 - CNX Nifty Index
 - CNX Nifty Junior Index
 - CNX 500 Index
 - CNX Dividend Opportunities Index
2. Exchange Traded Funds (ETFs) based on-
 - CNX Nifty Index
 - CNX 100 Index
 - CNX Bank Index
 - CNX Infrastructure Index
 - CNX Midcap Index
 - CNX Nifty Shariah Index
 - CNX PSU Bank Index
 - CNX Nifty Junior Index
3. Active funds using IISL indices as benchmarks

(III) Debentures and insurance products based on CNX Nifty and CNX Bank.

(IV) Structured Products and OTC Derivatives linked to CNX Nifty Index.

Operations:

During the year under review, the Company has widened the client base that uses IISL Indices and index data. Your Company has the following major sources of income viz. income from licensing indices to stock exchanges for trading in derivative contracts linked to such indices, income from licensing indices to asset management companies for Index Funds/Exchange Traded Funds, income from licensing indices to



finance and insurance companies for debentures/ insurance products, income from licensing indices to investment banks for structured products and income from data subscription.

The income received from these for the year 2013-14 was ₹ 3,088.31 lakhs. The revenues of your Company have increased from ₹ 2,888.75 lakhs in 2012-13 to ₹ 3,332.48 lakhs in 2013-14. The total outflow of the Company was ₹ 407.55 lakhs in 2013-14 as compared to ₹ 470.63 lakhs in 2012-13.

Future Outlook:

Your Company is planning to expand its reach by offering products of different asset classes such as Fixed income and Commodities and offer services to additional client segments. This shall create long term value for the Company and ensure long term growth sustainability of the Company. ETF industry in India is expected to grow and recent success of CPSE ETF shall help in boosting confidence in the industry. During the year, Insurance Regulatory & Development Authority (IRDA) has come up with new guidelines with respect to investment by insurance companies in equity ETFs. This move by insurance regulator may bring significant AUMs in ETFs in India. Your Company shall develop indices, which shall be used as an underlying to develop ETFs satisfying the investment guidelines revised by the insurance regulator. Your Company shall focus on developing new indices (Equity, Fixed Income, Commodity and Hybrid) and offer the new & existing indices to existing and prospective clients. Back-office or customized services to AMCs shall be one of the key offerings from your Company in the coming year. Your Company shall also explore opportunities for providing index construction/consultancy services to identified international Exchanges.

Your Company shall also be approaching overseas exchanges for licensing indices for launching index derivatives.

Your Company shall try to grow the business further through alliances and business tie-ups.

II. FINANCIAL RESULTS

The Company has earned a net profit after tax of ₹ 1963.74 lakhs as per particulars given below:-

(₹ In Lakhs)

Particulars	2013-14	2012-13
Income	3,332.48	2,888.78
Expenditure (excluding depreciation)	407.55	470.63
Profit before depreciation, prior-period adjustment and tax	2,924.93	2,418.15
Depreciation	0.51	0.66
Profit before Prior Period Adjustments & tax	2,924.42	2,417.49
Prior Period Adjustments	5.15	-
Profit before tax	2,929.57	2,417.49
Provision for tax	965.83	729.96
Net Profit after tax	1,963.74	1,687.53
Surplus brought forward from previous year	1,523.55	187.28
Amount available for appropriation	3,487.29	1,874.81



Particulars	2013-14	2012-13
General Reserve	196.38	168.76
Proposed Dividend	832.00	156.00
Corporate Dividend Tax	141.40	26.51
Balance carried forward to Balance Sheet	2,317.51	1,523.54

III. DIVIDEND

In view of the above results, your Directors recommend payment of dividend of ₹ 64/- per share for the year 2013-14.

IV. DIRECTORS

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

The Board recommends the re-appointment of Ms. Chitra Ramkrishna as Director on the Board of IISL by the members.

V. HOLDING COMPANY

During the year under review, NSE Strategic Investment Corporation Limited (NSICL), a subsidiary of National Stock Exchange of India Limited (NSEIL) established inter alia to make or hold strategic investments in the equity shares and/or other securities of NSE group companies, acquired balance 49% equity shares of the Company from CRISIL, thereby making it a wholly- owned subsidiary of NSICL.

VI. 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 the Company at the end of the financial year i.e., 31st March, 2014 and of the profits of the Company 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 the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors had prepared the annual accounts on a going concern basis.



VII. AUDIT COMMITTEE

Since the paid up capital of the Company is ₹ 1.30 crores only, it is not mandatory for the Company to constitute an Audit Committee as per the provisions of the Companies Act, 1956.

VIII. AUDITORS

Currently, M/s. K.S. Aiyar & 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 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 after considering the above requirement, recommends the re-appointment of M/s. K.S. Aiyar & 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.

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

a) 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 disclosures 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.

b) Foreign Exchange earnings/outgo during the year under review:

The foreign exchange earnings during the year were ₹ 1,976.22 lakhs. There was foreign exchange outgo of ₹ 5.37 lakhs.

X. PARTICULARS OF EMPLOYEES

All the persons who are working with IISL 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 IISL. During the year, none of the employees of NSEIL deputed to IISL was drawing remuneration more than the limit specified under the aforementioned section. Accordingly, the statement pursuant to requirements of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not attached herewith.



XI. CERTIFICATE OF COMPLIANCE

A certificate of compliance for the financial year 2013-14, as required by the provisions of the Companies Act, 1956 & Companies Act, 2013, obtained from M/s. S.N. Ananthasubramanian & Co, Practicing Company Secretaries, is attached herewith.

XII APPRECIATION

The Board of Directors wishes to place on record their appreciation of the support and co-operation received from NSEIL members of the Index Policy Committee and Index Maintenance Sub-committee, Bankers of the Company, business associates and the valued clients and look forward to their continued support and co-operation. The Board of Directors also wishes to thank the staff at all levels for their exemplary dedication, support and co-operation to the continued growth of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: April 25, 2014

Ravi Narain
Chairman



COMPLIANCE CERTIFICATE

S. N. ANANTHASUBRAMANIAN & CO. COMPANY SECRETARIES

10/26, BRINDABAN, THANE - 400 601

Tel 25345648 / 2543 2704 : Fax 2539 0292 – email sna@snaco.net: website www.snaco.net

COMPLIANCE CERTIFICATE FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2014

To,

The Board of Directors

INDIA INDEX SERVICES & PRODUCTS LIMITED

Exchange Plaza, C-1, Block G

Bandra Kurla Complex

Bandra (East), Mumbai 400051.

CIN: U73100MH1998PLC114976

Nominal Capital: Rs.1,50,00,000/-

Paid-up Capital: Rs. 1,30,00,000/-

We have examined the registers, records, books and papers of **INDIA INDEX SERVICES & PRODUCTS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act), Sections notified of the Companies Act, 2013 with effect from 12th September 2013 (the New Act) and the rules made thereunder and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the financial year ended on 31st March 2014. In our opinion and to the best of our information and according to the examinations, carried out by us and explanations furnished to us by the Company, its officers, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.



3. The Company being a Public Limited Company, following comments under this paragraph viz.,
"The Company has a minimum prescribed paid-up capital and its maximum number of members during the said financial year were upto fifty and the Company during the year under review:
 - i. has not invited public to subscribe for its shares or debentures; and*
 - ii. has not invited or accepted any deposits from persons other than its members, Directors or their relatives.*
 - iii. is prohibited from making any invitation or acceptance of any deposits from persons other than its members, Directors or their relatives "*are not required.
4. The Board of Directors of the Company duly met **four** times on 16th May 2013, 23rd July 2013, 23rd October 2013 and 23rd January 2014 respectively. In respect of these meetings proper notices were given, the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members as it was not required to do so.
6. The 15th Annual General Meeting for the financial year ended on 31st March 2013 was held on 23rd July 2013 after obtaining consent from members of the Company for shorter notice and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year under review.
8. The Company has not advanced any loans to its Directors or persons or firm or companies referred to under Section 295 of the Act and Section 185 of the New Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain approval from the Board of Directors, Members or Central Government, as the case may be.
12. The Company has not issued any duplicate share certificate(s) during the financial year under review.
13. The Company:
 - (i) delivered the certificates of equity shares lodged for transfers in accordance with the provisions of the Act during the financial year under review;



- (ii) has deposited the amount of dividend declared at the Annual General Meeting in a separate bank Account within five days from the date of declaration of dividend;
 - (iii) has paid dividend to all members within a period of 30 (thirty) days from the date of declaration and there were no unclaimed/ unpaid dividend required to be transferred to unpaid dividend account of the company;
 - (iv) does not have amounts in the unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and hence transferring of the same to the Investor Protection Fund does not arise;
 - (v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and re-appointment of directors by the shareholders were duly made.
 15. In terms of Section 269 of the Act the Company is not required to appoint Managing Director /Whole-time Director.
 16. The Company has not appointed any sole selling agents during the financial year under review.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such other authorities prescribed under the various provisions of the Act during the financial year.
 18. The Directors have disclosed their interest in other firms / companies to the Board of Directors and complied with the provisions of the Act and the rules made thereunder.
 19. The Company has not issued any shares, debentures or other securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. The Company has not issued any Preference Shares or Debentures and hence redemption, if any, of Preference Shares or Debentures does not arise.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
 23. The Company has not invited/accepted any deposits including any unsecured loans within the purview of Section 58A during the financial year under review.



24. The Company has not made any borrowings during the financial year ended 31st March 2014.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose. The Company has made investments, which are in compliance with the provisions of the Section 372A of the Act and necessary entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to situation of the Company's registered office from one state to another during the year under review.
27. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to the objects of the Company during the financial year under review.
28. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to name of the Company during the financial year under review.
29. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to share capital during the financial year under review.
30. The Company has not altered provisions of the Articles of Association of the Company during the financial year under review.
31. There were no prosecutions initiated against or show cause notices received by the Company for offences under the Act and no fines or penalties or any other punishment was imposed on the Company, during the financial year under review.
32. The Company has not received any money as security from its employees during the financial year under review.
33. The Company is not required to comply with the provisions of Section 418 of the Act with regard to employees' and employer's contribution to provident fund.

S. N. Ananthasubramanian

C. P. No.: 1774

Place : Thane

Date : 12th April, 2014

**S. N. ANANTHASUBRAMANIAN & CO. COMPANY SECRETARIES**

10/26, BRINDABAN, THANE - 400 601

Tel 25345648 / 2543 2704 : Fax 2539 0292 – email sna@snaco.net: website www.snaco.net

ANNEXURE A**Registers as maintained by the Company**

Sr. No.	Registers	Under Section
1.	Register of Members and Index of Members	150 and 151
2.	Register of Share Transfers	–
3.	Register of Directors, Managing Director(s) and Secretary	303
4.	Register of Directors' Share and Debenture Holdings	307
5.	Register of Charges	143
6.	Register of Contracts	301
9.	Register of Directors' Attendance	–
10.	Register of Shareholders' Attendance	–
11.	Register of Proxies	–
12.	Register of Documents Sealed	–
13.	Minutes Book	193
14.	Books of Accounts	209
15.	Register of documents on which Common Seal was affixed	–
16.	Register of Investments	372A

S. N. Ananthasubramanian

C. P. No.: 1774

Place : Thane

Date : 12th April, 2014



S. N. ANANTHASUBRAMANIAN & CO. COMPANY SECRETARIES

10/26, BRINDABAN, THANE - 400 601

Tel 25345648 / 2543 2704 : Fax 2539 0292 – email sna@snaco.net: website www.snaco.net

ANNEXURE B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31st March 2014.

Sr. No.	Form No.	Filed under Section and date of Filing	Purpose of filing	Remarks
1.	66	383A (1) on 14 th August 2013	Compliance Certificate for the Financial Year ended 31 st March 2013.	Filed within time
2.	23 AC and ACA	220 on 16 th August 2013	Annual Accounts for the Financial Year ended 31 st March 2013.	Filed within time
3.	20B	159 on 28 th August 2013	Annual Return as on the date of the Annual General meeting held on 23 rd July 2013	Filed within time
4.	32	303(3) on 28 th August 2013	Cessation of Ms. Roopa Kudva, Mr. Raman Uberoi and Mr. Mukesh Agarwal as Directors w.e.f 27 th August 2013.	Filed within time

S. N. Ananthasubramanian

C. P. No.: 1774

Place : Thane

Date : 12th April 2014



INDEPENDENT AUDITORS' REPORT

To,
The Members of
INDIA INDEX SERVICES & PRODUCTS LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of **India Index Services & Products Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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') which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs. 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.

Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 entity'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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) 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 (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said 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, 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 which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs;
 - e) on the basis of the written representations received from the directors, as on March 31, 2014, and taken on record by the Board of Directors, none of the directors of the Company 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 K. S. Aiyar & Co,
Chartered Accountants
ICAI Firm Registration No: 100186W

Place : Mumbai
Date : April 25, 2014

Raghuvir M. Aiyar
Partner
Membership No.: 38128



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2014, of **India Index Services & Products Limited**)

In our opinion, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A substantial portion of the fixed assets have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year were not substantial. According to the information and explanation given to us; we are of the opinion that the disposal of the fixed assets has not affected the going concern status of the Company.
- (ii) The Company is a service Company and therefore does not maintain any inventory; the directions in this regard are therefore not applicable.
- (iii) (a) The Company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (b), (c) and (d) of clause (iii) are not applicable.
- (e) As informed, the Company has not taken any loans, secured or unsecured from the companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (f) and (g) of clause (iii) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, there are no transactions or arrangements as referred to in section 301 of the Companies Act, 1956 that have to be required to be maintained under that section. Sub clause (b) of clause (v) is not applicable.



- (vi) The Company has not accepted any deposit from the public and consequently the directives issued by the Reserve Bank of India, provisions of section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company. No order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of services carried out by the Company.
- (ix) (a) During the year there were no employees in the employment of the Company. Accordingly the directions relating to Provident Fund and Employee's State Insurance are not applicable to the Company. Further, based on our examination of the records maintained during the year, the Company is not liable to make any payments towards Investor Education Protection Fund, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess. The Company has been generally regular in depositing Income Tax and Service Tax dues along with cess thereon with the appropriate authority.
- (b) According to the records of the Company, Sales tax, Income-tax, Customs duty, Wealth tax, Service tax, Excise duty and Cess which have not been deposited on account of any dispute, are as follows:

Name of Statute (Nature of dues)	Year to which the amount relates	Forum where the dispute is pending	Amount (₹)
Income Tax (Tax / Interest)	2003-04	Assessing Officer	145

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) The Company has neither taken any loans from any bank or financial institution nor issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.



- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not raised 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 the no funds raised on short-term basis have been used for long-term investment.
- (xviii) 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) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the period. Therefore, the provision of clause (xx) of the order is not applicable to the Company.
- (xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

For K. S. Aiyar & Co,
Chartered Accountants
ICAI Firm Registration No: 100186W

Raghuvir M. Aiyar
Partner
Membership No.: 38128

Place : Mumbai
Date : April 25, 2014

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

	Notes	As at 31.03.2014 ₹	As at 31.03.2013 ₹
I Equity and liabilities			
1 Shareholder's funds			
a Share Capital	3	13,000,000.00	13,000,000.00
b Reserves and surplus	4	<u>720,263,576.45</u>	<u>621,229,885.26</u>
		<u>733,263,576.45</u>	<u>634,229,885.26</u>
2 Current liabilities			
a Trade payables	5	11,887,679.76	20,232,734.32
b Other current liabilities	6	14,226,223.06	3,391,687.00
c Short-term provisions	7	<u>103,212,120.18</u>	<u>25,888,080.96</u>
		<u>129,326,023.00</u>	<u>49,512,502.28</u>
TOTAL		<u><u>862,589,599.45</u></u>	<u><u>683,742,387.54</u></u>
II Assets			
1 Non-current assets			
a Fixed assets	8		
Tangible assets		<u>18,127.42</u>	<u>69,396.97</u>
Intangible assets		<u>–</u>	<u>–</u>
		<u>18,127.42</u>	<u>69,396.97</u>
b Non-current investments	9	10,000,000.00	16,790,052.58
c Deferred tax assets (net)	11	11,502.00	2,806.67
d Long-term loans and advances	12	1,345,935.20	1,384,443.00
e Other Non-current assets	14	<u>31,234,073.68</u>	<u>52,895,529.00</u>
		<u>42,609,638.30</u>	<u>71,142,228.22</u>
2 Current assets			
a Current investments	10	666,464,797.20	466,769,000.41
b Trade receivable	13	42,814,760.32	58,343,039.00
c Cash and bank balances	15	95,902,340.37	76,078,103.59
d Other Current assets	14	<u>14,798,063.26</u>	<u>11,410,016.32</u>
		<u>819,979,961.15</u>	<u>612,600,159.32</u>
TOTAL		<u><u>862,589,599.45</u></u>	<u><u>683,742,387.54</u></u>

Summary of significant accounting policies (Note 2)

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For K. S. AIYAR & CO.

Chartered Accountants

ICAI Firm Registration No: 100186W

RAGHUVIR M. AIYAR

Partner

Membership Number: 38128

For and on behalf of the Board of Directors

RAVI NARAIN

Chairman

CHITRA RAMKRISHNA

Director

Place : Mumbai

Date : April 25, 2014

J. RAVICHANDRAN

Director

R. SUNDARARAMAN

Director

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

PARTICULARS	Notes	For the year ended 31.03.2014 ₹	For the year ended 31.03.2013 ₹
Income			
Revenue from operations	16	308,830,789.00	246,868,817.00
Other income	17	24,417,060.33	42,008,707.03
Total Revenue (I)		333,247,849.33	288,877,524.03
Expenses			
Other expenses	18	40,754,995.64	47,063,201.24
Depreciation	8	51,269.55	65,506.04
Total Expenses (II)		40,806,265.19	47,128,707.28
Profit before prior period adjustments & tax		292,441,584.14	241,748,816.75
Add / (Less) : Prior-Period Adjustments		515,302.05	–
Profit before tax		292,956,886.19	241,748,816.75
Less : Provision for tax			
Current tax		96,500,000.00	73,000,000.00
Deferred tax		(8,696.00)	(4,123.00)
Short Provision for tax		92,051.00	–
Total tax expenses		96,583,355.00	72,995,877.00
Profit after tax		196,373,531.19	168,752,939.75
Basic		151.06	129.81
Diluted		151.06	129.81

Summary of significant accounting policies (Note 2)

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For K. S. AIYAR & CO.

Chartered Accountants

ICAI Firm Registration No: 100186W

RAGHUVIR M. AIYAR

Partner

Membership Number: 38128

Place : Mumbai

Date : April 25, 2014

For and on behalf of the Board of Directors

RAVI NARAIN

Chairman

CHITRA RAMKRISHNA

Director

J. RAVICHANDRAN

Director

R. SUNDARARAMAN

Director

**CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	2013-2014 ₹	2012-2013 ₹
A) CASHFLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	292,956,886.19	241,748,816.75
Add : Adjustments for :		
- Depreciation	51,269.55	65,506.04
- Sundry Balances written off	2.00	1.40
- Amortisation of Premium on Govt/Debt Sec.	301,899.00	310,710.00
Less : Adjustments for :		
- Interest on Investments	(1,455,506.85)	(1,788,013.70)
- Interest income on Fixed deposits	(11,480,691.76)	(21,460,850.88)
- Dividend From Mutual Funds	(6,845,458.14)	(6,815,220.40)
- Profit on redemption of investment	(2,071,085.18)	(9,756,492.13)
- Profit on Sale of Fixed Assets	(1,700.00)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	271,455,614.81	202,304,457.08
Adjustments for :		
Sundry Debtors	15,528,278.68	(2,288,170.95)
Loans & Advances	(1,198,757.00)	(17,395,010.00)
Current Liabilities & Provisions	2,489,481.50	9,735,128.46
CASH GENERATED FROM OPERATIONS	288,274,617.99	192,356,404.59
Direct Taxes paid	(98,318,125.98)	(67,448,349.94)
NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	189,956,492.01	124,908,054.65
B) CASHFLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets (net)	1,700.00	-
(Increase)/Decrease in Investment	(208,940,446.36)	(120,607,852.39)
Interest received on deposits	8,032,235.99	25,144,888.67
Dividend From Mutual Funds	6,845,458.14	6,815,220.40
Interest on Investments	1,585,000.00	2,295,000.00
NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	(192,476,052.23)	(86,352,743.32)



	2013-2014 ₹	2012-2013 ₹
C) CASHFLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(15,600,000.00)	(15,600,000.00)
Dividend Distribution Tax	(2,651,220.00)	(2,530,710.00)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		
- Total (C)	<u>(18,251,220.00)</u>	<u>(18,130,710.00)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>(20,770,780.22)</u>	<u>20,424,601.33</u>
CASH AND CASH EQUIVALENTS : OPENING BALANCE	<u>21,277,591.59</u>	<u>852,990.26</u>
CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE	<u>506,811.37</u>	<u>21,277,591.59</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u><u>(20,770,780.22)</u></u>	<u><u>20,424,601.33</u></u>

Notes to Cash Flow Statement :

- Cash and cash equivalent represent cash, bank balances and balance in fixed deposit account as per balance sheet.
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.
- All figures in brackets are outflows
- Previous Years figures have been regrouped/restated wherever necessary
- Direct taxes Paid/ Refunded are treated as arising from operating Activities and not bifurcated between investing and financing activities.

As per our report of even date attached**For K. S. AIYAR & CO.**

Chartered Accountants

ICAI Firm Registration No: 100186W

RAGHUVIR M. AIYAR

Partner

Membership Number: 38128

For and on behalf of the Board of Directors**RAVI NARAIN**

Chairman

CHITRA RAMKRISHNA

Director

Place : Mumbai**Date :** April 25, 2014**J. RAVICHANDRAN**

Director

R. SUNDARARAMAN

Director



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

1 The main objective of the Company is to develop, construct, compile, compute and maintain equity and commodity indices for domestic and international dissemination, marketing and market development and to provide very high quality indices and index related services.

2 **Significant Accounting Policies :**

a) The accounts are maintained on a mercantile basis in accordance with generally accepted accounting principles. The financial statements comply in all material respect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 and the Rules, read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.

b) **Fixed Assets & Depreciation:**

Fixed Assets are stated at historical cost less accumulated depreciation. Historical cost is inclusive of freight, duties, taxes, cost of installation, interest upto date of installation and other incidental expenses incurred towards acquisition and installation of fixed assets.

The details of the estimated useful life of the assets where the depreciation is provided at the rate higher than the rate specified in Schedule XIV of the Companies Act, 1956 are as follows:

Assets	Estimated Useful Lives
Computer Systems – Office Automation	3 years
Computer Systems – Others	4 years
Telecommunication Systems	4 years
Furniture & Fixtures	5-16 years
Office Equipments	4-21 years
Computer Software	4 years

c) **Foreign Currency Transactions:**

Transactions in foreign currency are recorded at the rate of exchange in force at the date of transaction.

Foreign currency assets and liabilities other than for financing fixed assets are stated at the rate of exchange prevailing at the year end and resultant gains/losses are recognised in the profit and loss account except in cases covered by forward exchange contracts in which case these are translated at the contracted rates and the resultant gains/losses are recognised over the life of the contracts.

d) **Revenue Recognition:**

The Company recognises the revenue on account of subscription fees with respect to the period of the contract on an accrual basis.

Subscription fees received in respect of unexpired period of the contract is treated as a current liability and is recognised as income in the respective period.

e) **Investments :**

(i) Long Term Investments are considered as held till maturity and are valued at cost.

(ii) Current Investments are valued at cost or fair value whichever is lower.

(iii) Premium paid/discount received at the time of acquisition of Government / Debt Securities is amortised over the residual period of its maturity.



f) Taxation :

Tax expense for the year, comprising of current tax and deferred tax is included in determining the net profit / (loss) for the year.

A provision is made for the current tax based on tax liability computed in accordance with prevailing tax rates and tax laws. A provision / accrual is made for deferred tax for all timing differences arising between taxable income and accounting income at the Balance Sheet Date based on prevailing enacted or substantively enacted tax rates.

Deferred tax assets are recognized only if there is a reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

3 Share Capital

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Authorised 15,00,000 (Previous Year 15,00,000)Equity Shares of ₹ 10 Each.	15,000,000.00	15,000,000.00
Issued, Subscribed and Paid-up 13,00,000 (Previous year 13,00,000) Equity shares of ₹.10 each fully paid up.	13,000,000.00	13,000,000.00
Total	13,000,000.00	13,000,000.00

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

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. 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.

The Board of directors, in their meeting of April 25, 2014, proposed a dividend of ₹ 64/- 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 ₹ 8,32,00,000/- excluding Dividend Distribution Tax.

During the year ended March 31, 2013 , the amount of per share dividend recognised as distribution to equity shareholders was ₹ 12/- per share. The dividend appropriation for the year ended March 31, 2013 amounted to ₹ 1,56,00,000/- excluding Dividend Distribution Tax.

In the event of liquidation of the company, the holders of 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.



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

	31 March, 14		31 March, 13	
	No.	% holding	No.	% holding
NSE Strategic Investment Corporation Ltd.	1,300,000.00	100	663,000.00	51
Crisil Limited (upto 27.08.13)	-	-	637,000.00	49

4 Reserve and surplus

	As at 31.03.2014		As at 31.03.2013	
	₹		₹	
General reserve				
As per last balance sheet	468,875,294.00		452,000,000.00	
Add : Transferred from profit & loss account	19,637,353.00	488,512,647.00	16,875,294.00	468,875,294.00
Surplus/(deficit) in the statement of profit and loss				
Balance as per last financial statements	152,354,591.26		18,728,165.51	
profit for the year	196,373,531.19		168,752,939.75	
Less : Appropriations				
Transfer to general reserve	19,637,353.00		16,875,294.00	
Proposed dividend	83,200,000.00		15,600,000.00	
Tax on proposed dividend	14,139,840.00	231,750,929.45	2,651,220.00	152,354,591.26
Total reserves and surplus		720,263,576.45		621,229,885.26

5 Trade payables

	Long - term		Short - Term	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹
Sundry creditors	-	-	7,856,047.76	16,604,760.32
Provision For Expenses	-	-	4,031,632.00	3,627,974.00
Total	-	-	11,887,679.76	20,232,734.32

6 Other liabilities

	Long - term		Short - Term	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹
Income received in advance	-	-	11,382,217.00	1,123,219.00
Tax deducted at source - payable	-	-	908,970.00	1,480,560.00
Service Tax on Provisions	-	-	1,180,595.00	537,168.00
Advance received from customers	-	-	754,441.06	250,740.00
Total	-	-	14,226,223.06	3,391,687.00

7 Provision

	Long - term		Short - Term	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹
Proposed dividend	-	-	83,200,000.00	15,600,000.00
Corporate dividend tax	-	-	14,139,840.00	2,651,220.00
Provision for Tax (Net of Advance Taxes paid)	-	-	5,872,280.18	7,636,860.96
Total	-	-	103,212,120.18	25,888,080.96



NOTES FORMING PART OF THE BALANCE SHEET
Note- 8 : Fixed Assets

(₹)

SR.	DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As On 1/Apr/13	Additions Apr 13- Mar-14	Deletions	As On 31/Mar/14	For the year	Deletions/ Adjustments	As On 31/Mar/14	As On 31/Mar/13
	TANGIBLE ASSETS								
1	COMPUTER SYSTEMS	3,685,768.73	-	271,469.27	3,414,299.46	35,781.14	271,469.27	3,414,299.47	35,780.54
2	FURNITURE & FIXTURES	12,001.00	-	-	12,001.00	759.66	-	11,868.39	892.91
3	OFFICE EQUIPMENTS	58,915.00	-	-	58,915.00	14,728.75	-	40,920.18	32,723.52
	TOTAL (A)	3,756,684.73	-	271,469.27	3,485,215.46	51,269.55	271,469.27	3,467,088.04	18,127.43
	INTANGIBLE ASSETS								
4	COMPUTER SOFTWARE	1,443,060.00	-	-	1,443,060.00	-	-	1,443,060.00	-
	TOTAL (B)	1,443,060.00	-	-	1,443,060.00	-	-	1,443,060.00	-
	TOTAL (A+B)	5,199,744.73	-	271,469.27	4,928,275.46	51,269.55	271,469.27	4,910,148.04	69,396.97
	PREVIOUS YEAR	5,199,744.73	-	-	5,199,744.73	65,506.04	-	5,130,347.76	69,396.97

NOTES FORMING PART OF THE BALANCE SHEET
NOTE NO-9 : NON CURRENT INVESTMENTS (AT COST)

	Maturity Date	Number of Units	Face Value per Unit ₹	Face value ₹	As at 31.03.2014 ₹	As at 31.03.2013 ₹
QUOTED						
BONDS						
Taxfree						
9%-Indian Railway Finance Corporation-2015	28-Feb-15	10.00	1,000,000.00	10,000,000.00	-	10,505,052.58
MUTUAL FUNDS						
Sundaram Fixed Term Plan DF 396 Days Direct Growth	7-Apr-14	628,500.00	10.00	6,285,000.00	-	6,285,000.00
HDFC FMP 453D FEBRUARY 2014 (1)	4-May-15	1,000,000.00	10.00	10,000,000.00	10,000,000.00	-
Total				26,285,000.00	10,000,000.00	16,790,052.58

Note : Aggregate Market Value of the quoted investments is ₹ 1,01,54,700/- (Previous Year : ₹ 1,71,18,608/-)



NOTES FORMING PART OF THE BALANCE SHEET
NOTE 10 : CURRENT INVESTMENTS (AT COST)

	Maturity Date	Number of Units	Face Value per Unit ₹	Face value ₹	As at 31.03.2014 ₹	As at 31.03.2013 ₹
QUOTED BONDS						
Taxfree						
6.85% India Infrastructure Finance Company Limited - 2014	22-Jan-14	100,000	100,000.00	10,000,000.00	-	10,037,796.11
9%-Indian Railway Finance Corporation-2015	28-Feb-15	10,000	1,000,000.00	10,000,000.00	10,240,950.00	-
Total A					10,240,950.00	10,037,796.11
MUTUAL FUNDS						
RELANCE FIXED HORIZON FUND - XXI - SERIES 18-GROWTH PLAN	3-Apr-13	440,000,000	10,000	4,400,000.00	-	4,400,000.00
JPMORGAN INDIA FIXED MATURITY PLAN 400D SERIES 6 - GROWTH PLAN	4-Apr-13	432,700,000	10,000	4,327,000.00	-	4,327,000.00
BARODA PIONEER FIXED MATURITY PLAN - 366 DAYS - SERIES A - GROWTH	6-Mar-14	1,000,000,000	10,000	10,000,000.00	-	10,000,000.00
ICICI PRUDENTIAL FIXED MATURITY PLAN SERIES 69 - 433 DAYS PLAN E DIRECT	20-Oct-14	640,000,000	10,000	6,400,000.00	6,400,000.00	-
IDBI FMP SERIES IV 368 DAYS FEB 2014 C	16-Feb-15	900,000,000	10,000	9,000,000.00	9,000,000.00	-
INDIABULLS FMP SERIES III - 370 DAYS JULY 2013 - DIRECT - GROWTH	6-Aug-14	350,000,000	10,000	3,500,000.00	3,500,000.00	-
LIC NOMURA MF FIXED MATURITY PLAN SERIES 75 370 DAYS	17-Feb-15	1,000,000,000	10,000	10,000,000.00	10,000,000.00	-
RELANCE FIXED HORIZON FUND - XXIV - SERIES 4 - DIRECT GROWTH PLAN	12-Aug-14	650,000,000	10,000	6,500,000.00	6,500,000.00	-
RELIGARE INVESCO FIXED MATURITY PLAN - SERIES 23 - PLAN B 367 DAYS	30-Mar-15	1,000,000,000	10,000	10,000,000.00	10,000,000.00	-
SUNDARAM FIXED TERM PLAN - DQ - DIRECT PLAN - GROWTH	18-Aug-14	1,000,000,000	10,000	10,000,000.00	10,000,000.00	-
SUNDARAM FIXED TERM PLAN DF 396 DAYS DIRECT GROWTH	7-Apr-14	628,500,000	10,000	6,285,000.00	6,285,000.00	-
Total B					61,685,000.00	18,727,000.00
UNQUOTED MUTUAL FUNDS						
AXIS TREASURY ADVANTAGE FUND - INSTITUTIONAL DAILY DIVIDEND		12,364.85	1,000.2839	12,368,363.36	12,368,363.36	11,567,057.19
CANARA ROBECO TREASURY ADVANTAGE FUND - RET - DAILY DIVIDEND		4,421.25	1,240.7102	5,485,483.82	5,485,483.82	5,985,483.95
CANARA ROBECO TREASURY ADVANTAGE FUND - REGULAR - DAILY DIVIDEND		409.88	1,240.7106	508,537.50	508,537.50	140,193.76
DWS Cash Opportunities Fund - Reg - Weekly Dividend		-	-	-	-	5,321,199.67
ICICI Prudential Flexible Income Plan - Daily Dividend		77,927.81	105.7535	8,241,141.55	8,241,141.55	7,678,998.67
JM HIGH LIQUIDITY - REGULAR - DAILY DIVIDEND		442,306.31	10.4302	4,613,343.26	4,613,343.26	4,313,142.04
JM MONEY MANAGER FUND - SUPER PLUS PLAN - DAILY DIVIDEND		-	-	-	-	8,014,963.80
JPMorgan India Treasury Fund - Super IP - Daily Dividend		1,308.15	10,0089	13,093.12	13,093.12	12,255.70
KOTAK LIQUID SCHEME - PLAN A - DIRECT - DAILY DIVIDEND		16,810.34	1,222.8100	20,555,848.94	20,555,848.94	-
Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend		-	-	-	-	16,269,588.88
Templeton India Ultra Short Bond Fund - IP - Dividend		975,067.70	10.0111	9,761,500.25	9,761,500.25	9,761,500.25



	Maturity Date	Number of Units	Face Value per Unit ₹	Face value ₹	As at 31.03.2014 ₹	As at 31.03.2013 ₹
TEMPLETON INDIA ULTRA SHORT BOND FUND SUPER INST PLAN - DAILY DIVIDEND REINVEST		99,452.92	10.0274	997,254.43	997,254.43	258,097.62
Templeton India Ultra Short Bond Fund - IP - Weekly Dividend		1,160,273.29	10.1987	11,833,305.84	11,833,305.84	11,833,305.84
TEMPLETON INDIA ULTRA SHORT BOND FUND SUPER INSTITUTIONAL PLAN - WEEKLY DIVIDEND		116,698.62	10.0899	1,177,481.08	1,177,481.08	313,809.79
UTI Treasury Advantage Fund - IP - Dily Dividend		790.45	1,000.4004	790,766.06	790,766.06	739,607.14
AXIS TREASURY ADVANTAGE FUND - GROWTH - DIRECT PLAN		24,802.4004	1,284.3515	31,855,000.00	31,855,000.00	31,855,000.00
AXIS TREASURY ADVANTAGE FUND - IP - GROWTH		15,850.1730	1,234.4976	19,567,000.00	19,567,000.00	19,567,000.00
BIRLA SUN LIFE ULTRA SHORT TERM FUND - DIRECT PLAN - GROWTH		22,655.5770	148.2584	3,358,879.80	3,358,879.80	-
BIRLA SUN LIFE CASH PLUS - DIRECT - GROWTH		49,715.5770	201.1442	10,000,000.00	10,000,000.00	-
DWS MONEY PLUS FUND - DIRECT - GROWTH	2,158,629.9370	13.0638	28,200,000.00	28,200,000.00	28,200,000.00	-
DWS TREASURY FUND - INVESTMENT - DIRECT - GROWTH	448,190.4550	14.0565	6,300,000.00	6,300,000.00	6,300,000.00	-
ICICI PRUDENTIAL FLEXIBLE INCOME PLAN PREMIUM - GROWTH	205,706.8730	206.4102	42,460,000.00	42,460,000.00	42,460,000.00	-
ICICI PRUDENTIAL ULTRA SHORT TERM PLAN - DIRECT - GROWTH	959,587.1460	12.6096	12,100,000.00	12,100,000.00	12,100,000.00	-
ICICI PRUDENTIAL MONEY MARKET FUND - DIRECT - GROWTH	57,642.8350	173.4821	10,000,000.00	10,000,000.00	10,000,000.00	-
ICICI PRUDENTIAL FLEXIBLE INCOME - REGULAR PLAN - GROWTH	40,498.5620	212.7236	8,615,000.00	8,615,000.00	8,615,000.00	51,075,000.00
JM HIGH LIQUIDITY FUND - DIRECT GROWTH	20,284.4460	34.5092	700,000.00	700,000.00	700,000.00	-
JPMORGAN INDIA LIQUID FUND - DIRECT - GROWTH	1,224,427.5890	16.3342	20,000,000.00	20,000,000.00	20,000,000.00	-
JP MORGAN INDIA TREASURY FUND - GROWTH	663,730.1635	14.9157	9,900,000.00	9,900,000.00	9,900,000.00	-
JPMORGAN INDIA TREASURY FUND - DIRECT - GROWTH	795,036.5280	16.3514	13,000,000.00	13,000,000.00	13,000,000.00	-
JP MORGAN INDIA TREASURY FUND - SUPER IP - GROWTH	3,869,484.6454	14.6521	56,696,000.00	56,696,000.00	56,696,000.00	66,596,000.00
KOTAK FLEXI DEBT SCHEME - PLAN A - DIRECT - GROWTH	651,274.8710	15.3545	10,000,000.00	10,000,000.00	10,000,000.00	-
SBI SHDF - ULTRA SHORT TERM - GROWTH	9,633.7640	1,468.8963	14,151,000.00	14,151,000.00	14,151,000.00	-
SBI ULTRA SHORT TERM DEBT FUND - DIRECT PLAN - GROWTH	19,221.8100	1,483.2110	28,510,000.00	28,510,000.00	28,510,000.00	28,510,000.00
SBI SHDF - ULTRA SHORT TERM - IP - GROWTH	12,418.8090	1,457.1446	18,096,000.00	18,096,000.00	18,096,000.00	8,196,000.00
SBI SHDF - ULTRA SHORT TERM - REGULAR - GROWTH	-	-	-	-	-	24,051,000.00
RELANCE MEDIUM TERM FUND - DIRECT - GROWTH	99,013.8220	25.2490	2,500,000.00	2,500,000.00	2,500,000.00	-
RELANCE MONEY MANAGER FUND - GROWTH	22,458.9740	1,555.1913	34,928,000.00	34,928,000.00	34,928,000.00	34,928,000.00
RELIGARE INVESCO CREDIT OPPORTUNITIES FUND - DIRECT - GROWTH	1,159.07	1,725.5243	2,000,000.00	2,000,000.00	2,000,000.00	-
SUNDARAM ULTRA SHORT TERM - DIRECT PLAN - GROWTH	3,860,225.51	15.9361	61,517,000.00	61,517,000.00	61,517,000.00	38,067,000.00
TEMPLETON INDIA ULTRA SHORT BOND FUND - DIRECT PLAN - GROWTH	1,168,669.61	16.1722	18,900,000.00	18,900,000.00	18,900,000.00	-
UTI TREASURY ADVANTAGE FUND - GROWTH	22,699.39	1,539.6893	34,950,000.00	34,950,000.00	34,950,000.00	34,950,000.00
UTI TREASURY ADVANTAGE FUND GROWTH - DIRECT PLAN	12,678.56	1,568.6997	19,888,848.19	19,888,848.19	19,888,848.19	18,000,000.00
Total C					594,538,847.20	438,004,204.30
Total A+B+C					666,464,797.20	466,769,000.41

Note : Aggregate Market Value of the quoted investments is ₹7,48,51,924/- (Previous Year : ₹2,96,57,381/-)



11 Deferred Tax assets (net)

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Deferred Tax Assets		
Related to depreciation and other expenditure	11,502.00	2,806.67
Related to other items	-	-
Total	<u>11,502.00</u>	<u>2,806.67</u>

12 Long Term loans & advances

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Income Tax paid including TDS (Net of Provisions)	1,345,935.20	1,384,443.00
Total	<u>1,345,935.20</u>	<u>1,384,443.00</u>

13 Trade receivables

	Non-current		Current	
	As at 31.03.2014 ₹	As at 31.03.2013 ₹	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Outstanding for a period of over six months from the date they are due for payment				
Unsecured, considered good	-	-	21,003.00	1,380,936.00
Other debts				
Unsecured, considered good	-	-	42,793,757.32	56,962,103.00
	-	-	42,793,757.32	56,962,103.00
Total	<u>-</u>	<u>-</u>	<u>42,814,760.32</u>	<u>58,343,039.00</u>

14 Other assets

	Non-current		Current	
	As at 31.03.2014 ₹	As at 31.03.2013 ₹	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Non-current bank balances	30,104,401.00	52,895,529.00	-	-
Other Receivables	-	-	3,289,448.00	2,090,691.00
	30,104,401.00	52,895,529.00	3,289,448.00	2,090,691.00
Other				
Interest accrued on Investments	-	-	448,767.12	578,260.27
Interest accrued on Bank deposits	1,129,672.68	-	11,059,848.14	8,741,065.05
	1,129,672.68	-	11,508,615.26	9,319,325.32
Total	<u>31,234,073.68</u>	<u>52,895,529.00</u>	<u>14,798,063.26</u>	<u>11,410,016.32</u>



15 Cash and bank balances

	Non-current		Current	
	As at 31.03.2014 ₹	As at 31.03.2013 ₹	As at 31.03.2014 ₹	31.03.2013
Cash and cash equivalents				
Balances with banks :				
In current accounts	–	–	500,158.37	21,273,374.59
Deposits with original maturity of less than three months	–	–	–	–
Cash on hand	–	–	6,653.00	4,217.00
	–	–	506,811.37	21,277,591.59
Other bank balances				
Deposits with original maturity for more than 12 months	30,104,401.00	52,895,529.00	66,895,529.00	42,072,197.00
Deposits with original maturity for more than 3 months but less than 12 months	–	–	28,500,000.00	12,728,315.00
	30,104,401.00	52,895,529.00	95,395,529.00	54,800,512.00
Amount disclosed under non-current assets	(30,104,401.00)	(52,895,529.00)		
Total	–	–	95,902,340.37	76,078,103.59

NOTE	PARTICULARS	For the year ended 31.03.2014 ₹	For the year ended 31.03.2013 ₹
16	Revenue from operations		
	Sale of services		
	Index License Fees Within India		
	: Derivatives Trading	70,671,981.00	55,232,326.00
	: Index Funds/Exchange Traded Funds	26,197,312.00	28,549,331.00
	Index License Fees Outside India	153,475,072.00	93,561,107.00
	ETF Licensing Outside India	15,758,788.00	14,964,753.00
	Data Subscription Fees	36,985,757.00	27,761,843.00
	Revenue Sharing - S & P	5,741,879.00	26,799,457.00
	Total	308,830,789.00	246,868,817.00
17	Other income		
	Interest Income on Current Investments	1,455,506.85	1,788,013.70
	Interest Income on Bank Deposits	11,480,691.76	21,460,850.88
	Dividend income	6,845,458.14	6,815,220.40
	Net gain / (loss) on sale of current Investment	2,071,085.18	9,756,492.13
	Profit/(Loss) on Foreign Exchange Fluctuation (net)	2,562,618.40	2,188,129.92
	Profit on Sale of Fixed Assets	1,700.00	–
	Total	24,417,060.33	42,008,707.03



NOTE	PARTICULARS	For the year ended 31.03.2014 ₹	For the year ended 31.03.2013 ₹
18	Other expenses		
	Deputed Personnel Cost	7,649,793.12	10,657,108.79
	Index Maintenance Charges	7,889,726.00	9,847,703.80
	Index Calculation Service Charges	7,500,000.00	7,500,000.00
	Space & Infrastructure Usage Charges	4,834,242.00	5,143,824.00
	Revenue Sharing - S&P	433,800.00	3,596,710.00
	Fees & Subscription	1,351,600.67	3,512,166.31
	Professional Fees	6,215,788.00	2,430,183.00
	Data Usage Charges	3,005,705.00	2,582,950.00
	Electricity Charges	508,102.11	515,385.39
	Repair & Maintenance - Computer	296,309.17	
	Travelling & Conveyance expenses	184,698.00	168,852.92
	Lease Line Charges	-	160,948.48
	Software Expenses	124,604.00	150,886.00
	Auditors Remuneration:		
	- Audit Fees	62,500.00	62,500.00
	- Out of Pocket Expenses	-	3,515.00
	- For Other Services	-	5,000.00
	Printing & Stationery	55,677.10	25,973.51
	Legal Fees/Expenses	63,100.00	35,180.00
	Postage and Courier	44,529.35	91,854.75
	Profession Tax	2,000.00	2,000.00
	Amortisation of Premium on Government/Debt Securities	301,899.00	310,710.00
	Miscellaneous Expenses	230,922.12	259,749.29
	Total	40,754,995.64	47,063,201.24

19 Contingent Liability:

On account of disputed matters of Income Tax ₹ 1,02,848/- (Previous Year ₹ 1,19,385/-) of Fringe Benefit Tax ₹ 100/- (Previous Year ₹ 100/-)

20 In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business.

21 The Company is paying deputation expenses in respect of the employees, space and infrastructure charges and other reimbursement of expenses to National Stock Exchange of India Limited (NSEIL).

22 In compliance with Accounting Standard 18 - "Related Party Disclosures", the required disclosures are given in the table below:



(a) Names of the related parties and relationship

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited	The Ultimate Holding Company
2	NSE Strategic Investment Corporation Limited	Holding Company
3	CRISIL Limited (upto 27.08.13)	Joint Venturer with Ultimate Holding Company
4	National Securities Clearing Corporation Limited	Subsidiary of Ultimate Holding Company
5	NSE.IT Limited	Fellow Subsidiary
6	NSE.IT (US) Limited	Subsidiary of Fellow Subsidiary
7	DotEx International Limited	Fellow Subsidiary
8	NSE Infotech Services Limited	Fellow Subsidiary
9	National Commodity Clearing Limited (upto July 19, 2013)	Subsidiary of Ultimate Holding Company
10	National Securities Depository Limited	Associate Company of Ultimate Holding Company
11	NSDL e-Governance Infrastructure Ltd	Associate Company of Holding Company
12	Computer Age Management Services Pvt Ltd. (from 07.01.14)	Associate Company of Holding Company

(b) Names of the related parties and transactions during the year.

Name of the Related Party	Nature of Transactions	Year ended 31.03.2014 (₹)	Year ended 31.03.2013 (₹)
NSE Strategic Investment Corporation Limited	Dividend Paid	7,956,000.00	-
National Stock Exchange of India Limited	Reimbursement of expenses for staff on deputation paid / payable	8,595,305.12	11,978,927.79
	Space and Infrastructure usage charges paid / payable	5,431,753.00	5,779,596.00
	Reimbursement for other expenses incurred	99,847,900.86	73,079,750.95
	Index Calculation Service Charges paid	8,427,000.00	8,427,000.00
	Dividend Paid	-	7,956,000.00
	Income - Index License Fees	79,407,040.00	62,059,541.00
	Income - Data Subscription Fees	224,720.00	224,720.00
	Outstanding balance included in Current Assets.	5,186,983.00	5,836,500.00
CRISIL Limited (upto 27.08.13)	Outstanding balance included in Current liabilities	7,409,579.26	15,194,459.32
	Income - Index License / Data Subscription Fees	1,342,092.00	1,247,622.00
	Dividend Paid	7,644,000.00	7,644,000.00



Name of the Related Party	Nature of Transactions	Year ended 31.03.2014 (₹)	Year ended 31.03.2013 (₹)
	Outstanding balance included in Current Assets.	1,011,240.00	-
DotEx International Limited	Payment of fees for right to create indices. (incl. advance in C.Y.)	5,119,633.00	2,902,203.00
	Data Subscription Fees received	2,319,346.00	1,830,389.00
	Reimbursement of Conveyance Expense received	893.00	5,148.50
	Outstanding balance included in Current Assets.	2,112,916.00	1,647,349.00
Key Management Personnel	Gross Remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	-	2,310,698.00

23 In accordance with Accounting Standard 20 - "Earning per Share", the required disclosure is given below.

	Year ended 31.03.2014	Year ended 31.03.2013
Net Profit attributable to Shareholders (₹.)	196,373,531.19	168,752,939.75
Weighted Average number of equity shares issued	1,300,000.00	1,300,000.00
Basic earnings per share of Rs. 10/- each (₹.)	151.06	129.81

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.

24 a) Expenditure in foreign currency:

Particulars	(₹)	
	Current Year	Previous Year
Travelling Expenses	103,266.00	118,939.42
Revenue Sharing - S&P	433,800.00	3,596,710.00
Fees & Subscription	-	967,320.00
TOTAL	537,066.00	4,682,969.42

b) Earnings in foreign exchange :

Particulars	(₹)	
	Current Year	Previous Year
Index License Fees Outside India :	153,475,072.00	93,561,107.00
ETF Licensing Outside India:	15,758,788.00	14,964,753.00
Data Subscription Fees:	22,645,974.00	19,546,063.00
Revenue Sharing - S & P:	5,741,879.00	26,799,457.00
TOTAL	197,621,713.00	154,871,380.00



- 25 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. This information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.
- 26 Previous years' figures are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached

For K. S. AIYAR & CO.

Chartered Accountants

ICAI Firm Registration No: 100186W

For and on behalf of the Board of Directors

RAGHUVIR M. AIYAR

Partner

Membership Number: 38128

RAVI NARAIN

Chairman

CHITRA RAMKRISHNA

Director

Place : Mumbai

Date : April 25, 2014

J. RAVICHANDRAN

Director

R. SUNDARARAMAN

Director

DotEx International Limited

(A Wholly owned Subsidiary of NSE Strategic Investment Corporation Limited)



First with the next

FOURTEENTH ANNUAL REPORT

2013 – 14

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms. Chitra Ramkrishna : Chairperson
Mr. Ravi Narain
Mr. J. Ravichandran
Mr. R. Sundararaman : Director in-charge

CHIEF FINANCIAL OFFICER* : Mr. Amol Mahajan

SECRETARY*

Mr. Shatrughan Singh : Asst. Company Secretary

AUDITORS : M/s. K. S. Aiyar & Co.
Chartered Accountants
F 7, Laxmi Mills
Shakti Mills Lane
(Off. Dr. E. Moses Road)
Mahalaxmi
Mumbai - 400 01

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

* As on April 25, 2014

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report and the Audited Accounts of DotEx International Limited (DotEx) for the financial year ended March 31, 2014.

I. OPERATIONS AND MAJOR EVENTS DURING THE YEAR

A. Datafeed business

DotEx disseminates the data feed of NSEIL and supplies the same to its clients. Currently, the following products are offered by DotEx:-

- 1) Real Time Data (Level 1, 2, 3 & Tick by Tick)
- 2) Snapshot Data (1, 2 & 5 mins.)
- 3) End of Day Data
- 4) End of Day Post-Trade Data
- 5) End of Day 20-deep CSV file
- 6) Historical Trade Data
- 7) Historical Order Data
- 8) Corporate Data
- 9) 15 Minutes Delayed Data
- 10) Real Time Stock Product
- 11) Real Time Index Product

DotEx provides the data in various segments mentioned as follows:

- i) Capital Market [CM] segment
- ii) Futures and Options Market [F&O] segment
- iii) Wholesale Debt Market [WDM] segment
- iv) Securities Lending & Borrowing Market [SLBM] segment
- v) Currency Derivatives Market segment

Currently, real time feed is being subscribed by 52 clients, snapshot feed by 40 clients, end of day data by 36 clients, 15 minutes delayed data by 14 clients and corporate data by 4 clients.

During the year, DotEx has launched several new services considering the interest of the market participants:

- 1) Mock data dissemination
- 2) End of the Day Tick By Tick data
- 3) Real-time NAV calculation

B. NOW (NEAT on Web) Platform

DotEx also provides a shared platform called NEAT on Web (NOW) which is a shared CTCL and risk management tool for the trading members.

During the year, DotEx started providing the following additional facilities through NOW platform:-

- NSE Debt segment is being offered through NOW platform:
- National Bond Futures (NBF2) trading facility through NOW platform
- India VIX Futures trading facility through NOW platform
- NSDL Depository Integration on NOW Web platform
- Request for withdrawal of funds (payout facility) on NOW Web platform\
- BSE Currency Derivatives is being offered through NOW platform

The above initiatives have resulted in NOW maintaining the user base and trading turnover through NOW platform during the financial year 2013-14.

DotEx continues to levy usage charges in respect of NOW terminals for accessing exchanges other than NSE on monthly basis.

Usage Statistics:

- ✓ Daily average no. of Dealers login is about **23300**
- ✓ Daily average no. Investor Clients is **12700**
- ✓ Unique locations across India where NOW is used are **1600**
- ✓ NOW share of Volume:

NOW Exchange Volume Share:		
Particulars	September 2013	March 2014
NSE CASH	9399	14874
NOW CASH	720	1020
NOW %	7.67	6.86
NSE FO	96740	102081
NOW FO	9403	9890
NOW %	9.72	9.69
NSE CDE	10185	9950
NOW CDE	2501	2372
NOW %	24.56	23.84

C. Know Your Client (KYC) Registration Agency [KRA]

As an initiative to serve investors, SEBI has simplified client registration process and introduced uniform KYC in securities market. Further, SEBI introduced mechanism for centralisation of the KYC records in order to serve investors better and to avoid duplication of KYC process with every intermediary. Accordingly, SEBI formulated the KYC Registration Authority (KRA) regulations and notified the same on December 02, 2011. As per the above Regulations, a wholly owned subsidiary of stock exchange is permitted to apply for getting certificate from SEBI to provide KRA services as an intermediary.

DotEx got SEBI registration on February 28, 2012 to act as a KRA intermediary. DotEx started its operations as KRA with effect from March 06, 2012. DotEx also launched its website www.nsekra.com and its KRA operations are fully functional.

As on March 31, 2014, 819 SEBI registered intermediaries are recognized by DotEx and around 12 Lakh existing KYC records and 1.11 Lakh New KYC records have been uploaded with DotEx KRA. Approximately 9.82 Lakh records consisting of both existing as well as new KYC have been processed. Physical KYCs have been returned to intermediaries, as per {KYC (Know Your Client) Registration Agency} (Amendment) Regulations, 2013 vide notification no. LADNRO/GN/2012-13/35/6998 dated March 22, 2013.

Following features have been introduced in the DotEx KRA system:

- Interoperability among all the KRAs is now functional.
- Facility of uploading NSE-UCC file has been provided to the intermediaries to upload KYC records in single file.
- E-Bill facility has been introduced.

DotEx, being a SEBI registered KRA, was also awarded the project for Central KYC Registry initiated by Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI). The project aims to consolidate and validate personal identity data and generate Unique KYC ID for clients and make it available to the complete Financial Services industry. A pilot of the software platform for the Central KYC Registry based on the securities market KYC format has been launched in May 2013 and demonstrated to CERSAI in August 2013. CERSAI has written to some Financial Institutions to participate in the software pilot. However, Financial Institutions await an official communication from their regulators for participation in the Central KYC project. The Ministry of Finance, Department of Financial Services (DFS) has advised that a Common KYC Templates for Central KYC Registry will be finalised in consultation with all regulators and the Ministry of Finance, with RBI taking a lead role in the same.

II. FINANCIAL RESULTS

During the year 2013-14, DotEx earned a profit after tax of ₹ 6,345.49 lakhs as compared to a profit of ₹ 990.50 lakhs during 2012-13. The financial results for the financial years 2013-14 and 2012-13 are summarised hereunder.

Particulars	2013-14 (₹In Lacs)	2012-13 (₹In Lacs)
Income	5,897.24	5,380.34
Expenditure (excluding depreciation)	2,920.89	2,870.77
Profit before depreciation prior-period adjustment and tax	2,976.35	2,509.57
Depreciation	166.18	291.60
Profit before exception item, prior period adjustments & tax	2,810.17	2,217.97
Less: Loss on sale of strategic investment	-	529.38
Add : Profit on sale of strategic investment	5,453.35	-
Add / (Less): Prior period adjustment	1.72	(1.00)
Profit before tax	8,265.24	1,687.59
Less :Provision for taxation	1,919.74	697.09
Profit after tax	6,345.50	990.50
Surplus brought forward from previous year	945.73	311.02
Amount available for appropriation	7,291.23	1,301.52
General Reserve	634.55	75.00
Proposed Dividend	3240.00	240.00
Corporate Dividend Tax	550.64	40.79
Balance carried to Balance Sheet	2866.04	945.73

During the year under review, the Company disposed off its entire investment in the equity shares (8,33,990 equity shares of ₹ 10/- each) in Omnesys Technologies India Private Limited to Thomson Reuters India Services Private Limited.

III. DIVIDEND

In view of the above results, your Directors recommend payment of dividend of ₹ 27/- per share for the year 2013-14.

IV. DIRECTORS

Mr. Ravi Narain retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The Board recommends the re-appointment of Mr. Ravi Narain as a Director on the Board of DotEx by the members.

V. HOLDING COMPANY

During the year under review, NSE Strategic Investment Corporation Limited, (a subsidiary of National Stock Exchange of India Limited (NSEIL) established inter alia to make or hold strategic investments in the equity shares and/or other securities of NSE group companies acquired 100% equity shares of DotEx Company from NSEIL, thereby making it the immediate holding Company and NSEIL as the ultimate holding Company.

VI. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:-

- i. in the preparation of the Annual Accounts, the applicable accounting standards have 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 the Company at the end of the financial year i.e., 31st March 2014 and of the profit of the company for that year;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors had prepared the annual accounts on a going concern basis.

VII. AUDIT COMMITTEE

The Audit Committee comprises three Directors namely, Mr. Ravi Narain, Ms. Chitra Ramkrishna and Mr. J. Ravichandran as its members Ms. Chitra Ramkrishna is the Chairperson of the Audit Committee. The Committee met four times during the year i.e., on April 25, 2013, July 31, 2013, October 23, 2013 and January 24, 2014. The details of the attendance of the members of Audit Committee at their meetings held on the above dates are given in the following table:-

Name	Number of meetings held during the year	Number of meetings attended
Mr. Ravi Narain	4	4
Ms. Chitra Ramkrishna	4	4
Mr. J. Ravichandran	4	4

VIII. AUDITORS

Currently, M/s. K.S. Aiyar & 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. K.S. Aiyar & 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. K.S. Aiyar & 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.

IX. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO**a) 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 disclosures 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.

b) Foreign Exchange earnings/outgo during the year under review:

During the year, the foreign exchange earnings were ₹ 2,384.96 lakhs. However, there was no foreign exchange outgo during the year.

X. PARTICULARS OF EMPLOYEES

All the persons who are working with DotEx 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 DotEx. During the year, none of the employees of NSEIL deputed to DotEx was drawing remuneration more than the limit specified under the aforementioned section. Accordingly, the statement pursuant to requirements of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not attached herewith.

XI. APPRECIATION

Your Directors are grateful for the support and co-operation extended by National Stock Exchange of India Limited and NSE Infotech Services Limited and the valued clients and looks forward to their continued support and co-operation. Your Directors would like to place on record their deep appreciation of the contribution made by the employees at all levels to the continued growth of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : April 25, 2014

Chitra Ramkrishna
Chairperson

INDEPENDENT AUDITORS' REPORT

To the Members of Dotex International Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Dotex International Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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') which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs. 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.

Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 entity'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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) 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 (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said 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, 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 which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs.
 - e) on the basis of the written representations received from the directors, as on March 31, 2014, and taken on record by the Board of Directors, none of the directors of the Company 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 K. S. Aiyar & Co,
Chartered Accountants
ICAI Firm Registration No: 100186W

Place : Mumbai
Date : April 25, 2014

Raghuvir M. Aiyar
Partner
Membership No.: 38128

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2014, of **Dotex International Limited**)

In our opinion, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A substantial portion of the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year were not substantial. According to the information and explanation given to us; we are of the opinion that the disposal of the fixed assets has not affected the going concern status of the Company.
- (ii) The Company is a service Company and therefore does not maintain any inventory; the directions in this regard are therefore not applicable.
- (iii) (a) The Company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (b), (c) and (d) of clause (iii) are not applicable.
- (e) As informed, the Company has not taken any loans, secured or unsecured from the companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (f) and (g) of clause (iii) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, there are no transactions or arrangements as referred to in section 301 of the Companies Act, 1956 that have to be required to be maintained under that section. Sub clause (b) of clause (v) is not applicable.
- (vi) The Company has not accepted any deposit from the public and consequently the directives issued by the Reserve Bank of India, provisions of section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company. No order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.

- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of services carried out by the Company.
- (ix) (a) During the year there were no employees in the employment of the Company. Accordingly the directions relating to Provident Fund and Employee's State Insurance are not applicable to the Company. Further, based on our examination of the records maintained during the year, the Company is not liable to make any payments towards Investor Education Protection Fund, Wealth Tax, Customs Duty, Excise Duty and Cess. The Company has been generally regular in depositing Income Tax, Sales Tax/VAT and Service Tax dues along with cess thereon with the appropriate authority.
- (b) According to the records of the Company, Sales tax, Income-tax, Customs duty, Wealth tax, Service tax, Excise duty and Cess which have not been deposited on account of any dispute, are as follows:

Name of Statute (Nature of dues)	Year to which the amount relates	Forum where the dispute is pending	Amount (₹)
Income Tax Act, 1961.(Tax/ Interest)	2008-09	Income Tax Appellate Tribunal – Mumbai	5,22,473

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) The Company has neither taken any loans from any bank or financial institution nor issued any debentures.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not raised 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 the no funds raised on short-term basis have been used for long-term investment.

- (xviii) 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) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the period. Therefore, the provisions of clause (xx) of the order are not applicable to the Company.
- (xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

For K. S. Aiyar & Co,
Chartered Accountants
ICAI Firm Registration No: 100186W

Place : Mumbai
Date : April 25, 2014

Raghuvir M. Aiyar
Partner
Membership No.: 38128

BALANCE SHEET AS AT MARCH 31, 2014

	Notes	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
I	Equity and liabilities		
1	Shareholder's funds		
a	Share Capital	120,000,000.00	120,000,000.00
b	Reserves and surplus	792,558,840.06	537,073,226.40
		<u>912,558,840.06</u>	<u>657,073,226.40</u>
2	Current liabilities		
a	Trade payables	19,342,553.76	11,867,354.75
b	Other liabilities	69,813,499.91	10,750,232.00
c	Short-term provisions	385,169,282.00	32,431,202.00
		<u>474,325,335.67</u>	<u>55,048,788.75</u>
	TOTAL	<u><u>1,386,884,175.73</u></u>	<u><u>712,122,015.15</u></u>
II	Assets		
1	Non-current assets		
a	Fixed assets		
	Tangible assets	5,754,797.11	20,798,610.40
	Intangible assets	<u>2,122,771.99</u>	<u>1,733,986.25</u>
b	Non-current investments	17,500,000.00	56,800,000.00
c	Deferred tax Assets (net)	13,974,403.19	12,456,100.00
d	Long Term Loans & Advances	2,464,462.00	2,097,359.66
e	Other Non-current assets	39,603,516.66	13,300,000.00
		<u>81,419,950.94</u>	<u>107,186,056.31</u>
2	Current assets		
a	Current investments	1,092,848,755.98	335,446,341.13
b	Short Term Loans & Advances	-	1,435,000.00
c	Trade receivable	89,539,823.82	67,062,479.32
d	Cash and bank balances	106,457,624.31	166,749,643.03
e	Other Current assets	16,618,020.67	34,242,495.36
		<u>1,305,464,224.79</u>	<u>604,935,958.84</u>
	TOTAL	<u><u>1,386,884,175.73</u></u>	<u><u>712,122,015.15</u></u>

Summary of significant accounting policies (Note 1)

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For K. S. AIYAR & CO.

Chartered Accountants

ICAI Firm Registration No: 100186W

RAGHUVIR M. AIYAR

Partner

Membership Number: 38128

Place : Mumbai

Date : April 25, 2014

For and on behalf of the Board of Directors

CHITRA RAMKRISHNA

Chairperson

RAVI NARAIN

Director

J RAVICHANDRAN

Director

R. SUNDARARAMAN

Director-in-charge

SHATRUGHAN SINGH

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014.

	Notes	For the year ended 31.03.2014 (₹)	For the year ended 31.03.2013 (₹)
(I) INCOME			
Revenue from operations	15	568,613,802.40	508,506,472.04
Other Income	16	21,110,287.30	29,528,046.03
Total Revenue (I)		589,724,089.70	538,034,518.07
(II) EXPENDITURE			
Deputed Personnel Cost		17,128,692.40	26,641,797.53
Other Expenses	17	180,967,488.59	189,288,905.59
Revenue sharing		93,992,907.00	71,146,416.00
Depreciation	7	16,618,492.00	29,159,685.91
Total Expenses (II)		308,707,579.99	316,236,805.03
Profit before exceptional item, prior period adjustments & tax		281,016,509.71	221,797,713.04
Exceptional items			
(Less): Loss on Sale of Strategic Investment		-	52,938,186.25
(Add): Profit on Sale of Strategic Investment		545,334,684.00	-
Profit before prior-period adjustments & tax		826,351,193.71	168,859,526.79
Add / (Less) : Prior-Period Adjustments		171,911.95	(100,000.00)
Profit before Tax		826,523,105.66	168,759,526.79
Less : Provision for Tax			
- Current Tax		196,000,000.00	75,000,000.00
- Deferred Tax		(1,518,303.00)	(5,290,757.00)
- Excess Provision for Tax		(2,508,005.00)	-
Total tax expenses		191,973,692.00	69,709,243.00
Profit after Tax		634,549,413.66	99,050,283.79
EPS			
Basic		52.88	8.25
Diluted		52.88	8.25
Basic (excluding exceptional item)		17.20	12.67
Diluted (excluding exceptional item)		17.20	12.67

Summary of significant accounting policies (Note 1)
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For K. S. AIYAR & CO.

Chartered Accountants

ICAI Firm Registration No: 100186W

RAGHUVIR M. AIYAR

Partner

Membership Number: 38128

Place : Mumbai

Date : April 25, 2014

For and on behalf of the Board of Directors

CHITRA RAMKRISHNA

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Director-in-charge

SHATRUGHAN SINGH

Company Secretary

CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	2013-2014 (₹)	2012-2013 (₹)
A) CASHFLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	826,523,105.66	168,759,526.79
Add: Adjustments for :		
- Depreciation	16,618,492.00	29,159,685.91
- Sundry Balances Written Off	4.60	-
- Amortisation of premium on Govt/debt Securities	50,275.39	61,996.00
- Loss on sale / discard of assets (Net)	-	460,979.14
Less: Adjustments for :		
- Interest on Investments	(555,506.85)	(685,000.00)
- Interest income on Bank Deposits	(12,128,975.32)	(21,467,623.00)
- Dividend on Investment	(2,624,510.00)	(4,743,768.38)
- Profit on sale or redemption of Investments	(5,072,475.24)	(1,946,100.92)
- Profit on sale of assets	(3,191.45)	(3,144.10)
- Sundry Balances Written Back	(34,041.44)	(3.88)
Operating Profit Before Working Capital Changes	822,773,177.35	169,596,547.56
Adjustments for :		
Sundry Debtors	(22,443,307.66)	78,889,090.24
Loans & Advances	14,080,768.29	29,828,316.35
Current Liabilities & Provisions	66,538,466.92	(7,190,489.14)
Cash Generated From Operations	880,949,104.90	271,123,465.01
Direct Taxes paid (Net of Refunds)	(74,569,415.19)	(73,240,360.86)
NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	806,379,689.71	197,883,104.15
B) CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,963,562.00)	(2,602,888.00)
Sale of Fixed Assets	3,289.00	102,062.41
(Increase)/Decrease in Investment	(718,210,215.00)	(146,930,628.74)
Interest received on deposits	14,607,569.57	18,621,848.22
Dividend on Investment	2,624,510.00	4,743,768.38
Interest on Investments	685,000.00	685,000.00
Direct Taxes paid	(117,169,500.00)	-
NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	(819,422,908.43)	(125,380,837.73)

	2013-2014 (₹)	2012-2013 (₹)
C) CASHFLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(24,000,000.00)	(24,000,000.00)
Dividend Distribution Tax	(4,078,800.00)	(3,893,400.00)
NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	(28,078,800.00)	(27,893,400.00)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(41,122,018.72)	44,608,866.42
CASH AND CASH EQUIVALENTS : OPENING BALANCE (Note 14)	47,229,643.03	2,620,776.61
CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE (Note 14)	6,107,624.31	47,229,643.03
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(41,122,018.72)	44,608,866.42

Notes to Cash Flow Statement :

- Cash and cash equivalent represent cash, bank balances and balance in fixed deposit account as per balance sheet
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.
- All figures in brackets are outflows
- Previous Years figures have been regrouped/restated wherever necessary to correspond with the current period classification/ disclosure.
- Direct taxes Paid/ Refunded are treated as arising from operating Activities and not bifurcated between investing and financing activities.

As per our report of even date attached

For K.S.Aiyar & Co

Chartered Accountants

ICAI Firm Registration No: 100186W

Raghuvir M. Aiyar

Partner

Membership No : 38128

Place : Mumbai

Date : April 25, 2014

For and on behalf of the Board of Directors

CHITRA RAMKRISHNA

Chairperson

RAVI NARAIN

Director

J.RAVICHANDRAN

Director

R. SUNDARARAMAN

Director-in-charge

SHATRUGHAN SINGH

Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014.

1 Significant Accounting Policies :

A. Basis of Accounting

The accounts are maintained on a mercantile basis in accordance with generally accepted accounting principles. The financial statements comply in all material respect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 and the Rules, read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.

B. Revenue Recognition

Revenue recognition is done on a time proportion method.

C. Expenditure

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities.

D. Fixed Assets

Fixed Assets are stated at cost of acquisition / development less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

Depreciation is provided on prorata basis for the period of use.

Depreciation on Office Equipment is provided using Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956, (4-21 years)

Depreciation on Computer Software is provided at the rate of 33 1/3 % on Straight Line Method, which is higher than the rate prescribed in the aforesaid schedule

Depreciation on Computer Hardware and Servers is provided at the rate of 25% on Straight Line Method, which is higher than the rate prescribed in the aforesaid schedule.

Depreciation on Telecom Installations is provided at the rate of 25% on Straight Line Method, which is higher than the rate prescribed in the aforesaid schedule.

E. Investments

(i) Long term investments are considered as held till maturity and are valued at cost.

(ii) Current investments are valued at cost or fair value whichever is lower.

(iii) Premium paid/discount received at the time of acquisition of Government / Debt securities is amortised over the residual period of its maturity.

F. Taxation

Tax expense for the year, comprising current tax and deferred tax is included in determining the net profit / (loss) for the year.

A provision is made for the current tax based on tax liability computed in accordance with prevailing tax rates and tax laws. A provision / accrual is made for deferred tax for all timing differences arising between taxable income and accounting income at the Balance Sheet Date based on prevailing enacted or substantively enacted tax rates.

Deferred tax assets are recognised only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

2 Share Capital

	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Authorised 1,30,00,000 (Previous Year 1,30,00,000) Equity Shares of ₹ 10 Each.	130,000,000.00	130,000,000.00
Issued, Subscribed and Paid-up 1,20,00,000 (Previous year 1,20,00,000) Equity shares of ₹10 each fully paid up.	120,000,000.00	120,000,000.00
Total	120,000,000.00	120,000,000.00

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

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. 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.

The Board of directors, in their meeting of April 25, 2014, proposed a dividend of ₹ 27/- 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 ₹ 32,40,00,000/- excluding Dividend Distribution Tax.

During the year ended March 31, 2013, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 2/- per share. The dividend appropriation for the year ended March 31, 2013 amounted to ₹ 2,40,00,000/- excluding Dividend Distribution Tax.

In the event of liquidation of the company, the holders of 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.

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 (Upto 30.12.2013)	12,000,000	100	12,000,000	100
NSE Strategic Investment Corporation Limited (from 31.12.2013)	12,000,000	100	-	-

3 Reserve and surplus

	As at 31.03.2014 (₹)		As at 31.03.2013 (₹)	
General reserve				
As per last Balance Sheet	442,500,000.00		435,000,000.00	
Add : Transferred from statement of Profit & Loss	63,454,941.00	505,954,941.00	7,500,000.00	442,500,000.00
Surplus/(deficit) in the statement of Profit and Loss				
As per last Balance Sheet	94,573,226.40		31,101,742.61	
Profit for the year	634,549,413.66		99,050,283.79	
Less : Appropriations				
Transfer to general reserve	63,454,941.00		7,500,000.00	
Proposed dividend	324,000,000.00		24,000,000.00	
Tax on proposed dividend	55,063,800.00	286,603,899.06	4,078,800.00	94,573,226.40
Total reserves and surplus		792,558,840.06		537,073,226.40

4 Trade payables

	Long - term		Short - Term	
	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Sundry creditors	-	-	18,641,447.01	11,478,042.00
Provision For Expenses	-	-	701,106.75	389,312.75
Total	-	-	19,342,553.76	11,867,354.75

5 Other liabilities

	Long - term		Short - Term	
	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Income received in advance	-	-	49,511,564.00	-
Tax deducted at source - payable	-	-	6,687,384.00	6,163,082.00
Service Tax on Provisions	-	-	8,903,003.00	4,482,650.00
Other liabilities	-	-	4,711,548.91	104,500.00
Total	-	-	69,813,499.91	10,750,232.00

6 Provision

	Long - term		Short - Term	
	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Proposed dividend	-	-	324,000,000.00	24,000,000.00
Corporate dividend tax	-	-	55,063,800.00	4,078,800.00
Provision for Tax (Net of Advance Taxes paid)	-	-	6,105,482.00	4,352,402.00
Total	-	-	385,169,282.00	32,431,202.00

NOTES FORMING PART OF THE BALANCE SHEET
NOTE 7: FIXED ASSETS

Description	Gross Block			Depreciation			Net Block		
	As on 01/04/2013	Additions during the Year	Deduction during the Year	As on 01/04/2013	For the year	Deletion	Total upto 31/03/2014	As on 31/03/2014	As on 31/03/2013
TANGIBLE ASSETS									
Computer Hardware	5,176,325.07	-	570,600.45	3,141,001.41	639,918.31	570,600.45	3,210,319.27	1,395,405.35	2,035,323.66
Computer Sys-Others	58,097,262.37	-	47,475.00	50,372,568.48	6,163,557.09	47,377.45	56,488,748.12	1,561,039.25	7,724,693.89
Office Equipments	200,872.00	-	-	171,360.98	11,297.96	-	182,658.94	18,213.06	29,511.02
Telecom Installations	95,763,551.75	-	47,000.20	84,754,469.92	8,228,942.38	47,000.20	92,936,412.10	2,780,139.45	11,009,081.83
TOTAL (A)	159,238,011.19	-	665,075.65	138,439,400.79	15,043,715.74	664,978.10	152,818,138.43	5,754,797.11	20,798,610.40
INTANGIBLE ASSETS									
Computer Software	11,502,467.00	1,963,562.00	-	9,768,480.75	1,574,776.26	-	11,343,257.01	2,122,771.99	1,733,986.25
TOTAL (B)	11,502,467.00	1,963,562.00	-	9,768,480.75	1,574,776.26	-	11,343,257.01	2,122,771.99	1,733,986.25
TOTAL (A+B)	170,740,478.19	1,963,562.00	665,075.65	148,207,881.54	16,618,492.00	664,978.10	164,161,395.44	7,877,569.10	22,532,596.65
Previous Year	169,375,775.19	2,602,888.00	1,238,185.00	119,726,478.37	29,159,685.91	678,285.96	148,207,878.32	22,532,596.65	

NOTES FORMING PART OF THE BALANCE SHEET

NOTE- 8: NON CURRENT INVESTMENTS

Particulars	Maturity Date	Number of Units As at 31.3.14	Number of Units As at 31.3.13	Face Value per Unit (₹)	Face value (₹)	As at 31.3.2014 (₹)	As at 31.3.2013 (₹)
QUOTED							
MUTUAL FUNDS							
Sundaram Fixed Term Plan - DI - 375 Days Growth	4/Apr/14	-	1,000,000.00	10.00	10,000,000.00	-	10,000,000.00
HDFC FMP 453D FEBRUARY 2014 (1)	4/May/15	1,000,000.00	-	10.00	10,000,000.00	10,000,000.00	-
IDFC FIXED TERM PLAN SERIES - 75 - 406 DAYS	8/Apr/15	250,000.00	-	10.00	2,500,000.00	2,500,000.00	-
UNQUOTED							
EQUITY SHARES							
In Associate Companies							
Omnesys Technologies Pvt. Ltd. (Extent of holding - 26%)		-	833,990.00	10.00	8,339,900.00	-	46,800,000.00
BONDS							
Taxable							
6% National Highways Authority of India Limited - 2017	31/Mar/17	500.00	-	-	-	5,000,000.00	-
TOTAL		-	1,833,990.00		30,839,900.00	17,500,000.00	56,800,000.00

Note : Aggregate Market Value of the Quoted investments is ₹ 1,26,87,000.00 (Previous Year : ₹ 1,00,09,400.00)

NOTES FORMING PART OF THE BALANCE SHEET
NOTE - 9 : CURRENT INVESTMENT

Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
QUOTED BONDS						
Taxfree						
6.85 % India Infrastructure Finance Company Limited - 2014	22-Jan-14	100.00	100,000.00	10,000,000.00	-	10,050,275.39
QUOTED MUTUAL FUNDS						
Fixed Maturity Plans						
BARODA PIONEER 368 DAYS FMP SERIES L	2-Mar-15	1,000,000.00	10.00	10,000,000.00	10,000,000.00	-
DSP BLACKROCK FMP - SERIES 108 - 12M	19-Aug-14	1,000,000.00	10.00	10,000,000.00	10,000,000.00	-
DSP BLACKROCK FMP - SERIES 148 - 12M	3-Mar-15	1,000,000.00	10.00	10,000,000.00	10,000,000.00	-
HSBC FIXED TERM SERIES 94	25-Aug-14	450,000.00	10.00	4,500,000.00	4,500,000.00	-
HSBC FIXED TERM SERIES 96	4-Sep-14	900,000.00	10.00	9,000,000.00	9,000,000.00	-
KOTAK FMP SERIES 110 - 370 DAYS	19-Aug-14	1,000,000.00	10.00	10,000,000.00	10,000,000.00	-
KOTAK FMP SERIES 116 - 370 DAYS	9-Sep-14	1,000,000.00	10.00	10,000,000.00	10,000,000.00	-
SUNDARAM FIXED TERM PLAN - DI - 375 DAYS - GROWTH	4-Apr-14	1,000,000.00	10.00	10,000,000.00	10,000,000.00	-
TATA FIXED MATURITY PLAN SERIES 43 SCHEME C 370 DAYS	25-Aug-14	1,000,000.00	10.00	10,000,000.00	10,000,000.00	-
QUOTED (A)		8,350,100.00			83,500,000.00	10,050,275.39
Liquid Dividend						
AXIS LIQUID FUND - DAILY DIVIDEND - DIRECT PLAN		-	-	-	-	2,887,011.31
TATA LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND		-	-	-	-	4,286,737.74
JM HIGH LIQUIDITY - REGULAR PLAN - DAILY DIVIDEND		-	-	-	-	9,269,671.07
KOTAK FLOATER - SHORT TERM - DAILY DIVIDEND		-	-	-	-	3,461,951.34
RELIANCE LIQUID FUND - TREASURY PLAN - DAILY DIVIDEND OPTION - REINVEST		-	-	-	-	5,273,733.14
RELIGARE LIQUID FUND - IP - DAILY DIVIDEND		-	-	-	-	528,784.96
RELIGARE LIQUID FUND - SUPER IP - DAILY DIVIDEND		-	-	-	-	63,495.13
JM HIGH LIQUIDITY - DAILY DIVIDEND - DIRECT PLAN		-	-	-	-	3,018,112.46
TEMPLETON INDIA TMA - IP - DLY DIV		-	-	-	-	148,995.83
TEMPLETON INDIA TMA - SUPER IP - DLY DIV		-	-	-	-	3,802.76
Liquid Growth Schemes						
AXIS LIQUID FUND - DIRECT - GROWTH		1,279.37	1,391.70	1,780,502.72	1,780,502.72	-
ICICI PRUDENTIAL ULTRA SHORT TERM PLAN - DIRECT - GROWTH		509,332.54	12.76	6,500,000.00	6,500,000.00	-
JPMORGAN INDIA LIQUID FUND - DIRECT - GROWTH		536,309.75	16.27	8,727,123.61	8,727,123.31	-
Ultra Short Term Debt Schemes - Growth						

Particulars	Maturity Date	Number of Units	Face Value per Unit (₹)	Face value (₹)	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
AXIS TREASURY ADVANTAGE FUND - GROWTH - DIRECT PLAN		14,297.43	1,303.73	18,640,000.00	18,640,000.00	8,640,000.00
AXIS TREASURY ADVANTAGE FUND - IP - GROWTH		107,767.06	1,321.58	142,423,000.00	142,423,000.00	42,423,000.00
BARODA PIONEER TREASURY ADVANTAGE FUND - DIRECT PLAN - GROWTH		20,598.29	1,355.76	27,926,282.44	27,926,282.44	10,000,000.00
BARODA PIONEER TREASURY ADVANTAGE FUND - IP - GROWTH		15,796.18	1,259.80	19,900,000.00	19,900,000.00	19,900,000.00
DWS TREASURY FUND - INVESTMENT - DIR - GROWTH		1,377,680.62	14.15	19,500,000.00	19,500,000.00	-
ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - GROWTH		96,880.53	212.37	20,575,000.00	20,575,000.00	-
ICICI PRUDENTIAL FLEXIBLE INCOME PLAN - GROWTH - DIRECT		90,439.02	221.14	20,000,000.00	20,000,000.00	20,575,000.00
ICICI Prudential Flexible Income Plan - Premium - Growth		143,509.20	206.96	29,700,000.00	29,700,000.00	29,700,000.00
ICICI PRUDENTIAL ULTRA SHORT TERM PLAN - DIRECT - GROWTH		107,489.54	12.09	1,300,000.00	1,300,000.00	-
IDFC MONEY MANAGER - TREASURY PLAN - DIRECT - GROWTH		3,995,117.81	19.28	77,009,395.11	77,009,395.11	-
JPMORGAN INDIA TREASURY FUND - DIRECT - GROWTH		1,453,188.85	16.17	23,500,000.00	23,500,000.00	-
JP Morgan India Treasury Fund - Super IP - Growth		7,856,996.34	15.62	122,725,000.00	122,725,000.00	22,725,000.00
JPMORGAN INDIA TREASURY FUND - GROWTH		1,999,024.38	14.91	29,800,000.00	29,800,000.00	29,800,000.00
KOTAK FLEXI DEBT FUND - IP - DIRECT PLAN - GROWTH		6,664,844.94	15.00	100,000,000.00	100,000,000.00	-
KOTAK FLEXI DEBT SCHEME - PLAN A - DIRECT - GROWTH		1,217,131.22	15.49	18,856,759.44	18,856,759.44	-
SBI SHDF - ULTRA SHORT TERM - GROWTH		8,519.89	1,469.05	12,516,100.00	12,516,100.00	-
SBI SHDF - ULTRA SHORT TERM - GROWTH - DIRECT PLAN		40,478.17	1,531.69	62,000,000.00	62,000,000.00	31,016,100.00
SBI SHDF - ULTRA SHORT TERM - IP - GROWTH		15,444.35	1,448.88	22,377,000.00	22,377,000.00	22,377,000.00
SUNDARAM ULTRA SHORT TERM - DIRECT PLAN - GROWTH		10,271,631.98	16.52	169,697,670.00	169,697,670.00	6,097,670.00
TEMPLETON INDIA ULTRA SHORT BOND FUND - DIRECT PLAN - GROWTH		1,068,719.15	16.37	17,500,000.00	17,500,000.00	-
UTI TREASURY ADVANTAGE FUND - GROWTH		13,198.71	1,541.43	20,344,922.96	20,344,922.96	
UTI TREASURY ADVANTAGE FUND GROWTH - DIRECT PLAN		10,198.40	1,573.78	16,050,000.00	16,050,000.00	53,200,000.00
UNQUOTED (B)		37,635,873.73			1,009,348,755.98	325,396,065.74
TOTAL (A+B)		45,985,973.73			1,092,848,755.98	335,446,341.13

Note : Aggregate market value of the quoted investments ₹ 8,82,24,165.00 (Previous year : ₹ 98,88,000.00)

10 Deferred Tax Assets

	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Related to depreciation and other expenditure	13,187,892.25	11,677,670.93
Related to disallowance u/s 43B	163,213.86	155,132.00
Related to other items	623,297.07	623,297.06
Total	13,974,403.19	12,456,100.00

11 Loans and Advances

	Long - term		Short - Term	
	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Security deposit				
Unsecured, considered good (A)	523,863.00	88,863.00	-	1,435,000.00
Advances recoverable in cash or kind				
Unsecured, considered good (B)	-	-	-	-
Income Tax paid including TDS (Net of Provisions) (C)	1,940,599.00	2,008,496.66	-	-
Total (A+B+C)	2,464,462.00	2,097,359.66	-	1,435,000.00

12 Trade receivables

	Non-current		Current	
	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Outstanding for a period of over six months from the date they are due for payment				
Unsecured, considered good	-	-	4,953,269.67	2,722,490.99
Doubtful	-	-	1,833,766.00	1,833,766.00
	-	-	6,787,035.67	4,556,256.99
Provision for doubtful receivables	-	-	(1,833,766.00)	(1,833,766.00)
	-	-	4,953,269.67	2,722,490.99
Other debts				
Unsecured, considered good	-	-	84,586,554.15	64,339,988.33
	-	-	84,586,554.15	64,339,988.33
Total	-	-	89,539,823.82	67,062,479.32

13 Other assets

	Non-current		Current	
	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Non-current bank balances	37,600,000.00	13,300,000.00	-	-
Other receivable	-	-	9,861,161.67	22,874,032.30
	37,600,000.00	13,300,000.00	9,861,161.67	22,874,032.30
Others				
Interest accrued on Investments	-	-	-	129,493.15
Interest accrued on Bank deposits	2,003,516.66	-	6,756,859.00	11,238,969.91
	2,003,516.66	-	6,756,859.00	11,368,463.06
Total	39,603,516.66	13,300,000.00	16,618,020.67	34,242,495.36

14 Cash and Bank balances

	Non-current		Current	
	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Cash and cash equivalents				
Balances with banks :				
On current accounts	-	-	6,089,958.31	47,211,977.03
Deposits with original maturity of less than three months	-	-	-	-
Cash on hand	-	-	17,666.00	17,666.00
	-	-	6,107,624.31	47,229,643.03
Other bank balances				
Deposits with original maturity for more than 12 months	37,600,000.00	13,300,000.00	57,800,000.00	79,320,000.00
Deposits with original maturity for more than 3 months but less than 12 months	-	-	42,550,000.00	40,200,000.00
	37,600,000.00	13,300,000.00	100,350,000.00	119,520,000.00
Amount disclosed under non-current assets	(37,600,000.00)	(13,300,000.00)	-	-
Total	-	-	106,457,624.31	166,749,643.03

NOTE	PARTICULARS	For the year ended 31.03.2014 (₹)	For the year ended 31.03.2013 (₹)
15	Revenue from operations		
	Sale of services		
	Online Datafeed Service Fees	371,615,377.00	280,835,910.00
	Sale of Data	4,356,246.00	3,749,755.00
	Recovery of expenses from NSEIL	178,573,186.40	218,166,529.04
	Dealer / Access Charges	8,619,170.00	4,026,706.00
	KYC Registration Agency fees	5,449,823.00	1,727,572.00
	TOTAL	568,613,802.40	508,506,472.04
16	Other income		
	Interest Income on Non Current Investments	555,506.85	685,000.00
	Interest Income on Bank Deposits	12,128,975.32	21,467,623.00
	Dividend income	2,624,510.00	4,743,768.38
	Net gain /(loss) on sale of Current Investment	5,072,475.24	1,946,100.92
	Miscellaneous Income	618,541.44	871.08
	Profit on Sale of Fixed Assets	3,191.45	3,144.10
	Profit/Loss on Exchange fluctuation (Net)	-	676,828.55
	Interest on Dealer / Access Charges	96,262.00	4,710.00
	Insurance Claim Received	10,825.00	-
	TOTAL	21,110,287.30	29,528,046.03

NOTE	PARTICULARS	For the year ended 31.03.2014 (₹)	For the year ended 31.03.2013 (₹)
17	Other Expenses		
	Licence Fees	86,488,987.00	85,637,226.00
	Repairs & Maintenance - Computers	22,658,130.87	27,400,417.45
	Web Trading Helpdesk Charges	21,538,913.87	27,909,578.00
	Internet Charges	26,611,952.83	26,785,249.02
	Space and Infrastructure usage charges	8,496,041.43	8,509,536.00
	Professional Fees	5,850,719.91	5,414,027.80
	Data Subscription Fees	2,064,210.00	1,629,039.00
	Telecom Co-location charges	-	1,550,270.00
	Electricity Charges	890,764.18	849,825.33
	Empanellement Charges	828,767.00	879,452.00
	Telephone Expenses	567,690.43	836,191.42
	Profit/Loss on Exchange fluctuation (Net)	750,828.85	-
	Software Expenses	186,741.52	220,833.30
	Insurance	217,663.00	240,046.00
	Bank Charges	416,812.76	55,704.91
	Outsourcing Charges	258,852.00	-
	KYC Download charges	331,865.00	-
	Travelling Expenses	111,557.15	94,122.00
	<u>Auditors' Remuneration</u>		
	Audit Fees	100,000.00	100,000.00
	Out of Pocket Expenses	-	2,567.00
	For Other Services	75,000.00	25,000.00
	Amortisation of Premium on Govt/Debt Securities	50,275.39	61,996.00
	Other Expenses	2,471,715.40	1,087,824.36
	TOTAL	180,967,488.59	189,288,905.59

18 Contingent Liability:

On account of disputed matters of Income Tax ₹ 16,92,139/- (Previous Year ₹ 16,92,139/-).

19 The Company is primarily engaged in the business of dissemination of data. Additionally it provides a facility to the members of various Stock Exchanges / Commodity Exchanges to access respective markets and also acts as SEBI registered KYC registration agency. Segmental information on the basis of above mentioned operations as per Accounting Standard 17 'Segment Reporting' is as below :

Particulars	DataFeed (₹)	Others (₹)	Unallocated (₹)	Total (₹)
Segment Revenue.	375,971,623.00	192,738,441.40	566,348,709.30	1,135,058,773.70
	(284,585,665.00)	(223,925,517.04)	(29,523,336.03)	(538,034,518.07)
Segment Result.	268,135,641.26	-8,082,881.46	566,470,345.86	826,523,105.66
	(199,551,046.10)	-7,314,673.09	-23,476,846.22	(168,759,526.79)
Taxes	-	-	-	191,973,692.00
	-	-	-	(69,709,243.00)

Particulars	DataFeed (₹)	Others (₹)	Unallocated (₹)	Total (₹)
Net Profit After Taxes	-	-	-	634,549,413.66
	-	-	-	(99,050,283.79)
Segment assets.	51,070,914.59	46,346,478.33	1,289,466,782.81	1,386,884,175.73
	(50,051,550.02)	(40,849,315.95)	(619,212,652.52)	(710,113,518.49)
Segment liabilities.	60,917,370.21	7,936,747.55	405,471,217.91	474,325,335.67
	(2,158,020.15)	(9,709,334.60)	(698,246,163.74)	(710,113,518.49)
Capital Expenditure	-	1,963,562.00	-	1,963,562.00
	(2,046,894.00)	(555,994.00)	-	(2,602,888.00)
Depreciation	1,043,241.57	15,575,250.43	-	16,618,492.00
	(2,968,287.84)	(26,191,398.07)	-	(29,159,685.91)

Note: Previous year figures are given in bracket.

20 In compliance with Accounting Standard 18 - "Related Party Disclosures", the required disclosures are given in the table below:

(a) Names of the related parties and nature of their relationship

Sr. No.	Related Party	Nature of Relationship
1	National Stock Exchange of India Limited (from 31.12.2013)	The Ultimate Holding Company
2	NSE Strategic Investment Corporation Limited (from 31.12.2013)	Holding Company
3	National Securities Clearing Corporation Limited	Subsidiary of Ultimate Holding Company
4	NSE.IT Limited	Fellow Subsidiary
5	NSE.IT (US) Limited	Subsidiary of Fellow Subsidiary
6	India Index Services & Products Ltd.	Fellow Subsidiary
7	NSE Infotech Services Limited	Fellow Subsidiary
8	Power Exchange India Limited	Associate Company of Holding Company
9	National Securities Depository Limited	Associate Company of Ultimate Holding Company
10	NSDL e-Governance Infrastructure Ltd	Associate Company of Holding Company
11	Omnesys Technologies Pvt. Ltd. (till 12.09.2013)	Associate Company
12	Market Simplified India Limited.	Associate Company of Holding Company
13	Computer Age Management Services Pvt Ltd (from 07.01.14)	Associate Company of Holding Company

(b) Names of the related parties and transactions with them.

Name of the Related Party	Nature of Transactions	Year ended 31.03.2014 (₹)	Year ended 31.03.2013 (₹)
National Stock Exchange of India Limited	Reimbursement of expenses for staff on deputation paid/ payable	19,245,799.40	30,086,903.53
	Space and Infrastructure usage charges paid / payable	9,546,153.43	9,561,315.00
	Capital Items sold	-	96,000.00
	Capital Items purchased	-	28,732.00
	Amount paid / payable towards revenue sharing	105,610,436.00	79,940,111.00
	Reimbursement for other expenses	261,109,503.44	96,624,657.05
	Dividend Paid	24,000,000.00	24,000,000.00
	Amount received towards Historical / Tick by Tick Data	-	1,298,599.00
	Recovery of Web Trading expenses incurred	200,644,832.00	245,131,911.04
	Outstanding balance included in Current Assets (Net)	-	16,916,645.22
	Outstanding balance included in Current Liabilities (Net)	8,419,736.21	-
NSE.IT Limited	Amount payable towards Sale & Technical Support charges, Scripting support for Web Trading testing automation products and reimbursement of other expenses.	24,201,124.00	36,328,793.00
	Outstanding balance included in Current liabilities	1,016,267.00	4,469,070.00
India Index Services & Products Limited	Receipt of fees for right to create indices	5,119,633.00	2,902,203.00
	Data Subscription Fees Payable	2,319,346.00	1,830,389.00
	Reimbursement of Conveyance Expenses	893.00	5,148.50
	Outstanding balance included in Current Liabilities	2,112,916.00	1,647,349.00
Omnesys Technologies Pvt. Ltd. (till 12.09.2013)	License Fees Paid / Payable	36,831,250.00	88,981,882.00
	Income- Online Data Feed Services	2,715,810.00	1,776,212.00
	Investment in Equity Shares (Closing Balance)	-	46,800,000.00
	Outstanding balance included in Current Assets	560,261.00	-
	Outstanding balance included in Current Liabilities	640,692.00	640,692.00
Market Simplified India Limited	License Fees Paid	6,741,600.00	6,741,600.01
	Outstanding balance included in Current Liabilities	-	539,320.00
NSE Strategic Investment Corporation Ltd.	Sale of Strategic Investment.	-	45,054,090.00

Name of the Related Party	Nature of Transactions	Year ended 31.03.2014 (₹)	Year ended 31.03.2013 (₹)
National Securities Clearing Corporation Limited	Recovery of Customisation Charges	2,239,340.00	-
	Outstanding balance included in Current Assests	2,015,400.00	-
Computer Age Management Services Pvt Ltd (from 07.01.14)	KRA fees receivable	89,428.00	-
	Outstanding balance included in Current Assests	44,714.00	-
Key Management Personnel	Gross Remuneration including allowances, non-cash perquisites and contribution to Provident Fund and Superannuation Fund etc.	-	2,714,495.00

21 In accordance with Accounting Standard 20 - "Earning per Share", the required disclosure is given below.

	Period ended 31.03.2014	Year ended 31.03.2013
Net Profit attributable to Shareholders (₹)	634,549,413.66	99,050,283.79
Weighted Average number of equity shares issued	12,000,000.00	12,000,000.00
Basic earnings per share of ₹ 10/- each (₹)	52.88	8.25
Basic earnings (excluding exceptional item) per share of ₹ 10/- each (₹)	17.20	12.67

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.

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Particulars	(₹)	
	Current Year	Previous Year
Expenditure in foreign currency:	-	-
Earnings in foreign exchange :	238,495,941.00	141,730,771.00

23 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. This information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

- 24 In respect of dissemination of data, the Company has a Revenue sharing agreement with National Stock Exchange of India Limited (NSEIL).
- 25 Previous years' figures are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached

For K. S. AIYAR & CO.

Chartered Accountants

ICAI Firm Registration No: 100186W

RAGHUVIR M. AIYAR

Partner

Membership Number: 38128

Place : Mumbai

Date : April 25, 2014

For and on behalf of the Board of Directors

CHITRA RAMKRISHNA

Chairperson

RAVI NARAIN

Director

J RAVICHANDRAN

Director

R.SUNDARARAMAN

Director-in-charge

SHATRUGHAN SINGH

Company Secretary

NSE INFOTECH SERVICES LIMITED

(A wholly owned subsidiary of NSE Strategic Investment Corporation Limited)



EIGHTH ANNUAL REPORT

2013 – 14



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CORPORATE INFORMATION

BOARD OF DIRECTORS*

Ms. Chitra Ramkrishna : Chairperson

Mr. Ravi Narain

Mr. N. Muralidaran

CHIEF EXECUTIVE OFFICER : Mr. Umesh Jain

AUDITORS : M/s. Gokhale & Sathe
Chartered Accountants
302/303, Udyog Mandir No. 1
7-C, Bhagoji Keer Marg
Mahim, Mumbai 400 016

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

* As on April 25, 2014



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Eighth Annual Report and the Audited Accounts of NSE Infotech Services Limited (NSETECH) for the Financial Year ended March 31, 2014.

I. OPERATIONS AND MAJOR EVENTS DURING THE YEAR

Technology is a key differentiator and a strategic driver for NSE and as strategic partner NSETECH continues to deliver and maintain technology products and services for NSE. Last year's initiatives can be broadly classified in following categories-

- Transformation using new technology
- Growth through new product & services
- Operations strengthening
- Risk, Controls & Compliance
- People
- Financial

TRANSFORMATION THROUGH NEW TECHNOLOGY

Currency Derivative on New Engine: Higher throughput, lower latency and resilient trading platform are the constant drivers for enhancing the trading platform. As part of the same, currency derivatives trading system has been re-architected and moved to the new generation trading platform. This has allowed the throughput capacity of currency derivatives to become equivalent to the equity derivatives platform and has brought down the latency from 8 milliseconds to 2.5 milliseconds. This was released to live on August 30, 2013.

Latency: Latency is of key importance in exchange business. Towards this multiple initiatives were undertaken (and underway) to have better monitoring & control over our latency numbers and to continuously reduce the transaction latency at NSE.

This has helped to reduce trading latency in Currency and Equity Derivatives systems from 2.5 milliseconds to around 800 microseconds in Currency and under 1 millisecond in Equity derivatives. This has been the result of multiple sub-initiatives;

Some significant ones are mentioned below-

- **Corvil:** Latency Monitoring Tool implementation has given facility to monitor latencies at various points in real time. It also helps gather data for analysis in troubleshooting and analysing latency trends. Going forward the same technology can be extended to provide customer transparency.



- **Trading Network Reengineering:** Reduced network latency in interactive path from Member rack on Colocation to Trading Host 342usec to 74usec. Net gain of 268 μ Sec (78%).
- Matching engine **hardware upgrade** to more powerful servers helped save 100-250usecs.
- **New Trading Access Point** software was rolled out for colocation users. This helped shave off latency by 400usecs (from 500usecs to 100 usecs).
- **Net Layer Optimisation** resulted in savings of approximately 100usecs.
- Other optimisations and fine tunings at software level – 500 usecs.
- Further, latency reduction was also carried out for risk management systems and circuit breaker systems.
- For Cash Equities, round trip time to suspend brokers in case of limits violation was reduced from 54 milliseconds to 11 milliseconds (average). In Equity Derivatives the same was brought down from 174 milliseconds to 3 milliseconds (average).
- **Index Circuit Filter Changes:** Multiple changes were made to reduce time between 'trade' that caused violation and actual stoppage of matching engines. As per last simulation – the time now is sub 15 milliseconds .

NTP Time Sync: For latency sensitive trading, it is important for all systems to be synchronised on time up to microsecond granularity. This includes broker systems as well. NTP Time-Synch appliances were successfully installed and configured at BKC, Colo and BCP sites.

Multicast Tick by Tick (TBT): It was a key gap in our trading interactive loop which has now been rolled out in production. The earlier multicast underlying technology protocol – while not biased – would not provide same latency levels to all connections.

NSE Private Cloud project: In the "NSE Private Cloud" project initiative, the team has managed to successfully migrate about 389 setups from Physical servers to VM thus reducing total physical server count by 314 servers.

SCOUT: PoC has been successfully conducted to leverage unstructured data from social media being analysed and correlated with market movement trends from surveillance perspective. Full rollout is in progress.

Online Data Store and Data warehouse Phase2: Online Data Store went live in the quarter Jan-Mar'14. This completed the migration of the surveillance application from the Oracle Platform to the Green Plum Appliance. The implementation of this project helped to consolidate the data and infrastructure between Surveillance and Data warehouse. In addition, it improved the turnaround time for a number of intra-day and end of day business reports. The implementation of the new Logical data model along with addition of new subject areas in the existing data warehouse is planned for UAT release in May'14. This would help in achieving a single copy of the data in the DWH for majority of the source systems.



GROWTH THROUGH NEW PRODUCTS AND SERVICES

NSE Bond Futures Launch: NSE Bond Futures (NBF II), a new product based on underlying GOI 10-year bonds -- the 8.83% 2023 bond and the 7.16% 2023 bond was implemented in the currency derivatives segment. The product is cash settled. This was launched on 21 Jan 2014.

Futures on India VIX: Futures on India VIX product was launched in the F&O segment of Trading System. India VIX is a volatility index based on the index options prices of NIFTY. India VIX is computed using the best bid and asks quotes of the out-of-the-money near and mid-month NIFTY options contracts which are traded on the F&O segment of NSE. The new product was launched on 26 Feb 2014.

New Debt Segment Launch: A new dedicated Debt segment was created to provide a liquid and transparent trading platform for debt related products like corporate bonds, government securities, etc. This was made live on 13 May 2013.

Online Collateral: Online collateral was designed keeping Customer Satisfaction and Operational Efficiency in mind. Several manual activities carried out by the Collateral department were streamlined and made straight through. Responses to requests made by CMs/TMs for collateral additions and releases which were earlier in batch mode with turnaround being more than an hour in some cases was brought down to seconds. Changes were released to UAT in Dec'13 and the same was released to production in Feb'14. The deployment to production was done simultaneously across all segments.

Single Click: To improve operational efficiency, changes were carried out to clearing and risk management systems to incorporate "Single Click" operations in NSCCL for T-day end of day processing across all segments. The same were released to production in the quarter Oct'13 to Nov'13. "Single Click" changes for Settlement operations for SLB and Cash settlement were deployed to production on Dec'13 and Jan'14 respectively.

SEBI New files: As part of its new initiative, SEBI had proposed that the order & Trade data which was being sent to SEBI on a daily basis needed to be modified or added with additional information to facilitate analysis being carried out by SEBI Investigation Team. As a part of this exercise, the new file structure with additional fields was generated and provided to SEBI.

Process Automation in NICE, Arbitration and CAAP: These processes were automated with key deliverables like addition of region codes related to new regional offices, bifurcation of arbitrators exchange-wise to generate reports arbitrator/exchange namewise and auto generation of emails to other exchanges (NSE, BSE, USE & MCX-SX) regarding any change in Arbitrator Master details like Leave/Addition/Deletion by other exchanges. Additional automation of SEBI scores complaints being handled in NICE was completed.

Finance And Accounting system: Delivered key functionalities such as Treasury Module (Phase I), NFA ICICI Bank e-payment interface for Vendor payments, Taxation module, etc.

NCFM Billing Interface: It was revamped to handle NISM billing requirement as well.

ENIT: It was modified to provide automated member status reporting.



OPERATIONS STRENGTHENING

IT Operations – Dedicated Operations team was carved out across the organisation. This was to ensure that operations gets due focus, as also processes across the organisation are streamlined, automated and standardised using best practices from ITIL. Furthermore, arms distance relationship between application development team and Operations team was necessary to improve robustness of systems by avoiding on the fly changes to applications. This is now fully complete.

IT Operations Maturity – Assessment was carried out to baseline NSE's current state of processes related to operations. Industry standard ITIL was used as a benchmark, and recommendations adopted for exchange business were made.

Basis same program was launched to address key processes, tools and people gaps. The following processes have been addressed- Incident Management, Problem Management and Major Incident Management.

Also, the following processes are work in progress- Change Management, Release Management, Knowledge Management, Event Management, Asset and Configuration Management and Request Fulfillment.

RISK MANAGEMENT & REGULATORY COMPLIANCE

Monthly Drills strengthening – As part of battle readiness on people, process and technology, a monthly drill is carried out every first Saturday of the month. Following upgrades were made to strengthen the drills:-

- Mock Environments were setup and all required applications were identified to ensure smooth functioning of Mocks.
- Resources were trained to handle Failovers in mock hands.
- Total interaction with interface teams to ensure readiness.

BCP Readiness – Three quarterly BCP external mock drills were conducted from DR site. One live session was conducted from DR site covering Trading, Clearing and Internal System applications. BCM activities were also conducted regularly.

GRC(Governance Risk and Compliance) Framework: This was rolled out to facilitate identification, analysis, treatment and tracking to closure of risk items under Information Technology. Monthly dashboards highlighting open items, movements, trends etc. are now published and issues are getting tracked to actions. The team was strengthened to ensure enhanced focus on GRC activities.

Further streamlining of various risk identification methods to make it more comprehensive in breadth and depth is in progress. This is an outsourcing project to Wipro whereby the operations are managed by Wipro but policy, process, design and controls are managed by NSETECH. System audit mandated by audit was successfully completed with no major findings.

New IS control related systems namely **PIMS**- Privileged Identity Management system which controls access granted to administrators etc. and **DLP** - Data Leakage Prevention system were rolled out



QUALITY

Quality Control (QC): (Start Date: Nov-2013) To strengthen the quality control of software, an independent QC function has been created. This function will do independent testing of critical software with an aim to certify (or reject) releases from quality perspective. The team would aim to deliver their report within 24 hours of software being released – using automated testing scripts.

Equity derivatives trading automation (functionality) has been completed as part of PoC. This will now be put in production and scope will be extended to other applications. Furthermore, a few other test areas like code review etc. will also be incorporated as part of the scope in current year.

SDLC Process Improvement: (Start Date: Jan-14) To identify improvement opportunities for achieving goal of zero tolerance for production defects (Code & Configuration), it has been decided to do the assessment of SDLC processes.

Assessment will include NSETECH development and maintenance areas including all three dimensions - People, Process and Tools. Process Assessment is completed & report on 'Comparison with Industry standard and recommendation roadmap plan' received. Recommendation implementation proposal finalization is in progress.

PEOPLE

Employee Engagement Initiatives

Communication Forums: In our endeavor to promote a more open culture and a highly engaged workforce, multiple HR interventions were rolled out in FY 2013-14-

- HR Connect sessions with a group of staff
- Coffee Chat with HR
- Open hour with CEO
- Quarterly Townhalls
- Department get-togethers and monthly birthday celebrations
- Policy refresher sessions

NSE Connect – Intranet Portal: New Collaboration Portal was delivered to facilitate collaboration across departments, teams and employees. Social collaboration features such as Team Site, My Site, Discussion Boards, Blogs and Wikis were provided.

Rewards & Recognition: With an aim to build and promote a culture of appreciation, and to reward and recognize good performers, a Rewards and Recognition program has been rolled out at NSETECH. We have the following categories of Rewards:

- Spot Award – Pat on the back
- Monthly Award – Employee of the Month
- Quarterly Awards – Trailblazer & Behind the Scene
- Annual Award – Dream Team



Learning and Development Initiatives

Internal Job Posting: It was rolled out with an aim to provide a platform for internal employees to pursue their areas of interest/competencies and achieve their career aspirations, also to enable job rotation among employees. This program also helps in building a talent pipeline within the organisation for any position that may come up in the future.

Soft Skills Trainings: In order to enhance employees' knowledge and skills required at various levels of responsibility, training modules have been worked out for following categories of employees:

- Individual Contributor
- Manager of Individuals
- Manager of Managers
- 360 degree Assessment
- Executive coaching

Domain trainings: NCFM (Basic/Foundation) made mandatory for all employees of NSETECH. Further for each unit, other mandatory NCFM courses identified.

Social Manthan: A holistic learning program rolled out for senior managers and above. Program attempts to promote learning in general at this level across variety of topics, not necessarily technical. It also introduces models/concepts/techniques usually taught in higher education/business schools etc.

Certifications: These are a very important tool to keep skills updated in IT space. Policy to facilitate the same was rolled out.

Staff Welfare Initiatives

Health Checkup process and vendors list were updated to encourage better utilization by employees.

Travel and other reimbursement policies were tweaked to address needs and safety. It also ensured that these are not misused.

Operational

Policy Roll out & Revision:

- Policy on Gifts, Internship Policy
- Background Verification for new recruits
- Interim Probation Review process has been rolled out

PeopleSoft: Phase I implementation is completed with delivery of key functionalities such as Core HR functionalities like transfer, exit, Provident fund processing, Terminal Benefits, Reimbursements, Employee Self Service for leave management etc.



Attrition: Attrition % in FY 2013-14 was 14.9% (improvement as against 21.2% in FY 2012-13)

The Company has 259 employees. The status of the number of employees during the year 2013-14 is given in the following table:-

Employee Strength as on April 01, 2013	259
Fresh recruitments (April, 2013 –March, 2014)	47
Total Employee Strength	306
Resignations (April, 2013 – March, 2014)	39
Net Employee Strength as on March 31,2013	267
Total Requirement	320
No. of TASA's (Trainee Associate System Analysts)	23
No. of Lateral Hires	24

FINANCIAL

Microsoft License: Microsoft License EA was due for renewal. At that stage, NSETECH took detailed stock of its new licensing policies. The revised requirement was made considering the NSE Private Cloud project, Exchange Migration and SharePoint projects. Based on the same, the various licensing combinations were evaluated and the optimal approach was selected. Approximate savings in cost is 13 Cr over a period of 3 years.

Domain Merger: Simplifying NSE Domain and merging for simplification. Resulted in cost savings of ₹ 18 Lakhs

II. FINANCIAL RESULTS

The financial results for the financial year 2013-14 are summarised hereunder:-

Particulars	2013-14 (₹ In lakhs)	2012-12 (₹ in lakhs)
Income	3729.59	3933.95
Expenditure (excluding depreciation)	3695.04	3834.46
Profit before depreciation and tax	34.55	99.49
Depreciation	0.93	0.68
Profit before tax	33.62	98.81
Provision for taxation	26.99	57.43
Profit after tax	6.63	41.38
Surplus brought forward from previous year	334.45	384.96
Amount available for appropriation	341.08	426.34
Appropriations		
General Reserve	-	4.14
Proposed Dividend	-	75.00
Corporate Dividend Tax	-	12.75
Balance carried to Balance Sheet	341.08	334.45



III. DIVIDEND

As the profit is required to augment operational needs, your Directors do not recommend any dividend for the financial year 2013-14.

IV. DIRECTORS

Mr. Ravi Narain retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

The Board recommends the re-appointment of Mr. Ravi Narain as Director on the Board of NSETECH by the members.

V. 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 the Company at the end of the financial year i.e., 31st March, 2014 and of the profits of the Company 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 the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors had prepared the annual accounts on a going concern basis.

VI. AUDIT COMMITTEE

Since the paid up capital of the Company is ₹ 5.00 lakhs only, it is not mandatory for the Company to constitute an Audit Committee as per the provisions of the Companies Act, 1956.

VII. AUDITORS

Currently, M/s. Gokhale & Sathe, 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 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 after considering the above requirement, recommends the re-appointment of M/s. Gokhale & Sathe, 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.



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

a) 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 requirement 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.

b) Foreign Exchange earnings/outgo:

There were no foreign exchange earnings during the year. However the foreign exchange outgo during the year was ₹ 1.07 lakhs.

IX. PARTICULARS OF EMPLOYEES

A Statement of Particulars of Employees covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is annexed.

X. APPRECIATION

Your Directors are grateful for the support and co-operation extended by National Stock Exchange of India Limited and its group companies. Your Directors would like to place on record their deep appreciation of the contribution made by the employees at all levels to the continued growth of the Company.

For and on behalf of the Board of Directors

Chitra Ramkrishna
Chairperson

Place : Mumbai
Date : April 25, 2014

**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. G. M. Shenoy B.E, M.F.M	53	Senior Vice President	8,646,380	5,800,684	30	October 1, 2006	Sr. Vice President NSE.IT Limited
2	Mr. Mahesh Soparkar B.E, MBA	44	Vice President	6,295,003	4,423,496	20	July 1, 2008	Consultant Merrill Lynch Inc.
3	Mr. M. R. Krishnan * M.E., B.TECH.	58	Vice President	4,769,440	3,478,758	35	November 12, 2006	Vice President iSmart International Ltd

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 include certain allowances accrued during previous year(s) but claimed in the current year.
2. The employees are in permanent employment of the company on Contractual basis governed by the employment terms & conditions and service rules. Employee whose name has been marked with * was employed with the Company for part of the year.
3. None of the employees mentioned above is a relative of any Director.
4. 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.
5. The Company does not have any Employee Stock Option Plan (ESOP) Scheme for its employees.



INDEPENDENT AUDITOR'S REPORT

To
The Members of NSE Infotech Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of NSE Infotech Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and 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") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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.

Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 entity'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 (Auditor's 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 sub-section (3) Section 227 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - e. On the basis of the written representations received from the directors as on March 31, 2014, 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 Act.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No. 103264W

Atul Kale
Partner
Membership No.: 109947

Place : Mumbai
Date : 25th April, 2014



NSE INFOTECH SERVICES LIMITED
FINANCIAL YEAR ENDED MARCH 31, 2014
ANNEXURE TO THE AUDITOR'S REPORT

In the Annexure as required by the Companies (Auditors Report) Order 2003 as amended by the Companies (Auditors Report) Amendment Order 2004 issued by the Central Government in terms of Section 227(4A) of the Companies Act 1956, on the basis of the checks, as we considered appropriate, we report on the matters specified in paragraph 4 and 5 of the said order to the extent applicable to the company.

- (i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets for the year under audit in the soft (Computerized) form.
- b) We have been informed that the physical verification of fixed assets was carried out by the management during the year which in our opinion is reasonable having regard to the nature of the assets. We have been informed that no material discrepancy was noted on such verification.
- c) The Company has not disposed off any of the Fixed Assets during the year. Therefore, provisions of this clause of the CARO are not applicable.
- (ii) Considering the nature of the business and services rendered by the company, provisions of clause 4 (ii) of the CARO is not applicable.
- (iii) The company has not granted or taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301. Therefore, provisions of clause 4 (iii) of the CARO is not applicable.
- (iv) On the basis of selective checks carried out during the course of our audit, 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 fixed assets and service rendered. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- (v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act 1956. Therefore, provisions of clause 4 (v) of the CARO is not applicable.
- (vi) The Company has not accepted any deposits from public and accordingly the provisions of section 58A, 58AA of the Act, and Rules framed there under and any directive issued by the Reserve Bank of India are not applicable to the Company.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of the business.
- (viii) Maintenance of Cost Records by the Company has not been prescribed by the Central Government u/s 209 (1) (d) of the Companies Act.



- (ix) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess which have not been deposited on account of any dispute except the following:

Sr. No.	Name of the Statute	Nature of the dues	Period to which the amount relates	Amount	Forum where dispute is pending
1	Income Tax Act	Fringe Benefit Tax	2007-08	1,36,143	Income Tax Office-10(1) (4)
2	Income Tax Act	Income Tax	2010-11	25,08,773	Income Tax Office-10(1)
3	Finance Acts concerning Service Tax	Service Tax	2006-07 to 2008-09	28,06,967	Additional Commissioner of Service Tax, Worli, Mumbai
			2009-10	7,81,711	
			2010-11	2,26,431	

- (x) The Company does not have accumulated losses as at 31st March 2014 and it has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not taken any loan from a financial institution, bank or debenture holders. Therefore, the provisions of clause 4 (xi) of the CARO are not applicable.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, provisions of clause 4 (xii) of the CARO are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) are not applicable.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) are not applicable.
- (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 bank or financial institutions. Therefore, the provisions of clause 4(xv) are not applicable.
- (xvi) The company has not obtained any term loans and therefore the provisions of clause 4(xvi) are not applicable to the company.
- (xvii) According to the information and explanations given to us, the company has not raised any funds on short term basis.



- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained u/s 301 of the Act. Therefore the provisions of clause 4 (xviii) of CARO are not applicable.
- (xix) The Company has not issued any debentures. Therefore the provisions of clause 4 (xix) of CARO 2003 are not applicable.
- (xx) The Company has not raised any money by public issues. Therefore the provisions of clause 4 (xx) of CARO are not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No. 103264W

Atul Kale
Partner
Membership No.: 109947

Place : Mumbai
Date : 25th April, 2014

**BALANCE SHEET AS AT 31.03.2014**

PARTICULARS	NOTE NO.	As at 31.03.2014 (₹)	As at 31.03.2013 (₹)
Equity and liabilities			
1 Shareholder's funds			
a Share Capital	2	500,000.00	500,000.00
b Reserves and surplus	3	34,522,557.72	33,860,017.95
		<u>35,022,557.72</u>	<u>34,360,017.95</u>
2 Non-current liabilities			
Long-term provisions	4	13,152,422.00	18,893,874.00
		<u>13,152,422.00</u>	<u>18,893,874.00</u>
3 Current liabilities			
a Other current liabilities	5	19,799,225.65	6,579,830.18
b Short-term provisions	4	84,927,109.00	105,845,161.00
		<u>104,726,334.65</u>	<u>112,424,991.18</u>
TOTAL		<u><u>152,901,314.37</u></u>	<u><u>165,678,883.13</u></u>
Assets			
1 Non-current assets			
a Fixed assets	6	141,769.99	192,402.99
b Long-term loans and advances	7	86,700.00	23,700.00
c Deferred tax Assets (net)	8	6,757,598.74	6,043,858.74
		<u>6,986,068.73</u>	<u>6,259,961.73</u>
2 Current assets			
a Current investments	9	19,347,000.90	18,575,355.40
b Short-term loans and advances	7	100,005,942.00	98,696,270.00
c Trade receivable	10	19,738,585.65	29,973,799.44
d Cash and bank balances	11	6,823,717.09	12,173,496.56
		<u>145,915,245.64</u>	<u>159,418,921.40</u>
TOTAL		<u><u>152,901,314.37</u></u>	<u><u>165,678,883.13</u></u>

Summary of significant accounting policies (Note 1)

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For GOKHALE & SATHE

Chartered Accountants

Firm Reg. No : 103264W

ATUL KALE

Partner

Membership Number: 109947

CHITRA RAMKRISHNA

Chairperson

RAVI NARAIN

Director

Place : Mumbai

Date : April 25, 2014

N. MURALIDARAN

Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014**

PARTICULARS	NOTE NO.	For the year ended 31.03.2014 (₹)	For the year ended 31.03.2013 (₹)
Income			
Revenue from operations	12	370,220,119.00	392,012,774.00
Other income	13	2,739,164.77	1,382,682.72
Total Revenue (I)		372,959,283.77	393,395,456.72
Expenses			
Employee Remuneration & Benefits	14	343,888,489.00	364,440,387.29
Depreciation		93,123.00	68,480.00
Other expenses	15	25,616,090.00	19,005,317.96
Total Expenses (II)		369,597,702.00	383,514,185.25
Profit before tax		3,361,581.77	9,881,271.47
Less : Provision for tax			
Current tax		550,000.00	2,000,000.00
Deferred tax		(713,740.00)	(268,182.00)
Short/ (Excess) provision of tax of earlier years		2,862,782.00	4,011,110.00
Total tax expenses		2,699,042.00	5,742,928.00
Profit after tax		662,539.77	4,138,343.47
Basic	22	13.25	82.77
Diluted		13.25	82.77

Summary of significant accounting policies (Note 1)

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For GOKHALE & SATHE

Chartered Accountants

Firm Reg. No : 103264W

ATUL KALE

Partner

Membership Number: 109947

CHITRA RAMKRISHNA

Chairperson

RAVI NARAIN

Director

Place : Mumbai

Date : April 25, 2014

N. MURALIDARAN

Director

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

PARTICULARS	2013-2014 (₹)	2012-2013 (₹)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	3,361,581.77	9,881,271.47
Add: Adjustments for:		
Depreciation	93,123.00	68,480.00
Dividend Received	(771,645.77)	(1,209,205.24)
Operating Profit before working capital change	2,683,059.00	8,740,546.23
<u>Change in Working Capital</u>		
Decrease / (Increase) in Trade Receivable	10,235,213.79	(12,384,262.00)
Increase in Loans & Advances	3,002,626.00	4,036,535.00
Increase in Current Liabilities & Provisions	(13,440,108.53)	19,655,109.04
Cash Generated from Operations	2,480,790.26	20,047,928.27
Taxes Paid (Including TDS)	(7,788,080.00)	(11,960,900.00)
Net Cash From Operating Activities - Total (A)	(5,307,289.74)	8,087,028.27
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(42,490.00)	(90,460.00)
Sale of Fixed Assets	-	-
Dividend Received	771,645.77	1,209,205.24
Investment in Mutual Fund	(771,645.50)	(1,209,205.24)
Cash flow from investing activity - Total (B)	(42,489.73)	(90,460.00)



PARTICULARS	2013-2014 (₹)	2012-2013 (₹)
C) CASH FLOW FROM FINANCING ACTIVITY		
Cash Flow from Financing Activity - Total (C)	-	-
Net Increase / (Decrease) In cash & Cash Equivalent	(5,349,779.47)	7,996,568.27
Opening balance of Cash & Cash Equivalent	12,173,496.56	4,176,928.29
Closing balance of Cash & Cash Equivalent	6,823,717.09	12,173,496.56
Net Increase / (Decrease) In cash & Cash Equivalent	(5,349,779.47)	7,996,568.27

Notes to Cash Flow Statement :

1. Cash and cash equivalent represent cash and bank balances.
2. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India

As per our report of even date attached

For and on behalf of the Board of Directors

For GOKHALE & SATHEChartered Accountants
Firm Reg. No : 103264W**ATUL KALE**Partner
Membership Number: 109947Place : Mumbai
Date : April 25, 2014**CHITRA RAMKRISHNA**

Chairperson

N. MURALIDARAN

Director

RAVI NARAIN

Director



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

1 Significant Accounting Policies :

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention on accrual system and in accordance with the generally accepted accounting principles.

b) Revenue Recognition

- (i) Revenue from IT Services is recognized based on the terms agreed with the customers.
- (ii) Sales excludes applicable taxes and other levies.

c) Expenditure

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities.

d) Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses

e) Depreciation

Depreciation on fixed assets is provided, using the straight line method, pro-rata to the period of use of assets, at the rates specified in Schedule XIV to the Companies Act, 1956 or based on the estimated useful life of the assets, whichever is higher. Where there is a revision of the estimated useful life of an asset, the unamortized depreciable amount is charged over the revised remaining useful life. The details of the estimated useful life of the assets where the depreciation is provided at the rate higher than the rate specified in Schedule XIV of the Companies Act, 1956 are as follows:

Assets	Estimated Useful Lives
Office Equipments	4-21 years

f) Investments

- (i) Long term investments are considered as held till maturity and are valued at cost.
- (ii) Short term investments are valued at cost or fair value whichever is lower.

g) Employee Retirement Benefits

- (i) **Provident Fund:** The Company has established NSE Infotech Services Limited Employee Provident Fund Trust to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively. Company's contribution to the provident fund for all employees, are charged to revenue. In case of any liability arising due to short fall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company.



- (ii) **Superannuation:** Superannuation benefit for employees designated as managers and above, as may be applicable is covered by Group Superannuation Scheme with the Life Insurance Corporation of India towards which it annually contributes a sum based on a specified percentage of each covered employees' salary. The contribution paid for the year on the Group Superannuation Scheme is charged to revenue.
- (iii) **Gratuity:** The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India towards which it annually contributes a sum determined by Life Insurance Corporation of India. The company provides for the defined benefit with respect to gratuity liability based on the present value of defined benefit obligation as reduced by the fair value of plan assets as per the actuarial valuation calculation.
- (iv) **Other Long term benefits:** Liability on account of other long term benefits such as Leave encashment is made on the basis of actuarial valuation at the end of the year.
- (v) Short term employee benefits are charged to revenue in the year in which the related service is rendered.

h) **Taxation**

- (i) A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates.
- (ii) Deferred tax assets are recognised only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

2 a) **Share Capital**

Authorised

10,000,000 (Previous Year 10,000,000) Equity Shares of ₹ 10 Each.

Issued, Subscribed and Paid-up

50,000 (Previous year 50,000) Equity shares of ₹ 10 each fully paid up.

Total

31.03.2014 (₹)	31.03.2013 (₹)
100,000,000.00	100,000,000.00
500,000.00	500,000.00
500,000.00	500,000.00

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

Holding Company

NSE Strategic Investment Corporation Limited

31.03.2014	
No.	% holding
50,000	100.00%

31.03.2013	
No.	% holding
50,000	100.00%



c) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	31.03.2014		31.03.2013	
	No.	(₹)	No.	(₹)
At the beginning of the period	50,000	500,000.00	50,000	500,000.00
Add: Issued during the period	-	-	-	-
Less: Share boughtback during the year	-	-	-	-
Outstanding at the end of the period	50,000	500,000.00	50,000	500,000.00

d) The Company has only one class of share referred to as equity share having par value of ₹10/-. Each holder of equity shares is entitled to one vote per share.

e) In the event of liquidation the holder of equity share will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts, however no such amount exist currently. The distribution will be in proportion to the number of equity share held by the share holder.

3 **Reserve and surplus**

	31.03.2014		31.03.2013	
	(₹)		(₹)	
General Reserves				
As per last balance Sheet	413,834.00		-	
Add : Transferred from Surplus Balance in the statement of profit & loss	-	413,834.00	413,834.00	413,834.00
Surplus/(deficit) in the statement of profit and loss				
Balance as per last financial statements	33,446,183.95		38,496,299.48	
Add : Profit for the year	662,539.77		38,496,299.48	
Less : Appropriations				
Transfer to General Reserve	-		413,834.00	
Proposed Dividend	-		7,500,000.00	
Tax on Proposed Dividend	-	34,108,723.72	1,274,625.00	33,446,183.95
Total reserves and surplus		34,522,557.72		33,860,017.95



4 Provision

	Long - term		Short - Term	
	31.03.2014 (₹)	31.03.2013 (₹)	31.03.2014 (₹)	31.03.2013 (₹)
(A) Provision for Employee benefits				
Leave encashment	13,152,422.00	15,979,383.00	1,822,829.00	2,332,567.00
Gratuity		2,914,491.00	1,753,030.00	5,339,100.00
Salaries & Allowances	-	-	81,351,250.00	89,398,869.00
	13,152,422.00	18,893,874.00	84,927,109.00	97,070,536.00
(B) Other Provision				
Proposed dividend	-	-	-	7,500,000.00
Corporate dividend tax	-	-	-	1,274,625.00
	-	-	-	8,774,625.00
Total (A+B)	13,152,422.00	18,893,874.00	84,927,109.00	105,845,161.00

5 Other liabilities

	Long - term		Short - Term	
	31.03.2014 (₹)	31.03.2013 (₹)	31.03.2014 (₹)	31.03.2013 (₹)
Tax deducted at source - payable	-	-	3,807,190.00	3,440,750.00
Service Tax Payable	-	-	12,910,813.00	11,440.00
Other Payable	-	-	3,081,222.65	3,127,640.18
Total	-	-	19,799,225.65	6,579,830.18

Other Payables includes ₹ Nil (Previous Year: ₹ Nil) due 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.

Note- 6 : Fixed Assets

Sr. No.	Description	GROSSBLOCK			DEPRECIATION			NET BLOCK		
		As on 01.04.2013	Additions	Deductions	As on 1.03.2014	As on 01.04.2013	For the Year	Deductions	As on 31.03.2014	As on 31.03.2013
1	OFFICE EQUIPMENT	354,666.99	42,490.00	-	397,156.99	162,264.00	93,123.00	-	255,387.00	192,402.99
	GRAND TOTAL	354,666.99	42,490.00	-	397,156.99	162,264.00	93,123.00	-	255,387.00	192,402.99
	Previous Year	264,206.99	90,460.00	-	354,666.99	93,784.00	68,480.00	-	162,264.00	170,422.99



7 loans and advances

	Long - term		Short - Term	
	31.03.2014 (₹)	31.03.2013 (₹)	31.03.2014 (₹)	31.03.2013 (₹)
(A) Security deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good	19,500.00	19,500.00	-	-
	19,500.00	19,500.00	-	-
(B) Other advances				
Loans to employees	-	-	-	19,807.00
Income Tax paid including TDS (Net of Provisions)	-	-	93,914,189	89,538,891.00
Fringe Benefit Tax (Net of Provisions)	-	-	4,637.00	4,637.00
Prepaid Expenses	67,200.00	4,200.00	5,388,964.00	6,477,977.00
Other Advances	-	-	698,152.00	2,654,958.00
	67,200.00	4,200.00	100,005,942.00	98,696,270.00
Total (A+B)	86,700.00	23,700.00	100,005,942.00	98,696,270.00

8 Deferred Tax liabilities / Asset (net)

	31.03.2014 (₹)	31.03.2013 (₹)
a) Deferred Tax liabilities	-	-
b) Deferred Tax Assets :-		
Gratuity unpaid	541,686.00	355,275.00
Related to depreciation & Other	1,588,549.00	30,190.00
Leave Encashment	4,627,363.74	5,658,393.74
	6,757,598.74	6,043,858.74
Net Deferred Tax Liability / (Asset) (a-b)	(6,757,598.74)	(6,043,858.74)

Note 9 : Current Investments

Sr. No.	Particulars	31.03.2014		31.03.2013		
		Number of Units	NAV	Value (₹)	Number of Units	Value (₹)
A)	UNQUOTED					
	MUTUAL FUNDS					
1	IDFC Money Manager Fund - Treasury Plan - Inst Plan B - Daily Div	-	-	-	243,437,350	2,451,487.15
2	ICICI Prudential Flexible Income Plan - Premium - Daily Dividend	-	-	-	151,939,939	16,065,369.42
3	IDFC Money Manager Fund - Treasury Plan A - Daily Dividend - Reinvest	-	-	-	5,809,277	58,498.83
4	ICICI Prudential Flexible Income Plan - Growth - Direct	72,330,2830	231.4267	16,739,160.90	-	-
5	IDFC Money Manager - Treasury Plan - Direct - Growth	133,478,0320	19.5376	2,607,840.00	-	-
	TOTAL	205,808.32		19,347,000.90	401,186.57	18,575,355.40



10 Trade receivables

	Non-current		Current	
	31.03.2014 (₹)	31.03.2013 (₹)	31.03.2014 (₹)	31.03.2013 (₹)
a) Outstanding for a period of over six months				
Secured, considered good		-		-
Unsecured, considered good				-
		-		-
b) Other debts				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	19,738,585.65	29,973,799.44
(Including dues from National Securities Clearing Corporation Limited ₹ 1,66,04,379/-, Previous Year ₹ 1,83,41,732/-and from National Stock Exchange India Limited ₹ 31,34,206.69 , Previous Year ₹ 1,16,32,067.44)				
	-	-	19,738,585.65	29,973,799.44
Total (a+b)	-	-	19,738,585.65	29,973,799.44

11 Cash and bank balances

	31.03.2014 (₹)	31.03.2013 (₹)
Cash and cash equivalents		
Balances with banks :		
On current accounts	6,823,717.09	12,173,496.56
Total	6,823,717.09	12,173,496.56



	For the year ended 31.03.2014 (₹)	For the year ended 31.03.2013 (₹)
12 Revenue from operations		
Sale of services		
Income From It Services		
Income From Software Maintenance	202,292,722.00	226,423,674.00
Income From Facility Management & Ops	167,927,397.00	165,589,100.00
Total	370,220,119.00	392,012,774.00
13 Other income		
Interest Income on Employee Loans	49.00	2,217.00
Interest Received On Income Tax Refund	1,818,670.00	1,209,205.24
Dividend from Units	771,645.77	-
Income from Short Notice Dues	74,563.00	135,954.00
Profit/(Loss) on Foreign Exchange Fluctuation (net)	-	(6,930.00)
Miscellaneous Income	74,237.00	42,236.48
Total	2,739,164.77	1,382,682.72
14 Employee benefits expenses		
Salaries & Allowances	314,742,423.00	332,059,139.00
Contribution to Provident Fund	5,972,288.00	6,173,070.00
Shortfall of Provident Fund Trust	570,492.00	2,367,669.00
Contribution to Pension Fund	1,691,725.00	1,730,814.00
Contribution to Group Gratuity Scheme	2,026,362.00	6,172,263.00
Contribution to Group Gratuity Scheme - LSA Premium	332,308.00	107,063.00
Contribution to Superannuation Scheme	1,119,960.00	1,177,740.00
Staff Welfare Expenses	6,643,666.00	6,485,573.77
Insurance Premium - Medclaim	6,764,197.00	4,246,521.00
Pantry Expenses	4,025,068.00	3,920,534.52
Total	343,888,489.0	364,440,387.29
15 Other expenses		
Rent (Net)	918,483.00	1,098,278.00
Insurance	1,357.00	14,633.00
Rates & Taxes	9,595.00	2,000.00
Professional & Consultancy Charges	8,743,946.00	6,071,157.0
Training Expenses	8,439,000.00	5,263,509.46
<u>Auditors Remuneration</u>		
- Audit Fees	75,000.00	75,000.00
- Out of Pocket Expenses	7,691.00	4,630.00
Other Expenses	7,421,018.00	6,476,110.50
Total	25,616,090.00	19,005,317.96

**16 Contingent liability:**

On account of Income Tax ₹ 40,193,161/- (previous year ₹ 7,14,720/-), of Fringe Benefit Tax ₹ 140,780/- (previous year ₹ 1,40,780/-), of Service Tax ₹ 38,15,109/- (previous year ₹ 38,15,109/-).

17 In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business..

18 a) Expenditure in foreign currency:

Particulars	(₹)	
	Current Year	Previous Year
Travelling expenses	106,986.00	130,890.00
Training Expenses	-	-

b) Earnings in foreign exchange :

Particulars	(₹)	
	Current Year	Previous Year
Earnings in foreign exchange :	Nil	Nil

19 (i) As on the Balance Sheet date, the amounts due to Small-Scale Industrial undertaking are not outstanding for more than 30 days

(ii) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date, computed on unit wise basis.

20 In the opinion of the management, the company has only one reportable business segment viz. offering "IT related services". This takes into consideration the commonality in the risks and rewards of the services offered, nature of service, type / class of customers for the services, management structure and system of financial reporting. Accordingly, the results of the said segment have been disclosed in the financial statements. Further, the company has no reportable geographical segments and on that basis, no secondary segment information is furnished.

21 In compliance with Accounting Standard 18 - "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the required disclosures are given in the table below:

a) Names of the related parties and relationship

Sr. No.	Related Party	Nature of Relationship
1	NSE Strategic Investment Corporation Limited	Holding Company
2	National Stock Exchange of India Limited	Ultimate Holding Company
3	National Securities Clearing Corporation Limited	Fellow Subsidiary of Holding Company
4	NSE.IT Limited	Fellow Subsidiary of Holding Company
5	NSE.IT (UK) Limited	Fellow Subsidiary of Holding Company
6	NSE.IT (US) Inc.	Fellow Subsidiary of Holding Company
7	DotEx International Limited	Fellow Subsidiary of Holding Company
8	India Index Services & Products Limited	Fellow Subsidiary
9	National Commodity Clearing Limited	Fellow Subsidiary of Holding Company
10	Power Exchange India Limited	Associate Company
11	Market Simplified India Limited	Associate Company

b) Details of transactions with related parties as follows:

Sr. No.	Name of the related party	Nature of transaction	Year ended 31/03/2014	Year ended 31/03/2013
1	National Stock Exchange of India Limited	Income from IT Services (Net)	318,478,555	336,172,348
		Service Tax recoverable on above services	39,363,950	41,550,903
		Advance against Services	65,000,000	-
		Rent Paid	2,270,944	2,167,952
		Expenses incurred by NSEIL reimbursed	93,059,293	108,696,140
		Closing Balance Debit / (Credit)	3,134,207	11,632,067
2	National Securities Clearing Corporation Limited	Income from IT Services (Net)	51,741,564	55,840,426
		Service Tax recoverable on above services	6,395,256	6,901,874
		Closing Balance Debit / (Credit)	16,604,379	18,341,732
3	NSE.IT Limited	Purchases	2,770	5,117
		Closing Balance Debit / (Credit)	-	-

**22 Earning per share**

In accordance with Accounting Standard 20 - "Earning per Share" issued by the Institute of Chartered Accountants of India, the required disclosure is given below.

	Year ended 31.03.2014	Year ended 31.03.2013
Net Profit attributable to Shareholders (₹)	662,539.77	4,138,343.47
Weighted Average number of equity shares issued (₹)	50000	50000
Basic earnings per share of ₹ 10/- each (in ₹)	13.25	82.77

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.

23 In accordance with the Accounting standard 29 "Provisions, Contingent Liabilities and Contingent Assets", the Company has made provisions for employee related payments. The particulars of these provisions are as under:

Particulars	Performance Pay	Long Term Retention Bonus	Project Incentive	Leave Encashment
FY -2013-14	(₹)	(₹)	(₹)	(₹)
Carrying amount at the beginning of the year	17,052,423	13,701,358	47,980,745	18,311,950
Amount used during the year	14,085,619	13,785,736	42,094,881	3,670,894
Amount unused reversed during the year	2,966,804	(84,378)	5,885,864	-
Provisions made during the year	38,521,163	15,025,417	15,662,410	334,195
Carrying amount at the end of the year	38,521,163	15,025,417	15,662,410	14,975,251
FY -2012-13	(₹)	(₹)	(₹)	(₹)
Carrying amount at the beginning Previous Year	17,599,744	14,225,000	46,405,000	15,410,509
Amount used during the Previous Year	13,673,265	13,593,368	41,736,407	3,420,422
Amount unused reversed during the Previous Year	3,926,479	631,632	4,668,593	-
Provisions made during the Previous Year	17,052,423	13,701,358	47,980,745	6,321,863
Carrying amount at the end of the Previous Year	17,052,423	13,701,358	47,980,745	18,311,950

Leave encashment includes liability transferred from NSE.IT Limited.

24 Disclosure under Revised Accounting Standard 15 on Employee Benefits:

i) **Defined Contribution Plan:** Company's contribution towards superannuation amounting to ₹ 11,19,960/- (Previous Year : ₹ 11,77,740/-) has been charged to Profit & Loss account.

ii) **Defined Benefit Plan :**

(a) **Provident Fund:** The Company has contributed ₹ 0.60 Crores and ₹ 0.62 Crores towards Provident Fund during the year ended March 31, 2014 and March 31, 2013, respectively. As per Implementation Guidance on AS 15 (Revised 2005) Employee Benefits issued by the Accounting Standard Board (ASB), benefit involving employer established provident funds which require interest short fall to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation based on the below provided assumptions and the liability on account of interest shortfall amounting to ₹ 0.29 Crores has been provided in the books of accounts.

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows :

- i) Approach used - Deterministic Approach
- ii) Increase in compensation levels - 5% p.a.
- iii) Discount Rate - 9.31%

(b) **Gratuity:** Company has charged the gratuity expenses to Profit & Loss account based on the actuarial valuation of gratuity liability at the end of the year. The projected unit credit method used to show the position as at March 31, 2014 is as under. Pursuant to the actuarial valuation any amount recoverable from NSE.IT Limited on transfer of employee will be suitably dealt with.

(i) Assumptions:

	Year ended 31.03.2014	Year ended 31.03.2013
Discount Rate	9.31%	8.00%
Rate of Return on Plan Assets	8.70%	8.70%
Salary Escalation	5.00%	5.00%
Attrition Rate	2.00%	2.00%

(ii) Table showing change in benefit obligation:

	Year ended 31.03.2014	Year ended 31.03.2013
Obligation at the beginning of the year	26,978,503	22,018,062
Add: Interest cost	2,158,280	1,871,535
Add: Current Service Cost	3,209,735	2,933,604
Less: Benefits Paid	7,395,450	3,301,700
Add:- Actuarial (gains) / loss on obligations	(1,527,430)	3,457,002
Obligation at the end of the year	23,423,638	26,978,503



(iii) Tables of Fair value of plan assets:

	Year ended 31.03.2014	Year ended 31.03.2013
Fair Value of plan assets at the beginning of the year	18,724,912	13,830,117
Add: Expected return on plan assets	1,629,067	1,189,390
Add: Contributions	8,526,923	6,106,617
Less: Benefits paid	7,395,450	3,301,700
Add: Actuarial (gain) / loss on Plan Assets	185,156	900,488
Fair Value of plan assets at the end of the year	21,670,608	18,724,912
Total Actuarial Gain/(Loss) to be recognised		

(iv) Actual Return on Plan Assets:

	Year ended 31.03.2014	Year ended 31.03.2013
Expected return on plan assets	1,629,067	1,189,390
Actuarial (gain)/loss on plan assets	185,156	900,488
Actual Return on plan assets	1,814,223	2,089,878

(v) Amount recognised in the balance sheet

	Year ended 31.03.2014	Year ended 31.03.2013
Liability as at the end of the year	21,670,608	18,724,912
Fair value of plan assets as at the end of the year	(23,423,638)	(26,978,503)
Funded Status	(1,753,030)	(8,253,591)
Net (liability) / asset disclosed in the Balance Sheet	(1,753,030)	(8,253,591)

(vi) Expenses recognised in the profit & loss account

	Year ended 31.03.2014	Year ended 31.03.2013
Current Service cost	3,209,735	2,933,604
Interest Cost	2,158,280	1,871,535
Expected return on plan assets	(1,629,067)	(1,189,390)
Actuarial (Gain) or Loss	(1,712,586)	2,556,514
Expenses recognised in the profit & loss account	2,026,362	6,172,263

(vii) Balance Sheet Reconciliation

	Year ended 31.03.2014	Year ended 31.03.2013
Opening Net Liability	8,253,591	8,187,945
Expense as above	2,026,362	6,172,263
Employers Contribution	(8,526,923)	(6,106,617)
Amount recognised in the Balance Sheet	1,753,030	8,253,591

**(viii) Category of Assets**

	Year ended 31.03.2014	Year ended 31.03.2013
Insurer Managed Funds	21,670,608	18,724,912
Total	21,670,608	18,724,912

(ix) Experience Adjustment

	Year ended 31.03.2014	Year ended 31.03.2013
On Plan Liability (Gain) / Loss	2,466,602	1,932,707
On Plan asset (Loss) / Gain	185,156	900,488

25 Previous years' figures are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached

For and on behalf of the Board of Directors

For GOKHALE & SATHE

Chartered Accountants
Firm Reg. No : 103264W

ATUL KALE

Partner

Membership Number: 109947

Place : Mumbai

Date : April 25, 2014

CHITRA RAMKRISHNA

Chairperson

RAVI NARAIN

Director

N. MURALIDARAN

Director